



# Implementation Evaluation of the Cities Support Programme

## Full Report

23 February 2018

National Evaluation Plan Report



**planning, monitoring  
and evaluation**

Department:  
Planning, Monitoring and Evaluation  
REPUBLIC OF SOUTH AFRICA

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How to cite this report: DPME/National Treasury (2018) "Evaluation of the Cities Support Programme - Full Report", Pretoria: Department of Planning, Monitoring and Evaluation/National Treasury.

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## Glossary

APP	Annual Performance Plan	DTI	Department of Trade and Industry
BAS	Basic Accounting System	ED	Economic Development
BE	Built Environment	ENE	Estimates of National Expenditure
BEPP	Built Environment Performance Plan	EPMO	Enterprise Project Management Office
BEVC	Built Environment Value Chain	EPWP	Expanded Public Works Programme
BRT	Bus-rapid Transit	GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
CBD	Central Business District	GTAC	Government Technical Advisory Centre
CBF	City Budget Forum	GVA	Gross Value Added
CD	Chief Directorate/ Director	HDA	Housing Development Agency
CG	Core Governance	HS	Human Settlements
CIDMS	City Infrastructure Delivery and Management System	HSDG	Human Settlement Development Grant
CIF	Capital Investment Framework	ICDG	Integrated City Development Grant
CNA	Capacity Needs Assessment	IDIP	Infrastructure Delivery Improvement Programme
CBF	City Budget Forum	IDMS	Infrastructure Delivery Management System
COGTA	Department of Cooperative Governance and Traditional Affairs	IDP	Integrated Development Plan
COJ	City of Johannesburg	IGR	Inter-Governmental Relations
CR	Climate Resilience	IPTN	Integrated Public Transport Network
CRP	Climate Resilience Programme	IRPTN	Integrated Rapid Public Transport Networks
CSIP	Capacity Support Implementation Plan	IUDF	Integrated Urban Development Framework
CSP	Cities Support Programme	JIPSA	Joint Initiative on Priority Skills Acquisition
CWP	Community Works Programme	KII	Key Informant Interviews
DAC	Development Assistance Committee	LCSP	Large Cities Support Programme
DBSA	Development Bank Southern Africa	LDA	Land Development Applications
DCOG	Department of Cooperative Governance	LGTAS	Local Government Turnaround Strategy
DDG	Deputy-Director General	LM	Local municipality
DEA	Department of Environmental Affairs	LUMS	Land Use Management System
DED	Department of Economic Development	M&E	Monitoring and Evaluation
DOHS	Department of Human Settlements	MFIP	Municipal Finance Improvement Programme
DORA	Division of Revenue Act	MFMA	Municipal Finance Management Act
DOT	Department of Transport	MFMTAP	Municipal Finance Management Technical Assistance Programme
DPLG	Department of Provincial and Local Government		
DPME	Department of Planning, Monitoring and Evaluation		
DPSA	Department of Public Service and Administration		

MINMEC	Ministers and Members of Executive Councils Meeting	SALGA	South Africa Local Government Association
MISA	Municipal Infrastructure Support Agency	SARS	South African Revenue Services
MM	Municipal Manager	SDBIP	Service Delivery and Budget Implementation Plan
MMC	Member of Mayoral Committee	SDF	Spatial Development Framework
MOGA	Memorandum of General Agreement	SECO	Swiss Economic Cooperation and Development
MOU	Memorandum of Understanding	SEZ	Special Economic Zone
MSTT	Multi-Stakeholder Task Team	SNDB	Sub National Doing Business
MTBS	Medium Term Budget Policy Statement	SOE	State Owned Enterprise
MTEF	Medium-term Expenditure Framework	SPAID	Support Programme for Accelerated Infrastructure Development
NDP	National Development Plan	SPLUMA	Spatial Land Use and Management Act
NDPG	Neighbourhood Development Partnership Grant	TOC	Theory of Change
NDPP	Neighbourhood Development Partnership Programme	TOD	Transit-Oriented Development
NMB	Nelson Mandela Bay	UNS	Urban Network Strategy
NPC	National Planning Commission	USDG	Urban Settlement Development Grant
NSDP	National Spatial Development Perspective	VFM	Value for Money
NT	National Treasury	YPP	Young Professionals Programme
NUA	New Urban Agenda		
NUSP	National Upgrading Support Programme		
OECD	Organisation for Economic Co-operation and Development		
PDF	Project Development Facility		
PIU	Programme Implementation Unit		
PLGI	Local Government Infrastructure		
PM	Programme Management		
PMO	Project Management Office		
PMU	Programme Management Unit		
PPP	Public Private Partnership		
PRA	Property Rates Act		
PSC	Programme Management Steering Committee		
PSP	Professional Service Providers		
PT	Public Transport		
PTNG	Public Transport Network Grant		
RAS	Reimbursable Advisory Services		
SACN	South African Cities Network		

## 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 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.

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 from 2011 up until March 2017.

#### 1.2. *Methodology*

The first step in the evaluation process involved undertaking a clarification of the CSP's Theory of Change (TOC). Subsequently, a literature and document review was undertaken. Next a detailed, analytical account of the CSP was established, which gave rise to insight into the overall functioning and processes of the programme at the management level as well as to an understanding of the structure of the CSP. Finally, the performance of the CSP was analysed against the OECD/DAC evaluation criteria.

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 deliverables and 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 on the basis of 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.

### 2. Findings of the Evaluation

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

CSP's fundamental purpose and objectives, correspond strongly to the challenges identified in the problem analysis. Importantly, the literature review suggests that the problem analysis continues to be valid. 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 continue to be relevant

Furthermore, a significant degree of alignment was observed between the CSP's objectives and South Africa's national policy objectives. The CSP at the time of its design was directly

aligned with the strategic intent of National Treasury, COGTA, DoHS, Department of Economic Development, DoT, SACN and SALGA. Alignment appears to still be occurring and has strengthened in respect of most of these entities.

On the other hand, it is noted that tensions and unresolved issues persist between the CSP and the DoHS. In particular, the DoHS does not fully support the methodology, planning and approach of the CSP. Furthermore, issues have arisen with respect to the CSP's manner of communication and consensus-building approach in this context (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 agenda and assert that the current approach may lead to the marginalisation of the poor. This argument essentially questions the relationship between the CSP's intermediate outcomes and its intended impact. The evaluation notes that there is currently not enough empirical evidence to validate either of the contending perspectives.

The programme is less externally coherent given the complex space within which it is operating. 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, 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 relationship with certain stakeholders and the limited degree of mutual cooperation taking place in this context.

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

While significant progress has been made at the deliverable level (i.e. in terms of the processes and products that feed into the outputs), it is unlikely that the CSP will deliver on all of its planned deliverables by 2018. This is more likely due to the extremely ambitious nature of the programme, than to a significant failure in implementation.

Significant progress in delivering planned outputs, including the leadership development programme, knowledge outputs, the Built Environment Performance Plan, catalytic programmes, technical assistance, intergovernmental platforms and recommendations to create an enabling fiscal environment, is evident in the Core City Governance component. The development of recommendations to create an enabling fiscal environment and an enabling policy, regulatory and support environment is also evident in the context of The Public Transport Component.

The Human Settlements and the Economic Development Components have also had success in the delivery of certain key outputs including knowledge products, technical assistance, 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.

With respect to the metros, there has been significant success in implementing the planned outputs in the stronger metros (i.e. the better capacitated and politically stable metros). Take up and engagement of CSP projects has varied considerably in the weaker metros. Key reasons for poor take up include capacity constraints 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.

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

At the metro level, there is evidence of emerging changes in vision and leadership to drive spatial restructuring. The CSP is also acknowledged to have played an important role in supporting the metros' capability to plan and manage urban spatial transformation. It is noted that evidence of change has been more pronounced in the better capacitated and more politically stable metros. The metros have shown less improvement when it comes to taking a partnership-based approach to the delivery of catalytic projects.

While the CSP has achieved significant success in the realm of fiscal reform (particularly with regards to the PTNG and the ICDG), its achievements in the realm of policy and regulatory reform have been more modest. In addition, assignment of the human settlement and public transport functions to cities has not occurred to the extent envisaged.

While the devolution of functions would ultimately have to be a policy decision of the line departments, and thus is not in the direct control of the CSP, the CSP's TOC suggests that the 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 as a result of the existence of significant political obstacles.

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

On the basis of the available evidence, it appears that the current CSP programme structure 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. 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.

The utilisation of a number of partnership arrangements enables the CSP to leverage its resources very significantly and deploy skilled resources relatively rapidly. Furthermore, the range of partnerships enables the CSP to deal with procurement requirements that are constant challenges within government.

In respect of stakeholder engagement, 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. This is particularly concerning, given the underlying IGR-nature of the programme as evidenced by the CSP's

2016/17 Annual Plan, which presents the CSP as a mechanism for providing support to cities by generating and sharing innovative and appropriate practice, as well as providing support to the broader intergovernmental environment.

The inability to clearly link the level of effort to specific outputs and outcomes (as a result of weaknesses in the CSP's monitoring and reporting systems) has made it difficult to issue a clear evaluative judgment as to whether resource utilisation is efficient. It is noted that the absence of data required to analyse the relationship between level of effort and output/outcomes likely hinders the programme's ability to make effective and strategic decisions regarding the mobilisation of resources.

Nevertheless, overall the data indicates that CSP has been reasonably financially efficient in respect of expending its budgets. The cost of the skills and expertise secured is reasonable. Challenges still exist with respect to the CSP's M&E processes. To date, knowledge management and dissemination processes within CSP have also not been optimal.

### **2.5. To what extent is the CSP institutionally, financially, and in "policy terms" sustainable going forward? (Sustainability)**

The conclusion in respect of the sustainability of the CSP is a mixed one. From the perspective of the overall programme the CSP is likely to be sustainable but faces some risks, particularly as a result of the changing policy and political environment. The risks posed by the short-term contracts (i.e. contracts with a maximum duration of 2.5 years) through which the consulting team is retained are a concern.

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 weaker metros.

Although the CSP has achieved significant success in the fiscal reform sphere, the institutionalisation of outputs is less evident in the policy and regulatory reform sphere. This speaks to the need for the CSP to work more closely with the line departments in order to negotiate and build consensus around the country's approach to urban development.

## **3. Conclusions**

The CSP's fundamental principles, purpose and objectives correspond strongly to the socio-economic challenges facing South Africa. A significant degree of alignment can be observed between the CSP's objectives and South Africa's national policy objectives. However, although the CSP has made attempts at aligning and integrating its activities with those of other governmental stakeholders operating in similar spaces and pursuing similar objectives, limited cooperation and duplication of efforts remain 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 similarly been made with respect to developing recommendations to the intergovernmental system to create an enabling fiscal framework and an enabling policy and regulatory environment.

At the same time, moderate progress has been made with respect to 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 has been made with respect to convening platforms for advocacy and undertaking lobbying for cities within the inter-governmental system and society at large.

At the output level, substantial progress has been made with respect to the successful leadership development programme, the production of the knowledge outputs, and the implementation of the Built Environment Performance Plan across metros. Substantial progress has also been made with respect to 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.

Moderate progress has been made at the city level with respect to the implementation of the catalytic programme and the training and deployment of skilled technical resources. Similarly, at the intergovernmental level, moderate progress has been made with respect to 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 to have played 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 observed varies notably between the stronger metros and the weaker metros – with the stronger metros demonstrating more significant progress. At the same time, limited progress has been made 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 made with respect to achieving a reviewed policy and regulatory framework, while substantial progress has been made with respect to achieving a restructured fiscal and financial framework to support urban growth (in the context of the PTNG and the ICG). In contrast, limited progress has been made with respect to the assignment of human settlements and public transport functions to the metros.

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

An analysis of the Theory of Change in relation to the findings further suggests that certain critical assumptions underlying the Theory of Change have not held.

At the metro-level, the programme has experienced difficulties in securing political buy-in the context of certain metros, due to a constantly changing political environment. The CSP has also found certain metros to be lacking the minimum capacity requirements necessary to be effective partners to the CSP. Consequently, the immediate outcomes relating to changes in city vision, leadership and capabilities have not manifested in practice to the extent envisioned.

Moreover, with respect to the implementation of catalytic projects, private sector as well as other public sector and state-owned companies have not always proved willing to align and invest in catalytic projects. Challenges relating to specialist expertise, funding, and political support, have further hindered the implementation of these projects. Consequently, the immediate outcomes relating to the delivery of catalytic projects in partnership with the public and private sectors has occurred only 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, given the highly contested nature of key components. Related to this has been the CSP's lack of influence in the inter-governmental arena to effect policy change. As a result, very little progress has been made with respect to the assignment of human settlements and public transport functions to the metros. At the same time, only moderate progress has been made with respect to achieving a reviewed policy and regulatory framework.

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

#### 4. Recommendations

**R1. The programme should continue for a second term.** However, there is a need to improve consensus regarding the purpose of CSP and to communicate clearly the purpose of the CSP more broadly. For example, there is a need to ensure that there exists consensus and understanding more broadly that the CSP is a "change agent" focusing 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 needs to start paying increasing attention to the more challenging areas of reform, specifically regulatory and policy reform.** In this context, it should focus 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. Presentations to Cabinet and SALGA should also be arranged.

**R3. The CSP's Theory of Change should be revised** to (i) reflect to the true nature of the programme (as outlined in R1); (ii) address the assumptions that are not holding in practise and (iii) incorporate explicitly the additional activities and outputs that will need to be implemented in order 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 similar to 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 will 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 needs to consider how it can 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,

the evaluation proposes that certain programmes and functions should be handed over incrementally to COGTA.

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

R8. **With respect to support provided in the context of catalytic projects, the CSP should move towards a clear approach to identifying specific technical and transactional support requirements that 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 a set of projects on the basis of key criteria such as likelihood of systemic impact.

R9. **The outputs of the CSP need to be institutionalised to a greater extent** to ensure their sustainability. In particular, focus should be applied to 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.

R10. **A temporary change agent such as the CSP needs time-bound targets and a clearer framework for monitoring and measuring its success.** Systems should clearly link the relationship between costs and outputs. This requires more integration between the time sheet system and the project tracking database. Such costs could in turn *indirectly* be linked to the Programme's outcomes, using the CSP's Theory of Change (Toc). There is also a need to document the process of emergent learning which supports decision-making.

## 1. Introduction

### 1.1 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 from 2011 up until March 2017.

The purpose of the evaluation is to:

- **Review the design and implementation of the programme** by evaluating the relevance, coherence, efficiency, effectiveness and sustainability of the programme.
- **Identify strategic and operational lessons and recommendations** required to strengthen the CSP's delivery and ensure that the programme realises its potential to support the emergence of inclusive, productive and sustainable cities.

This report constitutes the completion of the evaluation process. Its purpose is to provide the key findings of the evaluation, and outline recommendations to improve the implementation and performance of CSP in the future. Once finalised, this report will be an input into National Treasury's improvement plan for the CSP.

### 1.2 Background to the CSP

The Cities Support Programme (CSP) was established in 2011 as a programme under the Intergovernmental Relations (IGR) division of National Treasury (NT) (National Treasury, 2012). While the intention was that the programme would be implemented over a five year period from 2012/13 to 2016/17 (National Treasury 2012c), implementation only commenced in 2013/14. Therefore, the implementation period was revised and extended into the 2017/18 financial year (National Treasury 2015a).

During the 2011/12 financial year, work was undertaken on the conceptualisation and design of the programme and an initial framework document was developed (National Treasury 2012a). The framework document was refined during 2012/13 (National Treasury 2013) and in 2013/14 the implementation phase of the CSP commenced (National Treasury 2014).

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. In pursuing this objective, the CSP will place a special focus on enhancing service delivery, especially to informal settlements and in public transport. The CSP will achieve this through leveraging public financing, service delivery, regulatory responsibilities and management capacities into an integrated and performance-oriented programme that focuses specifically on human settlements, public transport and climate resilience." (National Treasury 2012c).

The CSP implements its support in the eight Metropolitan Municipalities of South Africa, through five components namely (1) Core City Governance, (2) Human Settlements, (3) Public Transport, (4) Economic Development and (5) Climate Resilience and Sustainability.

### **1.3 Structure of the Report**

Section 2 of the report sets out the approach and methodology of the evaluation. In this section the overall framework of the evaluation and the evaluation questions are outlined. The methodology adopted is set out including the data collection methods used and the successes and limitations of the methodology.

Section 3 sets out the findings from the Literature Review. This section outlines the context and policy framework of the CSP both nationally and globally and also outlines lessons from support programmes reviewed nationally.

Section 4 provides a description of the CSP including its establishment and evolution and a high-level overview. Section 5 provides the findings of the evaluation with a focus on the evaluation questions. Finally, Sections 6 and 7 outline the conclusions and recommendations from the evaluation.

The appendices contain further background information relevant to the evaluation. This document is also accompanied by five annexes, which reflect the findings of the metro case studies undertaken in Buffalo City, Cape Town, Ekurhuleni, Johannesburg, and Nelson Mandela Bay. These case studies provide further insight into the workings of the CSP at the metro level.

It is noted up-front that certain information describing the CSP's structure, operating method, implementation partnerships, and approaches to stakeholder engagement has been included in sections 5.3 (Effectiveness) and 5.4 (Efficiency), instead of in section 4.2 (Overview of the CSP). This structure improves the flow of the report and reduces repetition to make for easier reading.

## 2. Methodology

The evaluation approach was informed by three pillars namely: 1) the evaluation context; 2) the theory of change; and 3) the use of the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) evaluation criteria. These pillars formed the basis of the evaluation and guided the development of the evaluation instruments (case studies and interview guides) as well as the analysis of quantitative and qualitative data.

### 2.1 Evaluation Questions

The key evaluation questions, as specified 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 Theory of Change (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?

The evaluation framework is included in **Appendix 1** setting out the detailed sub- questions evaluated for each of the above key evaluation questions, the data collection instruments and data sources.

### 2.2 Overall Framework

The evaluation is guided by OECD DAC's four 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’ has been added as specified in the Terms of Reference.

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

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

DAC criteria	OECD definition	Application in the evaluation and link to evaluation questions
<b>Relevance</b>	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)
<b>Effectiveness</b>	A measure of 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? (Question 2 and 3)

DAC criteria	OECD definition	Application in the evaluation and link to evaluation questions
<b>Efficiency</b>	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)
<b>Sustainability</b>	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)
<b>Impact</b>	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.
<b>Coherence</b> (not DAC)	Coherence involves looking at 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. <sup>1</sup>	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.

## 2.3 Methodology

The CSP operating environment is a highly contested political space with competing programmes and complex institutional arrangements. The programme itself is complex due to diverse focus areas, stakeholders and competing objectives. For this reason, a theory-driven approach has been adopted.

Theory-based evaluation is concerned with making explicit underlying assumptions about what works, and what is expected to happen to achieve the desired results. It is used to understand and depict complex programmes, with a view to unpacking context, assumptions and causal links.

The first step in the evaluation process thus 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 in order to ensure that the evaluation findings were to be located within this context.

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 insight into the overall functioning and processes of the programme at the management level as well as to 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.

<sup>1</sup> European Commission, Better regulation, [http://ec.europa.eu/smart-regulation/guidelines/tool\\_42\\_en.htm](http://ec.europa.eu/smart-regulation/guidelines/tool_42_en.htm)

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 on the basis of a desktop review. The Effectiveness analysis was undertaken on the basis of a quantitative review of project outputs and a qualitative analysis of 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. This review entailed the facilitation of multiple interviews with key informants at the metro level, as well as an analysis of the metros' key spatial planning and other documents. This resulted in the development of five case studies, which further fed into the overall Effectiveness and Sustainability analysis.

### 2.3.1 Data collection methods

#### *Literature and document review*

A literature and document review were undertaken, which outlines the context and policy framework within which the CSP was established, provides an overview of the CSP based on existing documents and includes a discussion of urban challenges and policies at an international level. The Literature Review was submitted as a separate report in March 2017 and is incorporated into the evaluation. An overview and the key findings are set out in Section 3 below.

Over 150 core documents (in addition to numerous programme management documents) were reviewed including contextual literature, for example the *National Development Plan* (NDP), the *Integrated Urban Development Framework* (IUDF) and the *South African State of the Cities Report*. A list of documents is provided in **Appendix 3**.

Additionally, an analysis was undertaken of available programme data in respect of funding, projects and resource utilisation. This included:

- The CSP project tracking database
- The CSP's timesheet tracking database
- The CSP Invoice and Contracting database
- CSP financial reports and summaries
- National Treasury BAS data

#### *Key Informant Interviews*

Interviews were undertaken between May and August 2017. The interviews were conducted mainly in Gauteng but the evaluation team also travelled to undertake interviews for the case studies in Nelson Mandela Bay (Port Elizabeth), Buffalo City (East London) and Cape Town. A total of 90 interviews were undertaken and 105 respondents were interviewed as follows:

- **Cities Support Programme (CSP):** Component leads and city coordinators and the programme management team.
- **National Treasury (NT):** Representatives from the Intergovernmental Relations and Public Finance Branches.
- **National Departments:** Representatives from the Department of Cooperative Governance (COGTA), Department of Human Settlements (DOHS), Department of Transport (DOT), Department of Environmental Affairs (DEA) and Department of Planning, Monitoring and Evaluation (DPME).

- **Experts:** Experts in related sectors (academics, sector specialists, etc.).
- **World Bank:** World Bank representatives.
- **Consultants/Service Providers:** Consultants/Service Providers who have worked on CSP contracts.
- **Partner institutions:** Including the South African Local Government Association (SALGA) and the South African Cities Network (SACN).

A list of respondents is provided in **Appendix 2**.

### Case Studies

In order to select the five metros for the in-depth review an analysis of available data was undertaken. This analysis considered three variables - number of households, Gross Value Added (GVA) and employment. Specifically, the analysis considered the relative growth rates and overall contribution of the metro over a 10-year period. An index was constructed which measured both the relative growth rates and relative contribution over time in respect of each metro and ranked them accordingly.

The initial methodology proposed that metros be selected based on the two with the highest score on the index, two with the lowest and the fifth that is closest to the median of 7,31. An exception was made to this and a decision made by the Evaluation Steering Committee to include Nelson Mandela Bay rather than Mangaung. Nelson Mandela Bay was selected in order to be able to see the progress realised in the Eastern Cape. The outcome of the analysis and final case study selection is shown in the table below. The five municipalities reviewed were City of Johannesburg Metropolitan Municipality, City of Cape Town Metropolitan Municipality, Nelson Mandela Bay Metropolitan Municipality, Buffalo City Metropolitan Municipality and Ekurhuleni Metropolitan Municipality. The basis by which they were selected is set out below.

**Table 2: Selection of metros for detailed review: Scoring outcome**

Metro	Index Score	Selection	Reason
City of Johannesburg	12,34	Yes	Top 2
City of Cape Town	8,52	Yes	Top 2
Ekurhuleni	7,98	Yes	Nearest to Median, but significantly different to COJ (unlike Tshwane)
City of Tshwane	7,83	No	Could replace Ekurhuleni
eThekweni	6,79	No	
Nelson Mandela Bay	2,01	Yes	Decision taken to replace Mangaung
Mangaung	1,35	Yes	Bottom 2 – decision to exclude
Buffalo City	1,16	Yes	Bottom 2

### 2.3.2 Methodology Successes and Limitations

The success and limitations of the methodology are shown in the table below.

**Table 3: Success and limitations of the methodology**

Success	Description	Significance
<b>Application of an interview tracking process</b>	An excel interview tracking process was developed and used via Dropbox to track interview scheduling and also when interviews were undertaken	<ul style="list-style-type: none"> <li>This increased the ability of the evaluation team to participate in interviews</li> </ul>
<b>High levels of flexibility of key informants</b>	Key informants within the CSP and the metros were willing to participate in the interviews, often more than once if required	<ul style="list-style-type: none"> <li>This allowed evaluation team members to have subsequent interviews and clarification which enriched the data</li> </ul>
<b>Pilot-testing the interviews in Ekurhuleni</b>	A pilot of the interviews was undertaken in Ekurhuleni prior to it being rolled out to the other metros	<ul style="list-style-type: none"> <li>This enabled modification and expansion of the data collection tools</li> </ul>
Challenges encountered	Description	Significance
<b>Difficulty in obtaining documents and data from CSP</b>	Due to initial communication challenges, difficulties were experienced with respect to accessing and identifying relevant CSP documents and data. These issues were subsequently resolved, when the CSP provided the evaluation team with full access to the programme's Dropbox.	<ul style="list-style-type: none"> <li>The desktop review was initially hindered by insufficient document and then by too many documents.</li> <li>The initial lack of programme data undermined the evaluation team's ability to analyse and understand project implementation and financial expenditure.</li> </ul>
<b>Government protocol in Cape Town and Buffalo City which delayed the interview process</b>	Interviews could not commence in Cape Town or Buffalo City until formal letters had been sent and approvals were obtained	<ul style="list-style-type: none"> <li>This delayed the interview process in these cities.</li> </ul>
<b>A poor response rate from national departments to making themselves available for interviews</b>	It was extremely difficult to secure interviews with national departments	<ul style="list-style-type: none"> <li>This delayed the evaluation team's ability to obtain insight from these departments.</li> </ul>
<b>Poor political engagement in metros where the governing party had changed since the inception of CSP</b>	A number of Municipal Managers and Councillors declined to participate in the interviews as they had just been elected or appointed and were not familiar with the CSP	<ul style="list-style-type: none"> <li>Insights from politicians and some key officials were not obtained in some of the metros</li> </ul>

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.

### 3. 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 present key criteria for evaluating the CSP.

#### 3.1 Context and Policy Framework

The Cities Support Programme was established and implemented in response to three key drivers namely (i) an increasing recognition in public policy as to the critical role that cities play in the economy; (ii) the importance of urban restructuring in the context of South Africa's development trajectory; and (iii) serious concerns around local government's performance.

The key policy documents, programmes and legislation relevant to the CSP include:

- Urban Development Framework (1997)
- Land Transport Transition Act of 2000
- The Neighbourhood Partnership Grant (2006)
- Local Government Turnaround Strategy (2012)
- The New Growth Path (2011)
- The National Development Plan (2013)
- Government Technical Advisory Centre (2012)
- Spatial Land Use and Management Act (2014)
- Integrated Urban Development Framework (2014)

For details see **Appendix 4**.

##### *The role of cities*

The *National Development Plan* (NDP) (2013) **positions cities as the primary engines of economic growth.**<sup>2</sup> It notes the important contribution that cities make to the economy indicating that cities generate about 85% of all economic activity in South Africa predominantly in the largest cities (p266). It is further notes that towns and cities are connected in varying degrees into wider urban systems and their development reflects global and local forces.

The NDP highlights that the proportion of South Africans living in rural areas has fallen by about 10% since 1994 and that in 2011 about 60% of South Africans were living in urban areas (NDP, p29). It further indicates that about 7.8 million people will be living in South African cities in 2030 and a further 6 million by 2050, putting pressure on municipalities to deliver services (p266). Furthermore, urban areas vary enormously in relation to such factors as spatial form, economic base and institutional strength (NDP, p29). The NDP asserts that a large proportion of new urban residents will be poor, reflecting a phenomenon referred to as the '**urbanisation of poverty**' (NDP, p29).

The above views are reinforced in the *Integrated Urban Development Framework* (IUDF)<sup>3</sup> which was initially published in 2014<sup>4</sup> and which argues that the 21st century is the urban century. The IUDF notes that South Africa is a middle-income country with large-scale unemployment. **The long-term prospect of having a more equal and labour absorptive economy will depend on how well its urban economies perform.** Improving the

<sup>2</sup> More details on the NDP are set out in section 2.2.3

<sup>3</sup> More details on the IUDF are set out in Section 2.2.7

<sup>4</sup> The background reports were published in 2013

productivity and incomes of urban consumers is important because rural economies depend on urban consumers in the supply and demand chain (IUDF, p12).

Accordingly, **well-managed urbanisation has the potential to address the high unemployment within South Africa**, through driving up productivity and competitiveness in the formal sector of urban areas and ensuring greater dynamism in the informal and small business sectors. In cities, the spatial concentration of jobs, people and opportunities enables households to access employment and higher quality public services. However, urban centres need to improve their performance to optimise the potential for growth, productivity and innovation (IUDF, p12).

### *The challenges facing cities*

While both the NDP and IUDF recognise the importance of cities, they also identify the challenges faced in enabling cities to realise their full potential. The IUDF (2014) categorises these into four primary factors as follows:

- 1) **Existing property markets and land use:** The property and land-use status quo undermine access to urban opportunity and reinforces the highly inefficient urban sprawl that is characteristic of South Africa's urban areas. There has been no substantial land reform and restitution, especially in urban areas, in part because of the importance of the formal property market, which increased significantly between 1994 and 2014. While this growth is vital to the health of rates income for municipalities, it has not addressed the issue of well-located, affordable housing and decent shelter for all (IUDF, p15).
- 2) **Unsustainable infrastructure networks and consumptions patterns:** South African urban areas are profoundly resource intensive, highly polluted and wasteful. The typical metropolitan area has a very high ecological footprint. The spatial form of South African cities, dependency on cars and suburban-lifestyle aspirations (across classes) produces an extremely resource-intensive and inefficient form of settlement. This, combined with a coal based and pollution-heavy energy system, is a recipe for unsustainable urban development and, arguably, is in direct contravention of Chapter 2 Bill of Rights constitutional provisions on the right to a healthy environment (IUDF, p15).
- 3) **Segregated urban settlements:** Urban areas in South Africa remain marked by profound social divisions, which stem from apartheid planning and, since 1994, have been reinforced by the uneven growth in land values and limited access by the poor to resources. The growth of the black middle class has resulted in more racial mixing in the (previously predominantly white and middle-class) suburbs, but very little in working-class and poor areas (IUDF, p16).
- 4) **Unequal income levels and access to services:** High levels of inequality in income and access to services and opportunities are a legacy of apartheid education and the (migrant) employment system. Since 1994, income inequality has remained stubbornly high, as a result of very high unemployment and the growing wage gap between skilled and unskilled labour. This inequality reinforces economic marginalisation and produces spatial poverty traps. A large number of households do not have access to services and are concentrated in informal settlements and townships in cities and in peri-urban areas. Approximately 1.25 million households lived in informal settlements in 2012 (IUDF, p16).

The NDP notes further that South Africa's **intergovernmental system of spatial planning has been slow to develop, and coordination has been poor**. The complex division of powers and functions between local, provincial and national government has contributed to

the problem and, in addition, ambiguities in the Constitution about who is responsible for spatial planning have created uncertainty. This has hindered development planning as many developmental issues, such as environment, transportation and economy issues, straddle political boundaries. There are added complications within each level of government.

Similarly, the SACN 2016 *State of the Cities* report argues that cities in South Africa continue to have **unaligned and uncoordinated development**. There is a lack of integrated planning and poor alignment, both vertically (across government spheres) and horizontally (across sectors, i.e. housing, transport, energy, etc.), by all, including government departments, state-owned entities and private developers. There is slow progress in decentralising key built environment functions to city level, despite the authority for local planning already being devolved to all local governments. Municipal approval of developments often clashes with local government's own spatial transformation agenda (SACN, 2016, p50).

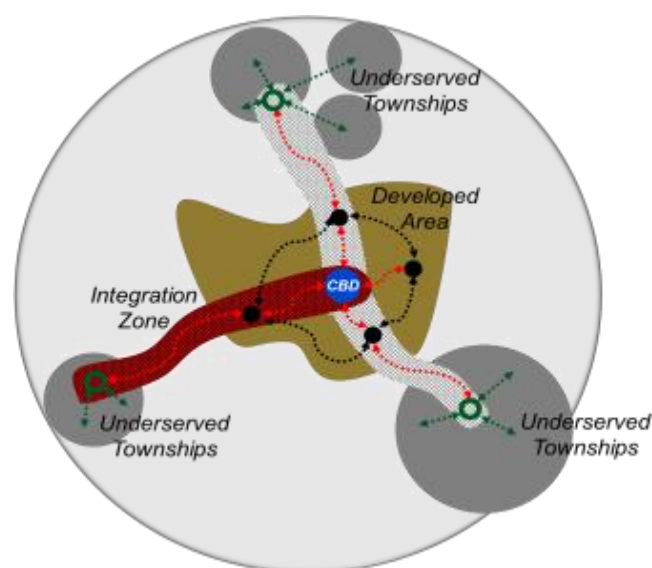
### *Principles of urban restructuring*

While the NDP argues for an inclusive and integrated rural economy, it also focuses strongly on addressing urbanisation and sets out recommendations for effective urban development. One of the key focus areas of the NDP is on **reversing the spatial effects of apartheid** noting that while about 3.2 million households (NDP, p46) have benefited from new housing, and services and infrastructure has been provided to many communities, limited progress was made in reversing entrenched spatial inequities (NDP, p46).

In this context, the **relationship between land use and transport** emerged as a key factor in research undertaken for the 1997 *Moving South Africa Strategy*. The Strategy argues for compaction with a focus on densification around corridors rather than a central business district (CBD) centric compaction model, or policies of infill and densification more generally. These ideas were given effect in the national Land Transport Transition Act of 2000, which calls for transport planning to guide land use and development planning, and for the integration of transport plans into Integrated Development Plans (IDPs) (Pillay, Tomlinson and du Toit, 2006,p61).

The **Urban Network Strategy** is an articulation of this approach with a focus on integration zones where public investment is targeted (through catalytic projects) and private sector investment incentivised. This approach is captured in the figure below.

**Figure 1: Urban Network Strategy**



Source: (National Treasury 2015b, p5)

The 2016 State of the Cities report has a chapter dedicated to the Spatial Transformation of South Africa's Cities. The report argues that South Africa's policy aspirations for urban development – principally the *Urban Development Framework* (DoH, 1997), the National Development Plan (NPC, 2011) and the draft *Integrated Urban Development Framework* (IUDF)(COGTA, 2016) – present a **vision of South Africa's urban future that spatially manifests the nation's ideals of equity, prosperity and sustainability**.

However, despite progress made since 1994, these ideals have yet to be reached – at least for the majority (SACN, 2016, p47). The key messages in this chapter are:

- 1) **Spatial transformation** is critical for the growth and development of cities. It affects economic access and efficiency.
- 2) The current urban development trajectory has negative characteristics that result in cities not achieving their spatial visions.
- 3) In order to transform space, the power relations, institutions and capabilities in the system need to be transformed.
- 4) **Short- and long-term strategies** are required for land, spatial planning, housing and human settlements, and transport and mobility.
- 5) Regulations and public instruments should be used, but market interventions by various actors are also necessary.

It is noted that while there is general consensus within South African policy discourse regarding the urgent need to reverse the effects of Apartheid spatial planning, the optimal approach to achieving this outcome is contested. In particular, the Urban Network Strategy (UNS) is not universally accepted, with some academics/urban planners arguing that a transit-oriented development (TOD) strategy is not appropriate to the South African context, given South Africa's existing spatial form and urban geography (PDG, 2015; SACN, 2017).

According to this point of view, concentrating investment in integration zones will not necessarily result in the inclusion of the poor. For example, it has been argued that there is an inherent conflict between TOD-driven spatial transformation and universal access to services, as universal basic servicing means taking services to the people, while TOD-driven spatial transformation means centring investment in certain locations (which may not be accessible to or affordable for the poor). The *Report on the Design and Implementation Evaluation of the Urban Settlements Development Grant* notes that in the case of the USDG for instance, "that the grant objective of spatial efficiency is in tension with the objective of universal basic servicing. These two objectives need not be mutually exclusive in all cases, but the tension is likely to exist for some time, given the existing socio-spatial fragmentation of South African cities." PDG, 2015, p 198.

### *Local government performance*

The 2016 State of the Cities report indicates the following:

The developmental mandate of local government is enshrined in the Constitution and the White Paper on Local Government ... Local government is expected to be the redistributive, transformative sphere of government closest to the people. Local government needs to be given the opportunity to develop the necessary capacity and capability to deliver effectively on these functions. Local government should be the navigator and facilitator of transformative development ... This means devising the vision, strategic plans and implementation frameworks that will result in the desirable city. Local government also needs to regulate and incentivise better cooperation between urban stakeholders and actors, and

establish more meaningful partnerships with private sector agencies, communities and civil society organisations.” (SACN, 2016, p62)

In line with the sentiment expressed above, the *2011 Local Government Budgets and Expenditure Review* notes that government recognises that **large urban municipalities need to play a leading role in the management of the built environment**. Cities already have the responsibility for the provision of basic services and associated infrastructure. However, to effectively manage the built environment, large municipalities need to be established as the centre of planning and service delivery coordination. In particular, this requires greater responsibilities for cities in land use management, the development of human settlements and the provision of public transport services (National Treasury, 2011).

The discussion document for the IUDF, “Towards an Integrated Urban Development Framework, A Discussion Document” (CoGTA, nd), recognises that **municipalities have huge capacity challenges and will find it difficult to implement the IUDF**. Nevertheless, the document argues that urban municipalities have no choice but to commit to an integrated urban development approach in some form and measure – and that capacity to do this will have to be developed over time. It further asserts that national and provincial sector departments will need to find mechanisms to better integrate their services in municipal spaces.

David Savages’ paper, “Institutional and Fiscal Challenges in responding to urbanisation in South Africa” (Savage, nd) notes that the complex demographic and economic trends emerging as a result of urbanisation pose complex institutional and fiscal challenges for urban areas across South Africa. The report emphasises that the **sustainable management of urbanisation is inseparable from the need to strengthen the institutional and fiscal capacity of municipalities**.

The report further asserts that local governments must play a central role in managing public sector responses to urbanisation in South Africa. In order for them to effectively assume this role their accountability for the management and financing of investment in the urban built environment, in particular, needs to be significantly strengthened. **Current institutional arrangements are distorting this accountability, and supporting the perpetuation of inefficient, inequitable and unsustainable growth patterns.**

### 3.2 The International Urban Policy Context

The goal of achieving productive, sustainable and liveable cities is not unique to South Africa but exists across the world as governments grapple with the challenges of rapid population growth, housing affordability, and demographic and climate change. Key international developments and trends in thinking relating to approaches to urban development are outlined below.

*The New Urban Agenda* (NUA), the outcome document adopted at Habitat III (convened by the United Nations) in September 2016, is one example of an intended guide to international policies on the growth and development of cities. The document articulates a shared vision; principles and commitments to building the technical capacity; skills and knowledge to support spatial transformation in cities across the world. The NUA outlines a set of commitments that respond to the imperative to achieve spatial transformation through proactive planning and facilitating and supporting coordination between various levels of government. The NUA implementation plan identifies the commitment to developing “sustainable and inclusive urban economies, by leveraging the agglomeration benefits of well-planned urbanization, high productivity, competitiveness, and innovation...” (UN Habitat, 2015, p4).

The *Making Cities Work for All: Data and Actions for Inclusive Growth* (OECD), a joint publication of the OECD and Ford Foundation, notes that income inequality is higher in cities, and that the extent of inequality increases with the size of the city. This highlights the risk that ongoing urban sprawl presents to inclusive economic growth, and how unchecked spatial growth disadvantages the poor the most. The report further asserts that spatial inequality will never be addressed if it does not entail active steps to bring the historically marginalised closer to economic opportunity. Though countries around the world are seeking to address the challenges presented by increasing levels of urbanisation, the report suggests that their unique contexts require a nuanced approach to urban policy and programme.

The OECD/Ford Foundation report notes that urban policy in the Philippines, Brazil and Mexico are responding to a problem of growing in-migration of people, and high levels of spatial inefficiency. In these three countries, governments are seeking to formulate and implement policy that proactively plans at both national and local level. This planning has taken the form of facilitating coordination between different levels of government and reviewing and developing fiscal frameworks and institutional forms that allow cities to grow by creating an enabling environment for development in centrally located areas. The documents related to Urban Policy in Brazil and Mexico note that housing is seen as the entry point to urban development, and that adequate housing policy provides an entry point to developing and achieving consensus in urban policy (Magalhães and Di Villarosa).

The OECD's report, *Mexico: Transforming Urban Policy and Housing Finance*, further notes that weak institutions and a lack of capacity at local government level has been identified as a major constraint to urban development. This has delayed the urban agenda in Mexico, where the inability to reach consensus on what is prioritised in urban policy and programmes has negatively affected the level of investment from the private sector, and consequently, the extent of infrastructure provision has been compromised. Policy fragmentation has resulted in a lack of systemic coordination and duplicity across levels of government. One of the major strategies has been to strengthen collaboration across all levels of government while developing capacity to manage operations within municipal government.

The strong emphasis on bolstering the capacity of local government is also articulated in a report published by UN-Habitat in 2014 which confirms the need to build the capacity of local government to undertake longer-term spatial planning. There has been extensive work done on building capacity and collaboration across spheres of government in Malawi, Philippines and Mexico.

Reviewing fiscal and financial frameworks and simplifying regulatory environments has also been widely identified as one of the key action points to transform spatial planning for cities. It is identified as a priority activity in Australia, China, Mexico and Philippines. In Australia, it has taken the form of simplifying regulatory environments related to spatial planning and incentives provided to encourage private sector investment (Australian Government, "Our Cities, Our Future").

Finally, in China issues related to rapid urbanisation have gained increasing attention as China attempts to shift the focus of its economy away from manufacturing, and towards the services sector. This has been accompanied by an endeavour to focus on the creation of secondary cities (Australian Government, "Our Cities, Our Future").

### 3.3 Lessons from Support Programmes

A review of relevant South African support programmes and frameworks was undertaken by the evaluation team. Support programmes/frameworks reviewed include (i) Project Consolidate, (ii) Siyenza Manje, (iii) the Joint Initiative on Priority Skills Acquisition (JIPSA), (iv) the Support Programme for Accelerated Infrastructure Development (SPAID), (v) the Municipal Infrastructure Support Agency (MISA), (vi) the Municipal Finance Improvement Programme (MFIP), (vii) the Framework for Municipal Hands-On Support, and (viii) the Expanded Public Works Programme (EPWP). See **Appendix 5** for more detail.

Certain of the municipal support programmes (such as Siyenza Manje, JIPSA, MISA, and MFIP) focused on the provision of technical support and the building of capacity in the context of project planning, financing, monitoring and maintenance (specifically in the context of infrastructure projects). Others (including Project Consolidate and SPAID) aimed to address the non-performance of municipalities through the introduction of enhanced financial management and monitoring and evaluation systems and/or project preparation funds.

Key lessons emerging from the review of the aforementioned programmes are outlined below:

- There exists an on-going need at the municipal level to develop capacity, enhance operational systems and strengthen mechanisms to promote financial viability.
- Programmes should combine both supply (what should be in terms of national policy) and demand (what is in terms of municipal capacity) side approaches.
- There is value to taking an opportunity-based approach to the provision of support. Such an approach focuses on identifying and capitalising on opportunities, as opposed to attempting to resolve irresolvable issues.
- While programmes should set clear targets to be achieved, they should move beyond a focus on outputs to sustainable outcomes of improved municipal capacity.
- Programmes need to reinforce intergovernmental relations, in particular the role of provinces and district municipalities.
- Implementing sophisticated programmes or interventions on a weak institutional base almost invariably leads to a return to original problems.
- A highly-centralised programme management approach to municipal support may prove inadequate to addressing the extensive demands of municipalities.
- Monitoring and evaluation systems must be implemented. Evaluation is particularly important as this identifies the effectiveness of programmes and also indicates when it is possible to exit from a municipality.
- Support programmes need to be longer than two years, with a more realistic time frame being between five and ten years. Time frames should be dependent on sustainably addressing problems.
- Support models should be allowed to evolve over their implementation period so as to be able to respond to changing contexts and environments.

It is also noted that in 2016 CSP undertook research into municipal support and interventions. The project explored the experience of intergovernmental support and interventions in municipalities to understand how effective they have been. It sought to identify critical success factors through the compilation of case studies in three municipalities, namely Buffalo City metro, Msunduzi local municipality (LM) and Madibeng LM.

With regard to municipal support the following recommendations were made:

- It is critical to have a complete understanding of the performance and context of the municipality, and to develop a thorough and holistic diagnosis of the problem. This in turn will enable appropriate support tailored to the specific needs of the municipality to be developed.
- All key stakeholders need to be involved in developing support measures, to understand their roles, and the objectives of the support.
- It is important to invest sufficient time and resources in developing milestones and performance indicators to evaluate progress, and to use these to refine and adapt support, or to know when it has accomplished its objectives and can end.
- It would be useful to ensure that all programmes of municipal support are regularly evaluated, and that these evaluations, and the lessons learned, are captured in a central repository which can inform future programmes.
- Engaging high level champions of support such as the Member of Mayoral Committee (MMC), Municipal Manager (MM) or Mayor can facilitate greater support at municipal level. However, this needs to be balanced against the tendency for officials to see particular support programmes as being associated with one individual which could mean a drop-in support if they leave (at Ministerial level and local level). Programmes need to be seen as extending beyond the political or administrative term, i.e. long-term engagements.

### 3.4 Important Insights from the Literature

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

There is also a strong linkage between spatial transformation and the extent to which cities economic performance is optimised. In this regard spatial transformation is understood to mean an improved (more efficient) and sustainable urban form, improved management of urbanisation and urban growth, improved urban infrastructure and service delivery systems, improved urban social outcomes, improved economic competitiveness and resilience and improved urban governance and financing. Central to creating efficient cities and spatial transformation is effective and functional local government which needs to have both the capacity and resources to achieve spatial transformation, as well as strong intergovernmental cooperation with the provincial and national spheres.

It is noted that there are contending policy positions regarding the optimal approach to achieving the type of spatial transformation outlined above. Many argue for a TOD approach to urban restructuring, as articulated through the Urban Network Strategy (Pillay et al, 2006). Others suggest that such an approach which focuses strongly on economic efficiency 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. They provide the conceptual context within which the problem analysis, objectives and approach of the CSP are evaluated. This is explored further in sections 5.1 and 5.2.

The Literature Review also offers some important pointers for any assessment of a support programme indicating the following as some of the key ingredients to a successful support programme:

- A flexible pragmatic approach to implementation should be adopted. The focus should be on pragmatic problem solving rather than large-scale systemic change (i.e. incrementalism versus a “big-bang” approach).
- There should be a thorough and holistic diagnosis of the problem which enables tailoring appropriate support.
- It is important to have a clear set of agreed targets and well-defined monitoring and evaluation systems. In this context, there is a need to focus on sustainable outcomes in addition to outputs.
- It is important to understand that support is an evolving construct and the process should allow space for the “co-creation” of support. Indeed, key stakeholders need to be involved in developing, deepening and implementing support measures.
- There should be a partnership between the support programme and the entity receiving the support based on trust and respect. The support should be provided, within a clear framework that recognises that the final responsibility for change / delivery rests with the entity receiving the support.

These factors are considered when evaluating the effectiveness, efficiency and sustainability of the programme (see sections 5.3, 5.4, and 5.5).

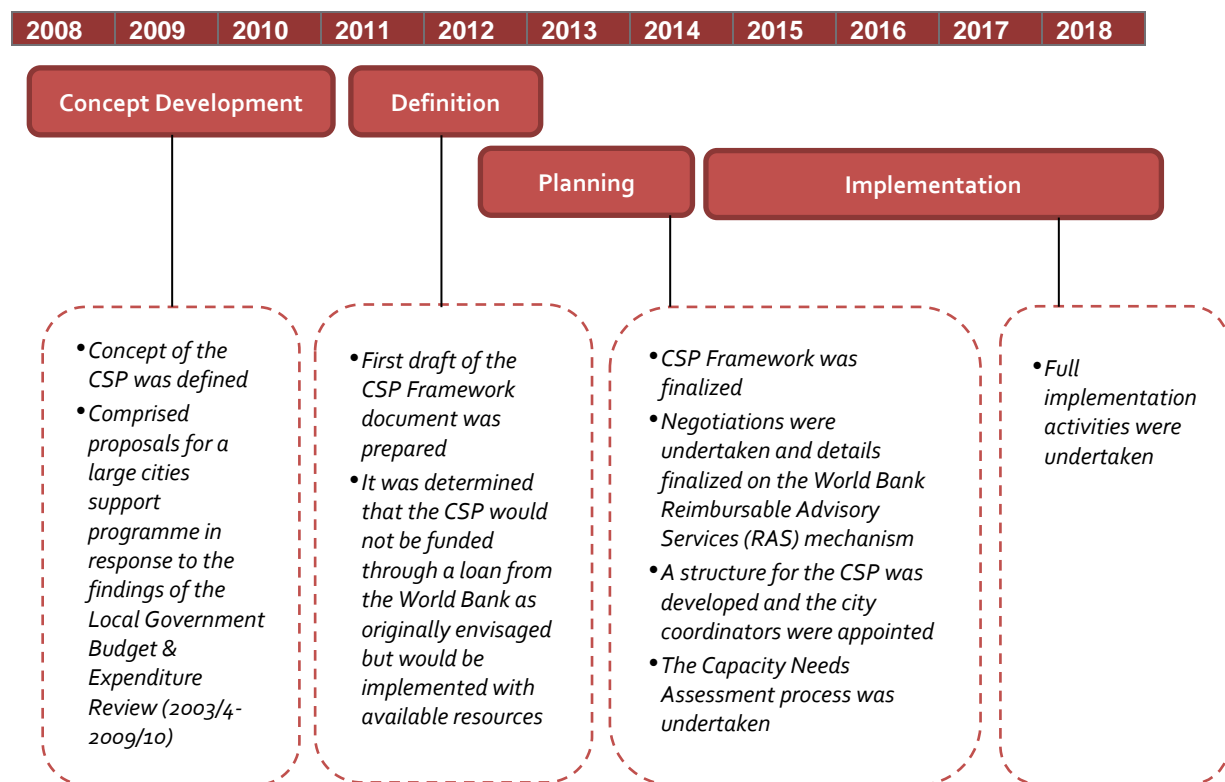
## 4. The Cities Support Programme

This section provides a description of the establishment and evolution of the Cities Support Programme (CSP). It also provides a high-level overview of the CSP with respect to its legislative status, institutional location, governance and coordination arrangements, implementation partnerships and operating model. It is noted that further detail relating to the CSP's structure, operating method, implementation partnerships, and approaches to stakeholder engagement can be found in sections 5.3 (Effectiveness) and 5.4 (Efficiency).

### 4.1 Establishment of the CSP

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 2: Evolution of the CSP



Source: Timm (2014), modified by Rebel

An overview of the key activities undertaken during each stage is set out below. More details can be seen in **Appendix 6**.

**1) Concept stage:** This phase was undertaken between 2008 and 2010 and was the period during which the concept for the CSP was defined. This included proposals for a Large Cities Support Programme (LCSP). This led to a letter of request from the Director General of National Treasury to the World Bank to support the LCSP. This period also saw the establishment of the City Budget Forum (CBF).

In 2010 a group of consultant and officials undertook a study tour of a number of countries to review international models of city management and their lessons for South Africa. This study tour informed the initial diagnostic for the programme and identified a number of key lessons:

- Sustainable infrastructure investment requires strong institutions of city management, not just resources.

- Effective city management is both a result of the enabling environment (functions, discretion, fiscal framework and accountability) and the institutional form of cities.
- New approaches at central government level are required to support cities.
- Properly incentivised fiscal transfers can play an important role in encouraging increased effectiveness in city management.
- Partnerships with the private sector must be encouraged.
- Citizen's voices can be an important driver of change.

The lessons from this study tour were incorporated into the 2011 *Local Governments Budgets and Expenditure Review: 2006/07-2012/13* (National Treasury, 2011). The 2011 Review argued that large cities (given their relative capacity) should be encouraged to address the key challenges in respect of planning, income generation and capital investment. The report also noted government's intent to review the fiscal framework for large cities (National Treasury, 2011: 226 – 230).

2) **Definition stage:** This was undertaken between 2011 and 2012. During this stage the CSP emerged out of the proposals for the LCSP noted above. Negotiations were undertaken with the World Bank mission and the first draft of the CSP framework document was prepared.

It was anticipated that the CSP would be funded through a loan from the World Bank with associated technical assistance. However, towards the end of 2011, a decision was taken not to allow borrowing from the World Bank. This had major implications for the CSP and it was decided that the CSP would be implemented with the resources that it had available. These resources comprised the remainder of the Siyenza Manje funds (Municipal Capacitation Account) located with the Development Bank of Southern Africa (DBSA). Given the limited resources, the focus therefore shifted to ad hoc implementation (Timm, 2014).

3) **Planning stage:** Planning was undertaken between 2012 and mid-2014. The CSP Framework was finalised in January 2012. While Minister Gordhan included the CSP in his Budget Speech, memos on the CSP were not taken through Cabinet. Specifically the 2012 Budget Speech noted that a "New Cities Support Programme will get under way this year, initially in eight metropolitan authorities, focused on improved spatial planning, public transport systems and management of infrastructure utilities" (2012 Budget Speech, p12). A key insight during the year was that the focus should be on cities rather than relying on national departments. A draft results and governance framework was prepared and negotiations were undertaken on the World Bank Reimbursable Advisory Services (RAS) mechanism (Timm, 2014). For the CSP team, more structure was introduced with the assignment of team members to theme areas and metropolitan cities (metros) and the "appointment" of city officials as city coordinators within each metro.

During 2013 there was greater city participation in the CSP. A Capacity Needs Assessment (CNA) process was initiated within the metropolitan municipalities which comprised a process to identify gaps in the municipality that hinder the process of urban transformation and to agree support activities/projects to address these gaps. (Cities Support Programme 2014). These projects/activities were later to be defined as "demand projects" which were approved per metro and were informed by the specific needs of the metro at that time. This was documented in the Capacity Support Implementation Plan (CSIP) which has been iterated annually. Alongside these projects, CSP had identified a number of projects that were to address a universal need across all metros. These projects are categorised as "supply projects" which are provided to all metros and are initiated and driven by the CSP at a national level.

- 4) **Implementation Stage:** The full implementation activities commenced in mid-2014 and are ongoing at the time of this evaluation. Specifically, this period saw the implementation of the demand projects identified through the Capacity Needs Assessment process, documented in the CSIP per metro and refined on an ongoing basis, together with the pre-determined set of supply projects implemented by the CSP. Both sets of projects are the subject of the detailed evaluation further below.

## 4.2 CSP Theory of Change

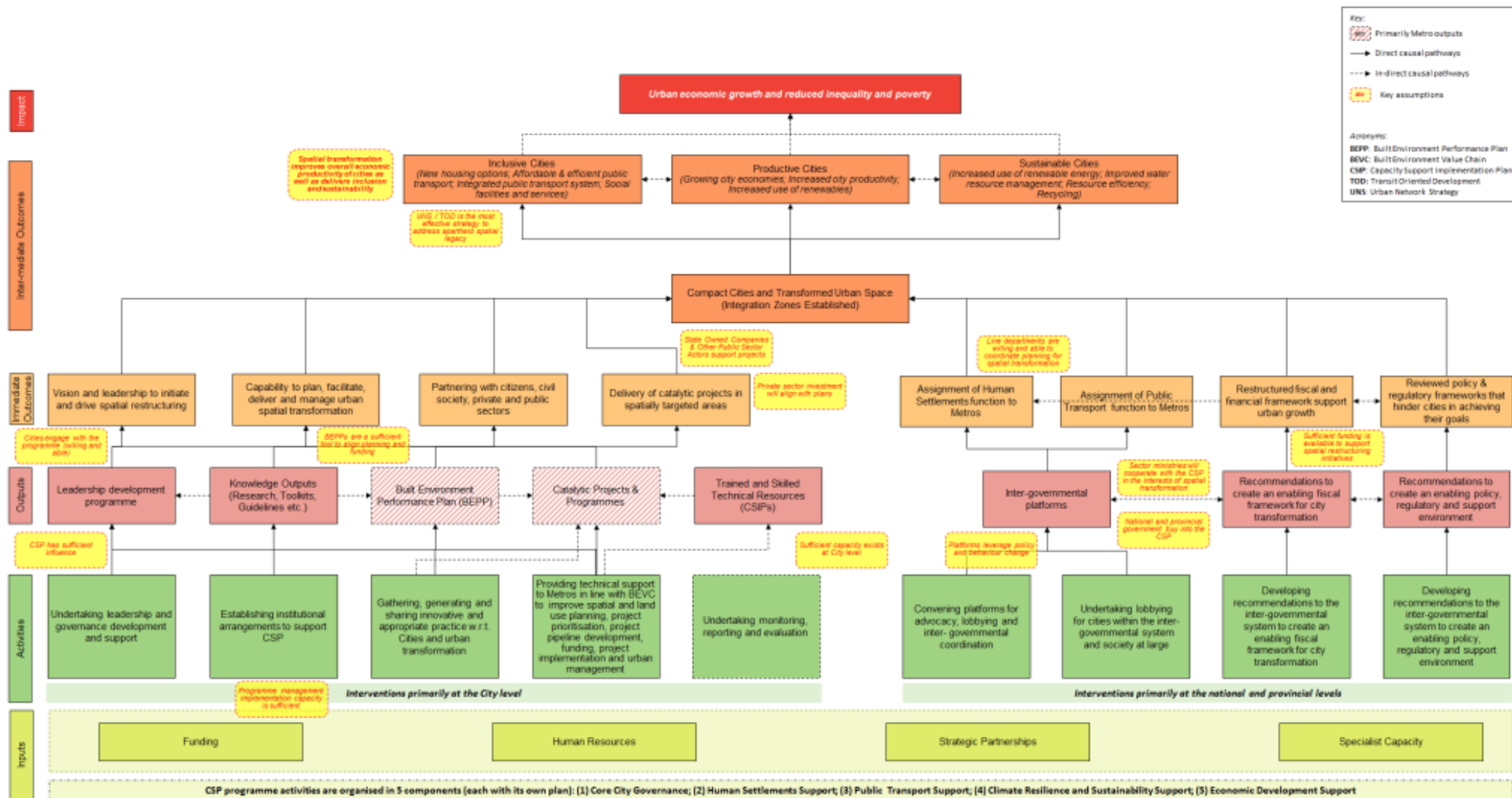
During 2014 an internal evaluation was undertaken of the CSP (Timm, 2014) and it was determined that a Theory of Change should be formulated. Accordingly, the Theory of Change for the CSP was formulated retrospectively in 2014. This Theory of Change can be seen in **Appendix 7**. During Stage 1 of this evaluation a process was undertaken in order to clarify the Theory of Change. This process entailed a high-level discussion with relevant officials within CSP both through a Steering Committee workshop and interviews. During this process, it was agreed that the original theory of change would be enhanced so as to better enable the Evaluation Team's understanding and ability to review it.

The revised theory of change is shown in the figure below and is described in the remainder of this section. This revised theory of change forms the basis of this evaluation.

The CSP's theory of change can be articulated as follows:

- 1) The CSP undertakes a number of activities at the city (metro) level, as well as the inter-governmental level (national and provincial). These activities include the facilitation of leadership development and technical support processes at the metro level, and the convening of inter-governmental platforms and the development of inter-governmental recommendations at the national level.
- 2) These activities generate a number of outputs at the metro level including a leadership programme, knowledge products, and indirectly (i.e. CSP supported) Built Environment Performance Plans (BEPPs) and Catalytic Projects and Programmes. At the inter-governmental level, the key outputs comprise the establishment of platforms for advocacy and coordination, as well as specific recommendations (policy outputs) for fiscal and broader enabling policy reform to support metros. These tools (such as the Built Environment Performance Plan) are directed at providing cities with tools that drive change in the way that cities are undertaking spatial and land use planning, which until recently, has not incentivized optimum economic growth. This is supported by lobbying and technical engagement at national and provincial level to raise the profile of cities, review the regulatory framework and design and implement new fiscal incentives (grants) to support the changed behaviour at metro level.
- 3) Core to the CSP is the delivery of these outputs that enable and facilitate change – both indirectly (e.g. providing technical tools etc.) and directly through facilitating enhanced leadership, broader acceptance of the metro agenda etc. The immediate outcomes envisaged as result of the CSP support include the vision and leadership to initiate and drive spatial restructuring, the capability to plan, facilitate and deliver and manage urban spatial transformation, partnering with citizens, civil society and private and public sectors, and finally the delivery of catalytic projects in spatially targeted areas. These outcomes at the metro level are in turn supported and incentivised by outcomes at the inter-governmental level, most specifically the assignment of the human settlements and transport functions, a restructured fiscal and financial framework for metros (including new grant instruments) and a revised policy and regulatory framework.

Figure 3: CSP Revised Theory of Change



- 4) Changes at the metro level in respect of leadership, planning and implementation capability etc., supported by fiscal and policy incentives and reform at the inter-governmental level should result in better spatial and land-use planning, investment and development changing the overall spatial outcomes of cities. The impact of such change should be manifest in the gradual development of compact cities and transformed urban space (most immediately the establishment of integration zones).
- 5) Compact Cities and transformed urban space result in more inclusive, productive and sustainable cities (intermediate outcomes). Such spaces are economically more efficient, offer more economic opportunity and increased inclusion and are more sustainable. In improving the 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.
- 6) In the longer-term this should contribute to overall urban economic growth and improved reduced inequality and poverty.

Underpinning the theory of change are the following **critical assumptions**:

- At the programme level, there is an assumption that there is sufficient programme management and implementation capacity within the CSP and secondly that the CSP has sufficient influence to drive metro engagement with the programme.
- Critical is also the assumption – which holds for most support / capacity building programmes – that there exists sufficient willingness at the metro level to participate, as well as sufficient existing capacity to be an effective partner to the CSP (in other words support programmes such as the CSP cannot operate where there is no or very weak capacity).
- It is assumed that national and provincial government engage with and support the CSP and policy / regulatory changes and that the CSP will have sufficient influence (partially because of its institutional location in National Treasury) to effect policy change, especially in respect of fiscal arrangements for metros.
- At the output level, key assumptions noted include the availability of funding to support spatial restructuring initiatives, as well as a key assumption that the Built Environment Performance Plan and the support across the Built Environment Value Chain (BEVC) are sufficient tools to align planning and funding at metro level.
- Critical is also the assumption that the private sector, as well as other public sector and state-owned companies are willing to align and invest in catalytic projects.

## 4.3 Overview of the CSP

### 4.3.1 Legislative status

The 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 particular implications for the nature of engagement by 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 a set of terms for engagement and a set of core activities the metros are required to undertake.

#### **4.3.2 Institutional location**

The CSP is a programme of the National Treasury housed within the Intergovernmental Relations Division. As set out in the *Estimates of National Expenditure – Vote 7* (National Treasury, 2017), National Treasury's legislative mandate is based on section 216(1) of the Constitution, which calls for the establishment of a national treasury to ensure transparency, accountability and sound financial controls in the management of the country's public finances.

This role is further elaborated in the Public Finance Management Act (1999). The department is mandated to:

- promote national government's fiscal policy and the coordination of macroeconomic policy;
- ensure the stability and soundness of the financial system and financial services;
- coordinate intergovernmental financial and fiscal relations;
- manage the budget preparation process; and
- enforce transparency and effective management of national revenue and expenditure, assets and liabilities, public entities, and constitutional institutions. (National Treasury, 2017: 95)

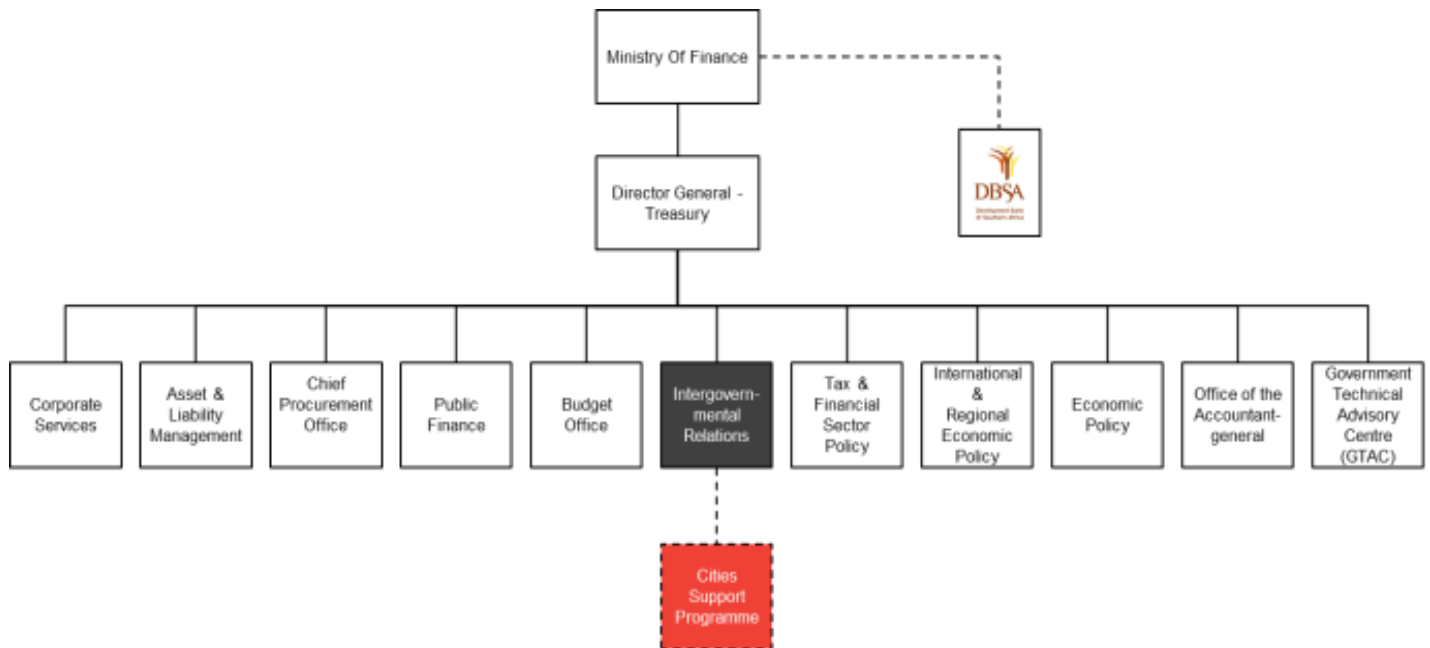
Treasury fulfils its mandate through 10 Budget Programmes and 11 Divisions / Branches. The current budget programmes comprise:

- 1) Administration
- 2) Economic Policy, Tax, Financial Regulation and Research
- 3) Public Finance and Budget Management
- 4) Asset and Liability Management
- 5) Financial Accounting and Supply Chain Management Systems
- 6) International Financial Relations
- 7) Civil and Military Pensions, Contributions to Funds and Other Benefits
- 8) Technical Support and Development Finance
- 9) Revenue Administration
- 10) Financial Intelligence and State Security

The CSP falls within two Budget Programmes, namely Programme 3: Public Finance and Budget Management, where the IGR Division is located (as set out below), and Programme 8: Technical Support and Development Finance, which houses the General Budget Support funding which the CSP has accessed.

The current high-level division structure of the National Treasury and the CSP's location is set out in the figure below. Also indicated is one of the entities reporting to the Treasury, namely the Development Bank of South Africa (DBSA) which has performed a programme management function on behalf of the Treasury, and which housed the CSP from 2012-2014.

Figure 4: CSP within the National Treasury Structure



Sources: National Treasury Annual Report 2010 – 2016, own compilation

Importantly it must be noted that the CSP is not a Directorate but was set up as Programme Management Unit (PMU) within the IGR Division. The IGR Division's core functions are:

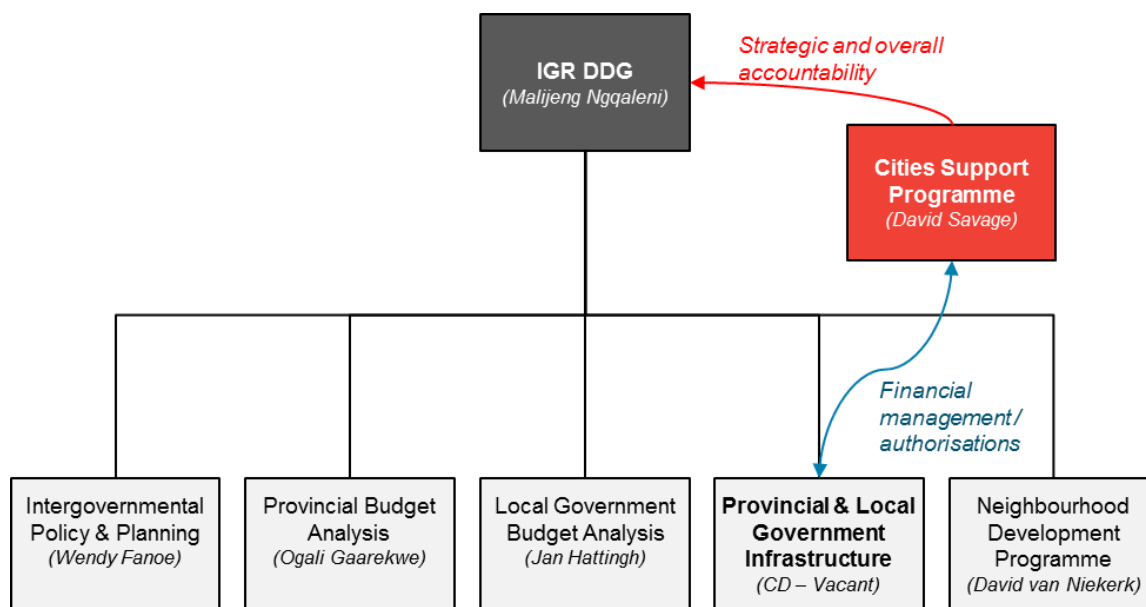
- Policy reforms and proposals
- Funding allocations and DORA
- Monitoring, analysis and reporting
- Regulating and enforcement
- Stakeholder engagement and intergovernmental coordination
- Advisory services and guidance
- Technical assistance and capacity building

The CSP initially reported into the Chief Directorate Provincial and Local Government Infrastructure (PLGI). This Chief Directorate is responsible – in addition to the CSP – for the Infrastructure Delivery Improvement Programme (IDIP) as well as the Infrastructure Skills Development Grant. This Chief Directorate remains responsible for the financial oversight of the CSP.

However, with the appointment of Ms Malijeng Ngqualeni as Deputy-Director General of IGR, the CSP has shifted in its reporting to the DDG on strategic and performance matters.

The CSP itself is headed up by a programme manager responsible for day-to-day management of the programme. The Programme Manager is appointed on contract and is not an official. The CSP's position and relationship within the IGR division is illustrated below.

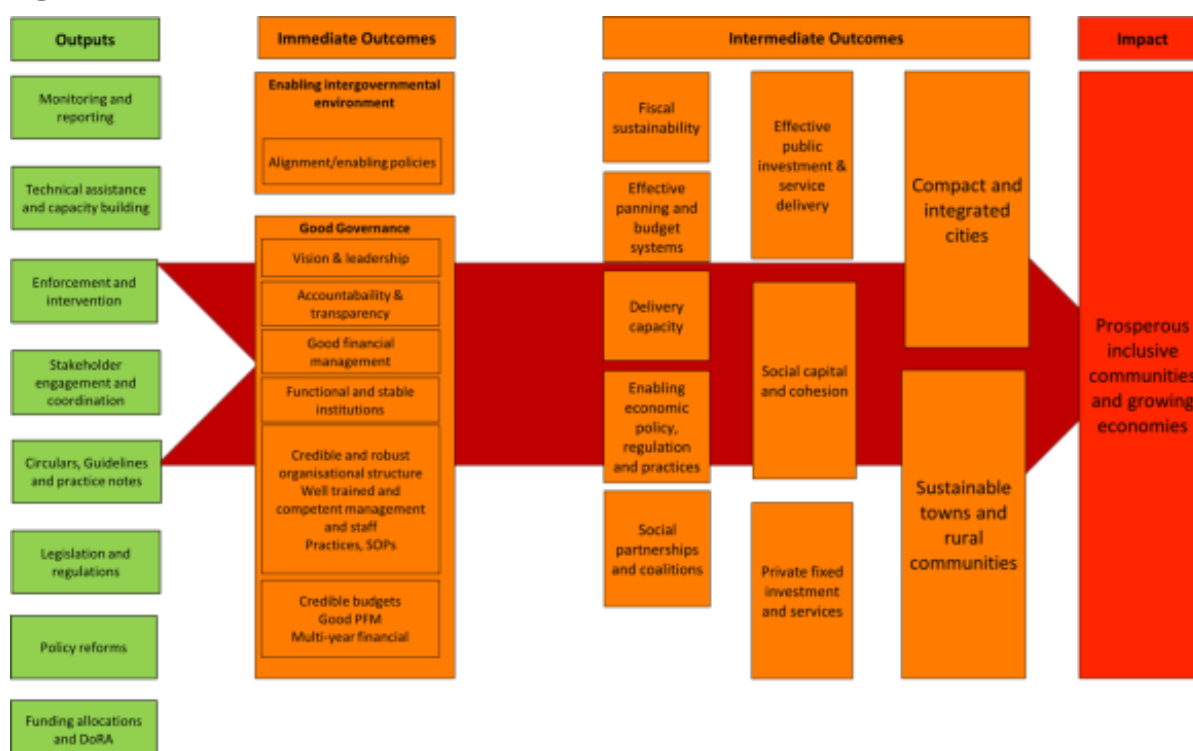
Figure 5: CSP's Institutional Location in IGR



Source: Adapted from NT, 2017, "IGR in a Nutshell", PowerPoint presentation

Within this institutional framework the CSP also aligns and closely supports the IGR's Results Framework, which is set out in the figure below.

Figure 6: IGR Results Framework



Source: NT IGR, 2017

### 4.3.3 Governance and coordination arrangements

The 2012 *Cities Support Programme Framework Document* envisaged a comprehensive set of coordinating and governance structures for the CSP.

At its apex the CSP envisaged a Programme Steering Committee, consisting of national departments which would guide the day to day coordination of programme implementation and provide broad direction and guidance to programme implementation. This Steering Committee was to comprise National Treasury, the Department of Human Settlements, the Department of Transport, the Department of Environmental Affairs as well as the Department of Cooperative Governance, National Planning Commission and Department of Planning, Monitoring and Evaluation. This structure was never established.

Importantly the original Framework also envisaged that the core components of the CSP would be managed by relevant line departments. These departments were to establish dedicated programme management structures. Specifically, the following structures were envisaged (but ultimately not implemented):

- National Treasury to establish a City Support Unit in the Intergovernmental Relations Division that would be responsible for overall programme management and coordination, as well as the implementation of activities in Components 1.
- The Department of Human Settlements to establish an Urban Settlements Support Unit, responsible for the management of intergovernmental transfers, city support initiatives and national activities under Component 2.
- The Department of Transport to establish an Urban Transport Support Unit that will be responsible for the management of all transfers, support programmes and national activities under Component 3 of the programme.
- The Department of Environmental Affairs to establish units for Solid Waste Support, City level Environmental Monitoring and City Climate Change Support.

With exception of the CSP unit within National Treasury, these structures were not established as envisaged. Other notable coordinating structures envisaged in the original CSP design included:

- At the provincial level - regular consultative meetings convened by Provincial Treasuries between cities and relevant departments responsible for human settlements, local government, transport, health, education and related infrastructure sectors to facilitate budget alignment and investment coordination in cities. The Framework also notes that “the CSP and these consultative meetings must complement and support the role of sector MINMECs and existing IDP coordination structures.” (CSP 2012) 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.” (CSP 2012). 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 exiting sectoral fora such as Technical MINMECs. The CBF has played a central role in the work of the CSP and remains the main platform for key stakeholder engagement.

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 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.

#### 4.3.4 Key implementation partnerships

The CSP uses three key implementation partnerships in its programme of work, the Development Bank of Southern Africa (DBSA), the World Bank, and the Government Technical Assistance Centre (GTAC). The core rationale of these partnerships is to:

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

The three current strategic partners and their current role and areas of involvement with CSP are summarised in the table.

**Table 4: Strategic Implementation Partners**

Partner	Role	Involvement / Competence
<b>The Development Bank of Southern Africa</b>	<ul style="list-style-type: none"> <li>• Programme management and administration</li> <li>• Procurement of service providers</li> <li>• Technical support</li> <li>• Housed CSP from 2012-2014</li> </ul>	<ul style="list-style-type: none"> <li>• Key partner in support of the CSP with a specific focus on Infrastructure delivery, project and programme preparation and strategic alignment around climate response.</li> </ul>
<b>The World Bank</b>	<ul style="list-style-type: none"> <li>• Technical expertise</li> <li>• Fund mobilisation</li> <li>• Procurement of service providers</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of Reimbursable Advisory Services Programme (2012-2016)</li> <li>• Expertise across a number of CSP components</li> </ul>
<b>Government Technical Advisory Centre</b>	<ul style="list-style-type: none"> <li>• Service providers</li> <li>• Technical support</li> </ul>	<ul style="list-style-type: none"> <li>• Project management support</li> <li>• Partnership with Economies of Regions Learning Network (ERLN)</li> </ul>

These partnerships have enabled the CSP to mobilise resources and deploy support in the context of an emerging support programme with limited organisational structure and support and systems.

#### 4.3.5 Operating model

The CSP recognises that in order for cities to grow and reach their full potential they need:

- A strong fiscal framework which ensures that public resources are managed efficiently and allocated strategically, particularly as a guide to private investment.
- An enabling intergovernmental environment for city transformation through changes in the policy and regulatory environment.
- An integrated programme of implementation support for metros. (National Treasury 2015b)

The CSP implements its support in the eight metropolitan municipalities through five components namely (1) Core City Governance, (2) Human Settlements, (3) Public Transport, (4) Economic Development and (5) Climate Resilience and Sustainability. Underlying all of these components is a set of steps that have been designed to deliver the desired programme results including:

- Understanding the context, both in terms of what is currently being done in the city space in South Africa, as well as good practice internationally.
- Leadership, which is critical to driving and engaging the spatial transformation agenda. This requires special support to the individuals that lead cities politically and administratively.
- Given that there are multiple government role players involved in the city space, it is important that intergovernmental alignment is supported.
- Cities need support to plan for transit-oriented development through the broader framework of the Urban Network Strategy (UNS) and Built Environment Performance Plans (BEPPs).
- Certain fiscal and financial issues require attention at the national and city levels in order to implement the UNS.
- Regulatory and land issues also require attention at the national, provincial and city levels.
- These then allow for the delivery to catalytic projects within integration zones.
- Such projects need to be sustained. (National Treasury 2012c)

Given the above, 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).

## 5. Findings of the Evaluation

In this section the findings of the evaluation are presented against the evaluation criteria (i.e. relevance, coherence, effectiveness, efficiency, and sustainability).

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

This section considers the relevance of the CSP and addresses the evaluation question (see table 1) with respect to whether the CSP is a relevant/appropriate response to the context/underlying problem as set out in section 3.1 above. In order to evaluate the relevance of the CSP it is necessary to understand the underlying problems to which the programme seeks to respond, the objectives of the programme, and the extent to which there is alignment between the programme and other stakeholders' policy statements.

#### 5.1.1 Problem analysis

The problem statement for the CSP which underpins the Theory of Change is set out in the Framework Document as follows:

- Urban performance has not created cities that are sufficiently inclusive, productive and sustainable. The current pace of urban population growth is outstripping rates of urban economic growth. This growth is insufficiently labour intensive, and urban economies are not delivering employment opportunities to an increasing number of young job seekers.
- Apartheid settlement patterns are an important reason why urban economic growth rates are falling behind the rate of urbanisation. The dispersed and fragmented spatial patterns of cities contribute significantly to the serious structural challenges they face. Although some progress in providing basic services to urban residents has been made, cities remain segregated and exclusionary.
- Cities are becoming increasingly environmentally unsustainable, with only limited attention being paid to the need for cities to adapt to or mitigate climate risks in the way that they function.
- Urban governance still reflects Apartheid fragmentation. There is a lack of integrated planning and budgeting at city levels where housing, transport and individual services are all planned, financed and delivered separately. The result is a duplication of roles in project implementation, weak regulatory frameworks and limited oversight of actual performance. Thus, there is diffuse accountability for developmental outcomes, including the long-term environmental and fiscal sustainability of investment programmes.
- The challenges of weak economic growth, high levels of exclusion, rising investment needs and fragmented governance are reflected most directly in the demand for more national subsidies for urban infrastructure, housing and public transport investments. However, the existing system of infrastructure grants and operating subsidy programmes seldom reward efficient and developmentally effective performance by cities. In fact, they may even create disincentives for efficiency, if not properly allocated and administered. Current grant programmes tend to focus on funding inputs (such as plans submitted) or physical outputs (households connected to a service). Although easier and less politically complicated, this approach weakens the imperative for cities to become more inclusive, productive and sustainable. (CSP 2012)

According to the Framework Document, the CSP thus 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 as a result of the legacy of Apartheid, they are exacerbated by poor and fragmented urban government, inefficient fiscal structures, and a challenging inter-governmental environment.

It is noted that the CSP's problem analysis aligns closely with the key challenges facing cities as outlined in the literature review.

### **5.1.2 Programme objectives**

The founding document of the CSP was the CSP Framework which was developed during the Planning stage (see 4.1 above) undertaken between 2012 and mid-2014. The CSP Framework was finalised in January 2012 and revised in 2015. The CSP Framework Document (National Treasury 2015b) sets out the fundamental principles for the programme and indicates that the management of the built environment including human settlements, infrastructure services, transport systems and social facilities constitute the key levers that cities possess to promote inclusive, productive and sustainable urban environments. The effective management of the built environment is only possible if cities are well governed.

The CSP Framework Document then outlines fundamental principles which are based on the South African Cities Network (SACN) vision of well governed, productive, inclusive and sustainable cities indicating that what is needed is the spatial form of cities being transformed from their current fragmented, exclusive and low density spatial form to a more compact and integrated one based on transit-oriented development (TOD). The Urban Network Strategy is an articulation of this approach with a focus on integration zones where public investment is targeted (catalytic projects) and private sector investment incentivised. The premise is that,

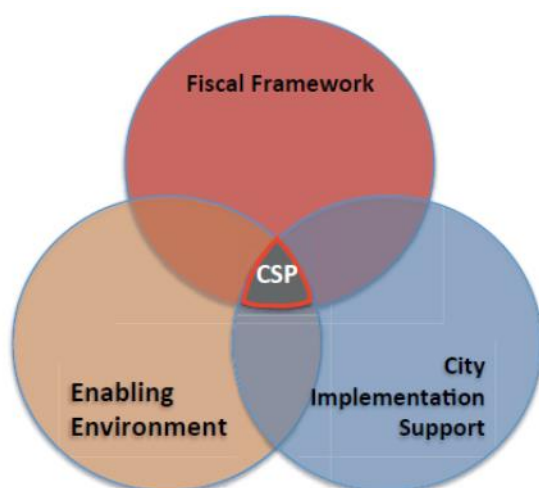
"Inclusive urban growth requires a focus on key result areas at the city and intergovernmental level. Well-governed cities enable practical, time bound actions to be taken to transform the urban spatial form, which in turn will enable more inclusive, productive and sustainable cities to be built over time, and contribute to faster and more inclusive economic growth. At the intergovernmental level, the alignment of policy, fiscal, regulatory and support mechanisms will create an enabling environment for city transformation to achieve these economic impacts." (National Treasury 2015b, p9)

Accordingly, the CSP framework document asserts that in order for cities to grow and reach their full potential they need:

- A strong fiscal framework which ensures that public resources are managed efficiently and allocated strategically;
- An enabling intergovernmental environment for city transformation through changes in policy and regulatory environments; and
- An integrated programme of city implementation support.

According to the framework document, the focus of the CSP is where these three elements intersect.

Figure 7: The elements of the CSP



Source: CSP 2015b

It is noted that the fundamental principles and objectives of the CSP strongly relate to the problem analysis. Furthermore, the CSP has adhered to the above fundamental principles since 2015 when they were articulated in the Framework Document.

However; the way in which the CSP has sought to support the achievement of these principles has evolved over time. Set out below is a high-level overview of the approach of the CSP as reflected in the Framework Documents of 2012 and 2015 and the 2016/17 Annual Plan.

In the 2012 Framework Document the CSP is understood as providing support to cities through the provision of technical assistance linked to incentives to strengthen municipal capacity and performance. In the 2015 Framework Document, CSP is understood primarily as a demand driven umbrella programme. In the 2016/17 Annual Plan the CSP is reflected as providing support to cities by gathering, generating and sharing innovative and appropriate practice in the context of the built environment value chain, as well as providing support to the broader intergovernmental environment.

Table 5: Evolution of the approach of the CSP

CSP Framework Document (2012)	CSP Framework Document (2015)	CSP Annual Plan (2016/17)
<b>The CSP has been designed to respond to the implementation support needs of cities through providing technical assistance linked to incentives that are designed to strengthen municipal capacity and performance... It seeks to provide the umbrella framework through which government support will be provided across policy, fiscal and implementation support functions in key sectors where change is planned to occur anyway.</b>	The CSP is a <b>demand driven and 'umbrella' programme</b> that recognizes that in order for cities to grow and reach their full potential they need: A strong fiscal framework which ensures that public resources are managed efficiently and allocated strategically, an enabling intergovernmental environment and an integrated programme of support.	In order to contribute to cities being well governed, the CSP provides support to cities by <b>gathering, generating and sharing innovative and appropriate practice in the context of the built environment value chain...</b> This takes the form of gathering and generating good practice to create an empirical base to prepare recommendations to reform the fiscal and financial system and drafting recommendations to create a more enabling policy, regulatory and support environment. The CSP also convenes platforms, primarily within government, for the city case to be made.

### 5.1.3 Alignment with national policy objectives

Meeting minutes suggest that during its design stage, the CSP's founders held numerous consultations with national level departments and stakeholders in order to define the objectives and approach of the programme. It would thus be expected that a degree of alignment between the CSP's objectives and the policy objectives of its key stakeholders would be observed. The extent to which this holds true is explored below.

- 1) **National Treasury:** CSP was conceived and located within National Treasury from its inception. The 2012 Strategic Plan for National Treasury under the Intergovernmental Relations Programme indicates the following:

"The emphasis in the period ahead will include reprioritising budgets towards key government programmes and improving the capacity of provinces and municipalities to deliver infrastructure. The differentiated approach to local government funding will be strengthened to ensure that rural municipalities are adequately supported and urban issues addressed." (National Treasury 2012b, p28)

Activities during the period included,

"Finalising the design and implementation of a large cities support programme targeted at eight metros to support both the review of their fiscal framework and progressive consolidation of built environment functions at city level. The objective is to support and strengthen the service delivery, management capacity and systems of South African cities." (National Treasury 2012b, p29)

It can be concluded that at the time when the CSP was designed there was a strong alignment between the CSP's underlying theory of change and National Treasury's policies. This alignment has continued as the CSP continues to be a programme within National Treasury.

- 2) **Department of Cooperative Governance and Traditional Affairs (COGTA):** The Strategic Plan for COGTA (then DCoG) in 2012 indicates that the mandate of the department was to build an effective, efficient, responsive and developmental local government. The vision was aligned to Outcome 9 namely a responsive, accountable, effective and efficient local government system. COGTA had adopted eight strategic goals:

- Facilitate the implementation of a policy framework providing for a differentiated approach to municipal financing and planning support
- Facilitate access to basic services and sustainable infrastructure development
- Facilitate the implementation of the community works programme and sustainable economic development
- Strengthen the effectiveness of cooperative government
- Fight corruption
- Strengthen and coordinate integrated disaster management and fire services
- Deepen participatory democracy
- Enhance the administrative and financial capabilities of municipalities.

Given that key focus areas of the CSP is financing and planning support, sustainable economic development, cooperative government and enhancing the administrative and financial capabilities of municipalities it can be concluded that there is strong alignment with COGTA.

3) **Department of Human Settlements (DOHS):** Between 2010 and 2014 the South African Government agreed on 12 outcomes as a key focus of work. Each outcome has a limited number of measurable outputs with targets. Each output was linked to a set of activities that would help achieve the targets and contribute to the outcome. Each outcome had a delivery agreement. The outcome relevant to the Human Settlement sector was Outcome 8, Sustainable Human Settlements and an improved quality of household life. This document was a key driver for the activities of the Department of Human Settlements and framed its policy focus (Presidency 2010). Outcome 8 set targets in the following four areas (Presidency 2010):

- The accelerated delivery of housing opportunities with a focus on upgrading of informal settlements (500,000 Hh) and providing affordable rental housing stock (20,000 units pa)
- Providing access to basic services as part of the National Bulk Infrastructure Development Programme
- Ensuring more efficient land utilisation with a target of the acquisition of 6250 ha (net) state owned land
- Facilitating an improved property market through the supply of affordable housing finance (600,000 units)

Given the CSP's focus in the Human Settlement component was creating an enabling environment through property markets and land, providing cities with implementation support for the upgrading of informal settlements and improving the performance of fiscal instruments to improve service delivery, it can be concluded that at the time when it was designed there was alignment between the CSP's underlying theory of change and the DHS's policies.

More recently it is noted that while there remain high levels of alignment in terms of the policy focus there is a divergence in some areas. Tensions and unresolved issues persist between the CSP and the DoHS, due to the fact that the DoHS does not appear to support fully the methodology, planning and approach of the CSP in the human settlement context. For example, the CSP supports accreditation of the housing function to metros and the DHS does not. Furthermore, issues have arisen with respect to the CSP's manner of communication and consensus-building approach in this context (explored further in the Coherence section).

4) **Department of Transport (DOT):** The Department of Transport Strategic Plan for 2011/12 – 2013/14 indicates that the mandate of the department is to maximize the contribution of transport to the economic and social development goals of South Africa by providing fully integrated transport operations and infrastructure. One of the 14 outputs indicated in the plan is the development of Integrated Rapid Public Transport Networks (IRPTNs) in twelve (12) cities and six (6) rural districts.

In respect of outcomes the strategic plan notes that public transport is a critical strategic imperative in the Department's service delivery agenda. Over the medium term, the Department will implement measures to ensure an effective, efficient, affordable and accessible public transport system in both urban and rural areas through, among others, the implementation of integrated public transport networks, and establishment and strengthening of regulatory entities, acquisition of new rail rolling stock, and development and upgrading of priority passenger rail corridors.

The objective of the CSP Public Transport component is to assist cities to enhance urban mobility, boost public transport ridership volumes and alter land use patterns to support

sustainable and pro-poor public transport systems. This is in direct alignment with the policy intent of the DOT.

- 5) **Department of Economic Development (DED):** The Economic Development Department Strategic Plan of 2011/12 – 2015/16 indicates that the aim of the Department is to co-ordinate the contributions of government departments, state entities and civil society on economic development; contribute to efforts that ensure alignment between the economic policies and plans of the state and its agencies and government's political and economic objectives and mandate; and promote government's goals of advancing economic development with decent work opportunities. One of the Department's programmes is to strengthen the economic development policy capacity of government; review, develop and propose the alignment of economic policies; and develop policies aimed at broadening participation in the economy and creating decent work opportunities.

The objective of the CSP Economic Development component is to provide transversal support to city governments to refocus their economic development activities on increased formal economic activity and the facilitation of livelihood opportunities. The purpose of city activities to promote economic development should be to provide effective platforms for local economic activity. This is in alignment with the National Departments strategic intent.

- 6) **Department of Environmental Affairs (DEA):** The Department of Environmental Affairs (DEA) Strategic Plan 2012 to 2017 indicates that the top priority areas for the department over the medium term include: providing support to local government in the areas of air quality management, waste management, biodiversity management, coastal planning and open space planning; strengthening compliance and enforcement activities; drawing linkages between climate change, the green economy and sustainable development; aligning governance systems with the new outcomes approach, paying particular attention to ensuring that environmental assets and natural resources are valued, protected and continually enhanced (outcome 10); and focusing on key national and international engagements.

The objective of the CSP component on Climate Resilience is to assist cities to scale up their climate adaptation and mitigation interventions through leveraging available global funds and accessing global experience and expertise. It focuses on approaches to mainstream climate resilience and sustainability issues across the major infrastructure sectors managed at city level. This is in alignment with the Department of Environmental Affairs strategic intent.

- 7) **South African Cities Network (SACN):** The South African Cities Network strategic plan for the fiscal years 2011 – 2016 indicates that its overarching goal for the strategic period is enabling South African cities' understanding of, preparedness for, and performance in playing their respective roles in driving local and national development.

Towards this, the SACN has established the following strategic priorities for the period: enable cities to act with a better understanding by enhancing their supporting policy, planning and data infrastructure; transform the built environment function in cities, in particular by enabling effective strategies and systems for addressing spatial planning and land use, sustainable human settlements, and public transport; and deal decisively with key vulnerabilities facing cities, in particular around the issues of natural resources, municipal finances, human capacity, and socio-political stability.

The CSP focus on fiscal reform, spatial planning, human settlements and public transport is directly in line with the SACN's strategic intent.

- 8) **South African Local Government Association (SALGA):** SALGA's strategic plan for the period 2012 to 2017 indicates that its mandate is to transform local government to enable it to fulfil its developmental mandate. One of the problem areas identified is that the history of municipal planning in South Africa has contributed to inappropriate and undesirable patterns of development in municipalities characterised by inefficiency, inequality and segregation. Planning under a democratic dispensation has not significantly challenged or re-moulded these patterns.

There is an urgency to address planning and economic development at a local level as it will serve as a critical foundation for the development and viability of municipalities. In order to address this problem, the strategic intent indicated is to promote Local Government as a centre of Development and Planning through: improving the ability of municipalities to manage development planning, supporting Municipalities to reverse the apartheid spatial planning and development patterns and supporting municipalities to increase to the number of those producing credible IDP's.

The CSP's Core City Governance component focuses on supporting city governments to effectively and efficiently design and implement a programme of urban spatial transformation, based on the Urban Networks Strategy. This component aims to strengthen the transversal features that underlie city management to develop inclusive, productive and sustainable cities. This is in alignment with SALGA's strategic intent.

Finally, it is noted that there is a significant degree of alignment between the objectives of the CSP and the objectives of the National Development Plan (NDP). The primary objective of the NDP is the elimination of poverty and the reduction of inequality in South Africa by the year 2030. The NDP acknowledges the "importance of space" in this context. Indeed, according to the NDP, the spatial environment *"has a bearing on access to opportunities, good schools, useful social networks, public services and safe environments. Separation between social groups, long distances between jobs and housing, and poor public services exacerbate poverty and inequality... This is hugely significant for South Africa's society, economy and environment."* (NPC, 2012, p.234)

The CSP's Theory of Change similarly makes the link between spatial restructuring and addressing inequality and poverty. Its problem statement indicates the following: *"Key to supporting urban growth and reducing inequality and poverty is reversing the economic and socially exclusionary nature of our cities – a consequence of city spatial form characterised by sprawling, low density and segregated land-use patterns..."* Accordingly, it can be argued that the CSP's key focus on spatial restructuring and transformation is pro-poor in its intent and closely aligned with the objectives of the NDP.

#### **5.1.4 Relevance: Overall evaluation findings**

The CSP's fundamental principles, purpose and objectives, as reflected through the Framework Documents of 2012 and 2015 and the CSP Annual Plan 2016/17, correspond strongly to the challenges identified in the problem analysis. Importantly, the literature review suggests that the problem analysis continues to be valid. 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 continue to be relevant given the current context.

Furthermore, the fact that numerous consultations were held by CSP with key national stakeholders during its design phase is reflected in the significant degree of alignment that can be observed between the CSP's objectives and South Africa's national policy objectives. Indeed, the CSP at the time of its design was directly aligned with the strategic intent of important stakeholders including National Treasury, COGTA, DOHS, Department of Economic Development, DOT, SACN and SALGA. Alignment appears to still be occurring

and has strengthened in respect of these entities, with the exception of DOHS, where there is some misalignment in respect of some areas.

Finally, it is noted that there is a significant degree of alignment between the objectives of the CSP and the objectives 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.

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

This section considers the extent to which the CSP is internally and externally consistent. It thus considers whether the CSP Theory of Change is logical i.e. are the activities and outputs consistent with the programme's goals and objectives? Further do the activities and outputs support or contradict other public interventions?

### **5.2.1 Internal Coherence**

A review of the CSP's Theory of Change (presented in Section 4.2) gives rise to an awareness of the many elements that constitute the programme as well as the complexity of their relationship to one another.

These elements appear to be largely complementary, mutually supportive and non-contradictory of one another. 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 current approach may lead to increased marginalisation of the poor as investment in basic services etc. is diverted. This argument essentially questions the (empirical) relationship between the CSP's intermediate outcomes and its intended impact. The evaluation notes that there is currently not enough empirical evidence to validate either of the contending perspectives.

### **5.2.2 Alignment with other public interventions**

There are a number of overlaps between CSP activities and other public interventions, including those which are being implemented at the National line department level, the National government agency level, and the municipal level.

For example, reference was made to the Department of Environmental Affairs' (DEA) Cities Resilience Programme (CRP), which seeks to influence projects and institutional arrangements across various spheres of government. Respondents suggested that while the objectives of the CRP align with those of the CSP, the CSP has a greater emphasis on fiscal and financial issues. Another difference is that the CRP plans to expand beyond metros to secondary cities. Although there has been good engagement between CRP and the CSP, challenges have arisen with respect to building an integrated approach between the two programmes. Issues relating to a potential duplication of effort thus remain a concern.

Areas of mutual activity also exist between the CSP and other line departments such as the National Department of Transport (DOT), the National Department of Human Settlements (DOHS) and the Department of Economic Development. While some of these line departments may perceive the CSP to be unnecessarily interfering in their sectors, representatives from the Department of Corporate Governance and Traditional Affairs (COGTA) believe that the CSP has a complementary role to play in this context.

Further overlap and lack of alignment has been identified between the CSP and SACN and SALGA. In this context, respondents suggested that there is an overlap “in areas of learning/sharing”, and that there is a need to find “an integrated way of working together”. In particular, a risk of duplication has been highlighted in relation to the work of SACN. Nevertheless, when asked about overlaps, a SALGA respondent noted that given the significant level of need at the metro level and the importance of creating an enabling inter-governmental environment, any additional endeavours (such as those undertaken by the CSP) add value.

There is also an overlap with the National Upgrading Support Programme (NUSP), which is focused on the informal settlement upgrading programme, and the Housing Development Agency (HDA), which is focused on land for human settlement development and human settlements catalytic projects (which differ from the CSP definition of catalytic projects). It is noted that CSP is currently working with both of these entities in order to align activities.

Finally, certain respondents suggested that there is an overlap between the instruments of the CSP (such as the Built Environment Performance Plan - BEPP) and existing instruments at the municipal level (such as the IDP and Spatial Development Framework - SDF). As one respondent commented: “When you support municipalities, there is a flow of existing instruments. It is flawed if you fix the problem by creating something new. We are overburdened on planning instruments and reporting instruments and don’t have capacity. It would have been better to use what we have and not bring in new processes.”

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 relationship with certain stakeholders and the limited degree of mutual cooperation taking place in this context.

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. While the institutional location of the CSP (within National Treasury) has facilitated a level of buy-in with certain stakeholders (particularly at the metro level), it has simultaneously had the effect of making stakeholders who are already weary of the influence of National Treasury (such as the Department of Human Settlements) reluctant to engage with the CSP.

The CSP has responded pragmatically to these challenges of integration. Although it acknowledges that stakeholder buy-in and alignment is an important element to ensuring the success of the programme, it has taken a decision to continue with the implementation of its activities at the metro level even in the absence of buy-in from certain national level stakeholders. This approach is being undertaken with the hope that traction at the metro level will assist the programme with gaining traction at the national level further down the road. Recent developments suggest that promising partnerships are beginning to emerge between the CSP and national entities such as the Department of Transport, COGTA, SALGA and SACN.

### **5.2.3 Coherence: Overall evaluation findings**

It is concluded that 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 agenda and assert that the current approach may lead to increased marginalisation of the poor as investment in basic services etc. is diverted. This argument essentially questions the (empirical) relationship between the CSP's intermediate outcomes and its intended impact. The evaluation notes that there is currently not enough empirical evidence to validate either of the contending perspectives.

The programme is less externally coherent given the complex space within which it is operating. Although the CSP has made attempts at aligning and integrating its activities with those of other governmental stakeholders, to date it has achieved limited success in this respect. Areas of overlap exist between the activities and interventions of the CSP and those of the CRP, National line departments, SALGA, SACN, NUSP, HDA, and existing instruments at the municipal level, which is resulting in duplication of efforts.

While 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, concerns remain with respect to the quality of the CSP's relationship with certain stakeholders and the limited degree of mutual cooperation taking place in this context. Nevertheless, the potential for the activities of the CSP to largely complement the activities of these entities is broadly acknowledged, and progress is being made with respect to the development of more fruitful collaborations going forward.

### **5.3 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 has been planned. The evaluation assumes that the planned outputs of the CSP were originally expected 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 a number of 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 the metro and national level. It is important to note that challenges were experienced with respect to 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 have not been adequately

documented, which has posed a significant constraint to evaluating the effectiveness of the programme.

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. As such the product/process analysis is based on the CSP's revised targets as defined in the CSP's latest project documentation.

The following sub-sections set out how the CSP operates at the component and metro levels; provide an overview of the current status of the various CSP projects; explore what deliverable have been planned and completed to date; and presents the various outputs (as defined in the CSP's TOC) that have been delivered to date.

### 5.3.1 *Description of the CSP's operating method*

The CSP operates at two levels:

- 1) Sectoral departments which have a major role to play in shaping the policy agenda and creating the conditions for regulatory reform.
- 2) Metros where there is a need to create more compact cities and achieve spatial transformation through interventions in the five components targeted by CSP.

While engaging at these two levels, the programme is pursuing fiscal and regulatory reform through engagement with transversal departments (National Treasury for example). National government is seen as the primary mechanism of trying to convene public sector stakeholders. Structures such as the City Budget Forum are one of the platforms that have been convened for advocacy and lobbying within the inter-governmental system. Each of the eight participating metros are represented in the City Budget Forum.

The CSP undertakes its activities and produces its outputs through the implementation of five components or theme areas and within the eight metropolitan municipalities. Set out below is a high-level overview of each of the component's sub-components and projects, and an overview of CSP's areas of focus at the metro level for five of the metros. More details can be seen in **Appendix 8** and **Annexes A to E**.

#### *Components*

The purpose and key projects being undertaken by Component are as follows:

- 1) **Core City Governance:** The objective of the Core Governance component is to support city governments to design and implement a programme of urban spatial transformation based on the UNS.<sup>5</sup> The objectives of the Core Governance component thus stem from and align with the objectives of the overall CSP. The specific emphasis of the component is on **cross-cutting programmes** that support and leverage outputs in the other components.<sup>6</sup> The term "governance" is interpreted broadly, which reflects the immense ambition of the component.

The component is made up of five sub-components as follows:

<sup>5</sup> Cities Support Programme. (2017). Cities Support Programme – Plan for the Period January 2017 to June 2018.

<sup>6</sup> Core City Governance. (2017). Presentation to Home Week.

- **Leadership and Governance:** Focuses on strengthening the agency of senior officials and politicians to lead a programme of spatial transformation; expanding modalities of citizen engagement; and strengthening integrity frameworks.
- **Planning Reforms:** Seeks to address the need for medium to longer term reform to the planning and reporting systems in order to enable the achievement of integrated outcomes.
- **Monitoring, Reporting and Incentives:** Seeks to address the need to reform the built environment reporting environment through rationalizing indicators. It further seeks to incentivise city behaviour through the Integrated City Development Grant (ICDG) which in turn requires monitoring the quality of the Built Environment Performance Plans, registering and tracking catalytic projects at the city level, and using performance against these indicators as an input to allocations of the ICDG.
- **Infrastructure Finance Reform:** Seeks to assist cities to prepare catalytic urban development projects for effective implementation, through reforming the national policy environment, providing incentives and support, and providing technical and financial assistance to cities.
- **Infrastructure Delivery:** Focuses on the planning for, delivery of, and maintenance of infrastructure that transforms South Africa's city spaces into more compact, inclusive, productive and sustainable cities.

The projects undertaken in respect of each sub- component are shown in the table below.

**Table 6: Core Governance Component: Planned and undertaken projects by sub-component**

Sub-component	Projects
<b>Leadership and Governance</b>	<ul style="list-style-type: none"> <li>• Executive Leadership Programme (CG1)</li> <li>• Leadership Coaching &amp; Support (CG2)</li> <li>• Citizen Engagement (CG3)</li> <li>• Integrity Strategies (CG5)</li> </ul>
<b>Planning reforms</b>	<ul style="list-style-type: none"> <li>• Reform of the planning system (CG6)</li> <li>• Tools for Spatial Planning (CG9)</li> <li>• Built Environment Performance Plan Cycle (CG27)</li> <li>• Longer term strategies for city growth and development (CG25)</li> </ul>
<b>Monitoring, Reporting and Incentives</b>	<ul style="list-style-type: none"> <li>• Reporting Reforms (CG21)</li> <li>• City Data Reforms (CG26)</li> <li>• Built Environment Outcome Indicators Monitoring (CG28, previously PM10)</li> <li>• Catalytic Project Registration and Tracking (CG30, previously PM23)</li> <li>• Integrated City Development Grant (ICDG) (CG29, previously PM21)</li> </ul>
<b>Infrastructure Finance Reform</b>	<ul style="list-style-type: none"> <li>• Infrastructure Finance Reform (CG11)</li> <li>• MTEF and Fiscal Framework (CG16)</li> <li>• Revenue Policy Support (CG13)</li> <li>• Innovations in Infrastructure Finance (CG18)</li> <li>• Land Development Transaction Support (CG10)</li> <li>• Cities PPF (CG15)</li> </ul>
<b>Infrastructure Delivery</b>	<ul style="list-style-type: none"> <li>• Social Environment Management Programme (SEM) (CG19)</li> <li>• City Infrastructure Delivery and Management System (CIDMS) (CG20)</li> </ul>

Source: CSP 2017/18 Annual Plan

- 2) **Human Settlements:** The objective of this component is to support cities to ensure the availability of affordable accommodation at scale for all of their residents, within more inclusionary, integrated and efficient human settlements. (National Treasury 2015b).

The Human Settlements component comprises three sub-components:

- **Creating an enabling environment through property markets and land (later called Planning Support):** Focuses on improving the understanding of property markets as a driver of economic growth and facilitating the release of strategic public land and review of the regulatory environment for land use management.
- **Providing cities with implementation support for the upgrading of informal settlements:** Focuses on addressing city-level constraints to drastically scale-up the upgrading of informal settlements and support self-build housing.
- **Improving the performance of fiscal instruments (later called Human Settlements Finance):** Focuses rental housing options, grants and subsidies, incentivising the private sector to increase participation in affordable housing in better-located areas, and piloting demand side subsidy instruments.

The projects undertaken in respect of each sub- component are shown in the table below.

**Table 7: Human Settlements Component: Projects by Sub-Component**

Sub-Component	Projects
Planning and Land Support	• Understanding property markets (HS3)
	• Supporting cities in strategic land availability (HS10)
	• Analysis of the regulatory and institutional framework for urban land use management (HS12)
	• City Housing Strategy Development and Planning Alignment Support (HS15)
Upgrading Support	• Scaling up upgrading of informal settlements (HS13)
	• Backyard Incremental Development Studies (HS14)
Human Settlement Finance	• Exploring options for rental housing finance (HS8)
	• Community based fund for upgrading informal settlements (HS16)

Source: CSP 2017/18 Annual Plan

- 3) **Public Transport:** The objective of this component is to assist cities to enhance urban mobility, boost public transport ridership volumes and alter land use patterns to support sustainable and pro-poor public transport systems. (National Treasury, 2015a). Core to the CSP is the improvement of public transport for prevailing users of taxis, buses, trains, and cars as well as to accommodate a significant portion of future travel demand. The Public Transport component is intended to specifically result in outcomes in the Inclusive cities space, to ensure “an integrated public transport system that is used by the majority of inhabitants...” and affordable and efficient public transport. (National Treasury, 2017)

Public Transport comprises of three sub-components:

- **Transport leadership and planning:** This seeks to support the development of a national legislative, institutional and policy environment conducive to the development of favourable city public transport systems.
- **Transport capacity support:** Supports the efficient and effective planning, construction and operation of city public transport systems in order to provide value for money and offer transport services to the most deserving citizens.

- **Transport financing (Finance):** Finance, policy and legal instruments need to be sharpened to allow for greater leveraging of private sector investment, more innovation in financing instruments to share the benefits of increased land values that result from public infrastructure investment, and measures to drive the inclusion of previously disadvantaged communities.

The type of projects undertaken in respect of each sub- component are shown in the table below.

**Table 8: Public Transport: Projects by Sub-Component**

Sub-component	Projects undertaken
<b>Leadership &amp; Planning</b>	<ul style="list-style-type: none"> <li>• Development of Transport Devolution Strategy &amp; Programme (Provincial) (PT2)</li> <li>• National Capacity Building Strategy (PT3)</li> <li>• Development of Transport Devolution Strategy &amp; Programme for Metrorail (PT7)</li> </ul>
<b>Capacity Support</b>	<ul style="list-style-type: none"> <li>• Review of IPTNs (PT4)</li> <li>• Study on MBT Innovation and Integration (PT5)</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>• Innovative Ways of Financing Public Transport Infrastructure and Operations (PT9)</li> <li>• Reform to the Fiscal Architecture of Public Transport Finance (PT10)</li> <li>• Annual PTNG Support (PT14)</li> </ul>

Source: CSP 2017/18 Annual Plan

- 4) **Climate Resilience and Sustainability:** The objective of this component is to assist cities to scale up their climate adaptation and mitigation interventions through leveraging available global funds and accessing global experience and expertise. (National Treasury 2015b). It focuses on increasing resource efficiency, decreasing greenhouse gas emissions and improving the function/condition of the ecosystem. CSP intends to achieve this through increasing the alignment of city spatial plans with priorities in achieving biodiversity, reducing the loss of priority biodiversity, increasing the protection of the ecosystem and restoring its function. (National Treasury, 2017)

Climate Resilience and Sustainability comprises of three sub-components:

- **Enabling Environment:** This seeks to support the integration of climate resilience and sustainability into city development agendas through four projects.
- **Climate Finance:** This seeks to lift financial barriers that cities face in financing the transition to a low carbon, climate resilient development path.
- **City Support:** This seeks to develop, finance and implement projects that improve the resilience of investments in infrastructure and service delivery.

The projects undertaken through the Climate Component are shown in the table below.

**Table 9: Climate Resilience: Projects by Sub-Component**

Sub-component	Projects undertaken
Enabling Environment	<ul style="list-style-type: none"> <li>• Diagnostic on CSP Approach to Environmental Sustainability &amp; Climate Resilience (CR1)</li> <li>• Aligning Climate Resilience with Pro-Poor Urban Economic Growth (CR10)</li> <li>• Climate-Resilient City Plans and Budgets (CR11)</li> <li>• Regulatory Streamlining (CR14)</li> </ul>

Sub-component	Projects undertaken
Climate Finance	<ul style="list-style-type: none"> <li>Review of Intergovernmental Grants (CR12)</li> <li>Climate Finance Support (CR13)</li> <li>Finance Solutions for Improving Water and Sanitation (CR15)</li> </ul>
City Support	<ul style="list-style-type: none"> <li>City Support for Climate-Proof City Plans and Budget (CR16)</li> </ul>

Source: CSP 2017/18 Annual Plan

- 5) **Economic Development:** The objective of this component is to provide transversal support to city governments to refocus their economic development activities on increased formal economic activity and the facilitation of livelihood opportunities. (National Treasury 2015b). Economic Development comprises the following three sub-components:

- **Leadership, Strategy and Planning**, which supports metro leadership in their Economic Development orientation.
- **City Support**, which provides tools that metros can use to become more Economic Development- friendly.
- **Enabling Environment**, which supports national policies and frameworks to support Economic Development.

The projects undertaken in respect of each sub- component are shown in the table below.

**Table 10: Economic Development: Projects by Sub-Component**

Sub-component	Projects undertaken
<b>Leadership &amp; Planning</b>	<ul style="list-style-type: none"> <li>City economic strategy, planning and partnering (ED9)</li> </ul>
<b>City Support</b>	<ul style="list-style-type: none"> <li>Subnational Cost of Doing Business (ED1)</li> <li>Informal and Township Economies (ED8)</li> <li>City Investment Promotion (ED15)</li> <li>City Public Employment Innovation (ED16)</li> </ul>
<b>City Economic Strategies</b>	<ul style="list-style-type: none"> <li>Asset Management &amp; Service Delivery Support (ED10)</li> <li>Urbanisation Review (ED11)</li> <li>Data Working Group (ED14)</li> </ul>

Source: CSP 2017/18 Annual Plan

- 6) **Programme Management:** In addition to the Components set out above there is also a Programme Management function. The programme management structure comprises the following:

- Programme Leadership and Coordination
- **City Coordination**, which seeks to exercise oversight and co-ordinate programme activities across the eight metros.
- **Strategic Support**, which includes developing the programme results framework, compilation of annual work plans, programme evaluations at mid-term and exit, and reviewing all component and city level CSP activities to identify opportunities for enhanced results.
- Stakeholder Engagement, Knowledge Management & Communications, which focuses on managing and establishing stakeholder forums.
- **Operations**, which seeks to support the implementation of the CSP through providing operational leadership, management, and co-ordination in a number of focus areas.

The projects undertaken in respect of each sub- component are shown in the table below.

**Table 11: Programme Management: Projects by Sub-Component**

Sub-component	Projects undertaken
<b>Programme Leadership and Coordination</b>	<ul style="list-style-type: none"> <li>• Programme Management Coordination (PM17)</li> <li>• Urban Policy Development Support (PM19)</li> </ul>
<b>City Coordination</b>	<ul style="list-style-type: none"> <li>• Strategic Support to City Co-ordinators (PM15)</li> <li>• National Co-ordination of City Engagements (PM16)</li> </ul>
<b>Strategic Support</b>	<ul style="list-style-type: none"> <li>• Planning (PM8)</li> <li>• Evaluation (PM18)</li> <li>• Strengthening Alignment of Urban Sector Policy and Programmes (PM19)</li> </ul>
<b>Stakeholder Management &amp; Communications</b>	<ul style="list-style-type: none"> <li>• Stakeholder Management (PM3)</li> <li>• Communications (PM4)</li> <li>• Knowledge Management (PM13)</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>• Resource Management (PM9)</li> <li>• Financial Management (PM6)</li> <li>• Internal Reporting (PM5)</li> <li>• Team Operations (PM7)</li> </ul>

Source: CSP 2017/18 Annual Plan

### *Metropolitan Municipalities*

The intent of the CSP with regard to the metros was to create more compact cities and achieve spatial transformation through interventions in the five components targeted by the CSP and described above. The CSP seeks to do this by influencing where and how public funds are invested in order to promote well governed, productive, inclusive and sustainable cities. Cities are supported and rewarded if they pursue spatial transformation through access to grants (for example the ICDG and the USDG) and technical support (CSP, 2014, p3).

The process applied within each city was that gaps in capacity within the metro to enable spatial transformation were identified through interviews with senior officials and workshops with the City's Executive Leadership. Additional supporting evidence was obtained from a desktop review of the City's Integrated Development Plan, Spatial Development Framework, Built Environment Performance Plan, Service Delivery and Budget Implementation Plan, and other strategies (economic, growth etc.) (CSP, 2014, p5). The gap analysis was used to determine the main activities/projects to be undertaken in the metro. This was written up into a Capacity Support Implementation Plan (CSIP) for each metro which was approved by the metro. The CSIP sets out the intended work to be undertaken within each metro. In some metros the CSIPs were revised over time in accordance with changing conditions and needs.

Below an overview of the focus of the CSP in each city, as outlined in the cities' CSIP's is presented.

1) **Buffalo City:** Projects were identified to be undertaken in the following key areas (Treasury, 2014):

- Support to improve regulatory and administrative processes: Sub National Doing Business (SNDB)
- Support to improve the Built Environment Performance Plan (BEPP)
- Cities Infrastructure Delivery and Management System
- Support on Integrated Public Transport Network (IPTN)

- 2) **City of Cape Town:** Ten clusters were identified in the Cape Town CSIP as set out below. The focus was on those gaps that fall within the scope of the City's competencies. Urban transformation is defined broadly to include issues of (i) governance and policy, (ii) social inclusion, (iii) economic development, and (iv) environmental sustainability and resilience. The clusters of activities are:
- Strengthening strategic leadership for urban transformation
  - Building the coalition for change with land development partners
  - Strengthening policy delivery in urban growth management
  - Expanding modalities of citizen engagement
  - Strategy and programme for accelerating land availability
  - Scaling up integrated informal settlement upgrading
  - Financing transport-oriented development
  - Support for catalytic, integrated land development in Integration Zones
  - Implementation of strategic economic initiatives
  - Fiscal implications of energy substitution
- 3) **City of Johannesburg :** The City of Johannesburg approved their CSIP in August 2014 (Coovadia 2016a). The work to be undertaken was divided into the following six clusters of activity (Cities Support Programme, 2014, p8 - 18):
- Address the fragmented, sector/silo approach to planning by moving to an integrated, outcomes-based approach to planning for a better governed city.
  - Balancing short term delivery with long term planning goals for a more well governed city
  - Land availability for integrated corridor development for a more inclusive city
  - Intervening in a mixed economy for a more productive city
  - Addressing conflict of interests regarding revenue generation and resource efficiency for a more sustainable city
  - Other activities and projects impacting on urban transformation
- 4) **City of Tshwane:** The Tshwane CSIP summarises the main activities recommended to address the gaps that hinder the process of spatial transformation in the City of Tshwane. There were seven clusters of activities identified, emerging from the Capacity Needs Analysis, namely:
- Establishing & institutionalising knowledge management
  - Developing & implementing spatial transformation policies
  - Developing leadership & improving governance process
  - Addressing the shortage of funds for asset planning, roll-out and maintenance
  - Enhancing planning, implementation, programme management, performance management and monitoring & evaluation
  - Development facilitation
  - Sustainable Development Agenda
- 5) **Ekurhuleni:** The draft CSIP for Ekurhuleni was completed in August 2014. Twenty-eight (28) gaps/bottlenecks emerged from the capacity needs analysis. The work to be undertaken was divided into the following six clusters of activity:
- Strengthening spatial policy and prioritisation

- Strengthening strategic leadership and implementing the strategic vision for the city
- Enhancing financing and strengthening the delivery of infrastructure
- Strategy and programme for accelerating land availability and Brownfield development
- Strengthening Economic Development policy, Strategy, and capacity for implementation
- Strengthening climate resilience

**6) eThekweni:** The following priority areas formed the basis of eThekweni's CSIP:

- Formulating the Corporate Spatial Investment Plan (i.e. shared vision of spatial transformation and an associated Implementation Plan)
- Strengthening strategic leadership for urban transformation
- A rule-based process for prioritization
- Positioning natural resources as a base upon which development decisions are taken
- Support in setting up monitoring/reporting systems to deal with ICDG KPI's
- Anti-corruption measures
- City specific technical support policy and implementation of economic development strategies
- Seamless Implementation and management of infrastructure and catalytic projects (IDMS)
- GIS based system to link the municipal budget to the Corporate Spatial Investment Plan
- Land use transport integration
- Identification of green technology opportunities
- Development of a Social Sector Master Plan
- Partnerships for residential densification along key corridors on High Intensity Zones
- Models for community upliftment via self- build of housing and the training of people in plumbing, carpentry etc.
- Citizen Engagement

**7) Mangaung:** The following cluster of activities are outlined in Mangaung's CSIP.

- Infrastructure development and financing
- Mainstreaming key sustainable development factors into metro processes and projects
- Addressing persistent spatial imbalances for a more inclusive and productive city
- Economic development and job creation
- Addressing challenges with the application of particular housing programmes

**8) Nelson Mandela Bay:** CSP assisted the metro to undertake a Strategic Development Review. It was ultimately approved by Council in July 2015 and generated 5 strategic decisions:

- Establish and enforce a single organisational planning process, to overcome fragmentation and incoherence;
- Implement a strategic budget process, so that choices are made within available resources;

- Refocus organisational activities around developmental rather than welfarist programmes, to ensure sustainability;
- Rebuild organisational stability and integrity, to improve effectiveness;
- Rebuild social partnerships, to ensure effective development (National Treasury , 2015, p. 1).

In the sections that follow, reference is made to “better capacitated” (or stronger) metros and to “less capacitated” (or weaker) metros. The table below categorises the various metros according their level of capacity and ability to be effective partners to CSP support. This classification is based on the five case studies and a documentary review.

**Table 12: Classification of metros by level of capacity**

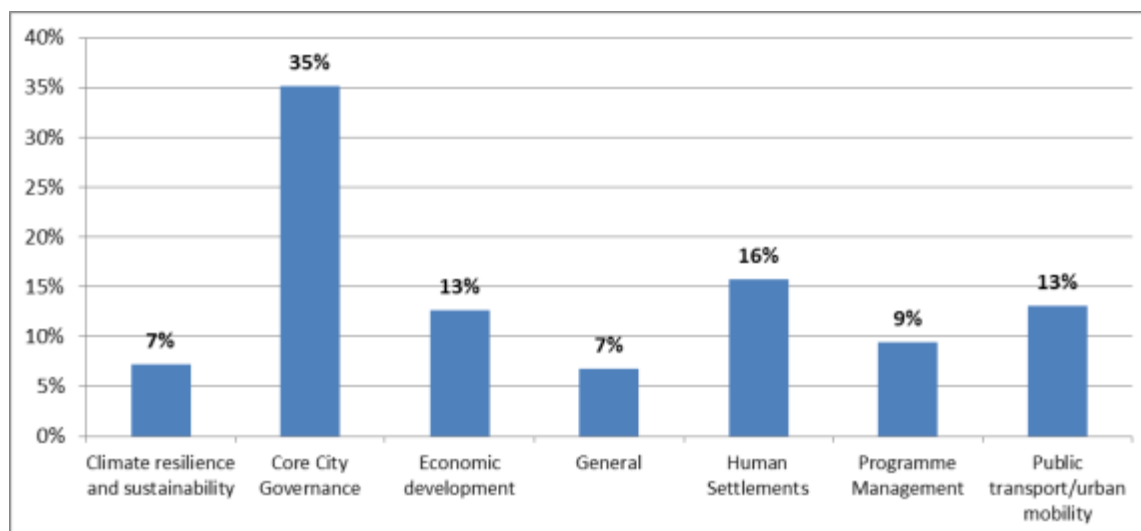
	Total Population 2016	GVA 2015 (R'000)	Capacity Assessment (Preliminary)
City of Johannesburg	4,949,347	485,928	High
City of Cape Town	4,004,793	352,559	High
eThekweni	3,661,911	320,231	High
City of Tshwane	3,275,152	318,825	Medium
Ekurhuleni	3,379,104	289,262	Medium
Nelson Mandela Bay	1,263,051	103,873	Medium
Mangaung	759,693	59,983	Low
Buffalo City	810,528	54,421	Low
<b>All Metros</b>	<b>22,103,578</b>	<b>1,985,084</b>	

### **5.3.2 Projects planned and undertaken**

This section is based on a quantitative review of the CSP’s annual reports and project sheets. It presents the status of the various projects (or work streams) that have been launched by the CSP since its inception.

The review indicates that the CSP had planned to undertake approximately 229 projects since inception. Of these the majority (35%) are in the Core City Governance component, with the remainder being in the Human Settlements (16%), Public Transport (13%) and Economic Development (13%) Components (see the figure below). Climate Resilience has the lowest percentage of projects which is expected as this Component was implemented after the others.

Figure 8: Projects to be undertaken

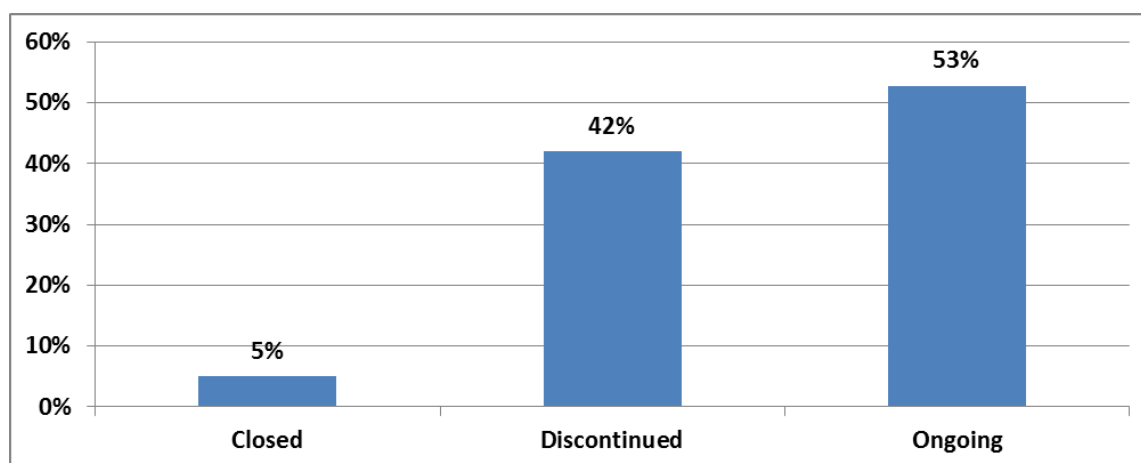


Note: Above only includes 222 projects, the remaining 7 projects are programme level projects that do not relate to a specific component.

Source: CSP Projects tracker, Project Sheets, own analysis

Of the 229 projects identified to be undertaken 5% have been closed (completed), 42% have been discontinued and 53% are ongoing (see figure below). An overview of each of these categories of projects is set out below.

Figure 9: Status of projects to be undertaken



Source: CSP Projects tracker, Project Sheets, own analysis

The table below provides an overview of the **closed projects** which comprise 11 projects in total. The majority of these projects were completed and fell in the Core City Governance Component. The project product for three of the projects was analytical and diagnostic studies, two resulted in a policy option / recommendations note and one a report. The project processes applied included technical assistance (6), coaching and team building support (1), facilitation/bridging support (1) and grant implementation support (1).

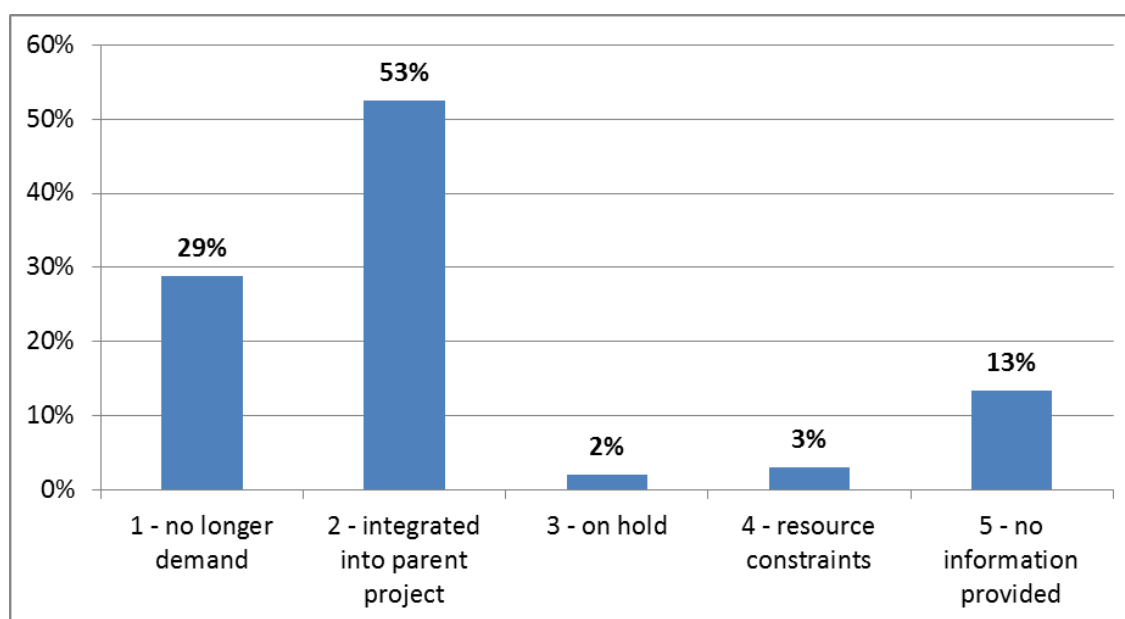
Table 13: CSP Closed Projects

	Component	Project number	Reason	Project name	Project Products	Project Processes
1	Core City Governance	CG2-CPT3	Completed	Strengthening Policy Delivery in Urban Growth Management	Analytical & Diagnostic Studies	Technical assistance
2	Programme Management	CG2-EKU9	Completed	Knowledge Management Strategy & Implementation Plan	Other Report (e.g. Exit report)	Technical assistance
3	Core City Governance	CG2-NMB2	Completed	NMB Organisational Change Management Support	n/a	Coaching & team building support
4	Core City Governance	PM15-NMB1	Completed	NMB Strategic Development Review	Policy options / Recommendations Note	Technical assistance
5	Core City Governance	CG7	Completed	CG7 Investor Dialogues	Agreements / MoUs	Facilitation / Bridging
6	Climate resilience and sustainability	CR1	Removed and replanned	Diagnostic on CSP Approach to Environmental Sustainability & Climate Resilience	Policy options / Recommendations Note	n/a
7	Economic development	ED9-COJ2	Completed	Business access to electricity	Analytical & Diagnostic Studies	Technical assistance
8	Economic development	ED9-COJ4	Completed	Implementation of COJ economic strategy	Analytical & Diagnostic Studies	Technical assistance
9	Human settlements	HS4	Completed	Diagnostic of the Effectiveness of the Subsidy Instrument for the UISP	Policy options / Recommendations Note	Grant implementation support
10	Human settlements	HS9	Completed	Pilot Demand Side Subsidy Instruments	Pilots & case studies (demonstration)	Technical assistance
11	Public transport	PT1	Completed	Diagnostic on Transport and Land Use Management	Analytical & Diagnostic Studies	n/a

The **discontinued projects** comprise 97 projects in total. As indicated in the figure below almost half (53%) of the discontinued projects have been integrated into a “parent project”, a third (29%) are no longer in demand, 3% could not be implemented due to resource constraints and 2% are on hold.

The discontinuation of projects reflects some rationalisation of projects so that the CSP can focus its energies more strategically on a smaller number of projects. At the same time, it may reflect that originally the CSP had unrealistic or over ambitious expectations, given their resources.

**Figure 10: Reason for discontinued projects**



Source: CSP Projects tracker, Project Sheets, own analysis

The ongoing projects (53%) comprise 121 projects in total. As indicated in the table below, the majority (39%) are in the Core City Governance Component, 13% are in the Human Settlements Component, 13% are Programme Management and 12% are in Public Transport.

The main products intended to be produced are reports (14%), toolkits and guidelines (13%), pilots and case studies (12%), policy options (11%) and analytical and diagnostic studies (10%). The main project processes applied through these projects are technical assistance (30%), city workshops and seminars (11%) and national forums, workshops and seminars (9%).

The majority of projects are applied in all metros (47%) i.e. the supply projects. The percentage of projects applied only in certain metros varies considerably with the highest numbers occurring in Nelson Mandela Bay (7%), Cape Town (6%) and Tshwane (6%).

**Table 14: Ongoing projects**

Category	Factors	Percentage of total outputs
<b>Component</b>	Core City Governance	39%
	Human Settlements	13%
	Programme Management	13%
	General	12%
	Public Transport	8%
	Economic Development	8%
	Climate Resilience	6%

Category	Factors	Percentage of total outputs
	Total	100%
<b>Project product</b>	Other reports	14%
	Toolkits and guidelines	13%
	Pilot and case studies	12%
	Policy options	11%
	Analytical and diagnostic studies	10%
	Grant conceptualisation & design	6%
	Good practice and think pieces	6%
	M&E frameworks/tools	3%
	Not specified	25%
	Total	100%
<b>Project processes</b>	Technical assistance	30%
	City workshops & seminars	11%
	National forums, workshops and seminars	9%
	Grant implementation support	7%
	Specialist review panel	7%
	Transaction advisory	3%
	Other	4%
	Peer learning events	3%
	Coaching & team building support	2%
	Not specified	25%
	Total	100%
<b>Metros</b>	All metros	47%
	Nelson Mandela Bay	7%
	Cape Town	6%
	Tshwane	6%
	eThekweni	5%
	Joburg	4%
	Ekurhuleni	2%
	Mangaung	2%
	Buffalo city	2%
	National level	18%
	Total	100%

### 5.3.3 Deliverables planned and produced

On the basis of a quantitative review of the CSP project sheets, the table below sets out the indicated deliverables for the Closed and Open Projects (132) and the extent to which they have been implemented.

As indicated in the table, a total of 575 deliverables (i.e. products and processes) were planned to be implemented. These deliverables include a wide range of activities such as developing reports and business plans, workshops, seminars, toolkits etc. **To date of these deliverables, 279 or 49% are reported to have been implemented.**

When reviewing the data of the deliverables planned and comparing these against those delivered, the delivery against target is highest for Programme Management (69%) and Core City Governance (48%). Core City Governance is also the largest component of work (both in terms of activities and budget) and consists of predominantly supply projects which are implemented across all eight metros.

Table 15 : Planned and implemented deliverables

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%
<b>Total</b>	<b>49</b>	<b>212</b>	<b>58</b>	<b>48</b>	<b>185</b>	<b>23</b>	<b>575</b>	<b>100%</b>
<b>Delivered</b>	<b>20</b>	<b>147</b>	<b>19</b>	<b>4</b>	<b>88</b>	<b>1</b>	<b>279</b>	
<b>Percentage</b>	<b>41%</b>	<b>69%</b>	<b>33%</b>	<b>8%</b>	<b>48%</b>	<b>4%</b>	<b>49%</b>	

Source: CSP Project Sheets v49; own analysis. Note: 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.

### 5.3.4 Outputs delivered

A more detailed, qualitative analysis of the achievements of the various components of the CSP at the output level is presented below. This analysis is based on a review of the CSP's 2017/18 annual plan and interviews with relevant stakeholders. Further information can be found in **Appendix 8** and **Annexes 1 to 6**. On the basis of this evidence the following was determined:

- 1) **Core City Governance:** Planned projects and deliverables were not “set in stone” in 2012, but the component was conceived in a manner that would allow it to respond to changing conditions in a relatively agile way. As a consequence, many of the projects that were initially identified have ceased to exist and new projects have arisen.

A significant number of deliverables have been completed to date under the Core Governance component. These include four leadership workshops, coaching and transversal management support to several metros, a generic citizen engagement assessment scorecard, the Municipal Money analysis tool, the Fiscal Impacts Model, the Quarterly Municipal Borrowing report, a Toolkit of Land Value Capture Instruments, SEM tools and practices, and the CIDMS Toolkit.

The component has also been responsible for the formulation and approval of the metros' Built Environment Performance Plans over the past 4 years, as well as the allocation of the ICDG. Furthermore, it has facilitated the establishment of several intergovernmental platforms and working groups, including the Development Charges Steering Committee and the Urban Finance Working Group.

Additionally, the component recently finalised the built environment (BE) indicators. The indicators are documented in detail in indicator reference sheets. These reference sheets consist of a detailed explanation of each indicator, the basis on which the data is reported, the source of the data and the rationale for collecting the information. The BE indicators were reported on as part of Built Environment Performance Plan submissions in May 2017.

The Leadership and Governance sub-component has had significant demand / buy-in and has been well implemented. The Executive Leadership Programmes were particularly well received, receiving high ratings on the respondent surveys. Senior members of COGTA attended the 2017 Executive Leadership Programme and found it to be extremely well conceptualised and well designed. A Senior Manager at COGTA suggested that the workshop achieved a lot in terms of orienting newly appointed mayors and executives to the spatial transformation agenda.

The Planning Reforms sub-component was also well implemented. The Infrastructure Finance Reform sub-component gained significant traction over time but has been slowed down at the national level. The Monitoring, Reporting and Incentives sub-component has made good progress in reaching inter-governmental agreement on reporting structures and indicators.

It can be concluded that at the output level, the Core City Governance Component has achieved notable results with respect to the delivery/provision of the leadership development programme (through the four leadership workshops), knowledge outputs (e.g. in the context of the citizen engagement toolkit, the Municipal Money analysis tool, the Fiscal Impacts Model), the Built Environment Performance Plan, and skilled technical resources (e.g. in the context of the transversal management support).

It has also made progress with respect to the establishment of intergovernmental platforms (such as the Development Charges Steering Committee and the Urban Finance Working

Group) and the development of recommendations to create an enabling fiscal environment (through its work on the ICDG and the Infrastructure Finance Reform sub-component).

- 2) Human Settlements:** The review of projects undertaken indicates that extensive work has been completed through the Human Settlement component. Areas where significant progress has been made includes design and application of the Urban Settlement Development Grant (USDG) and its linkage to the Built Environment Performance Plan, work on property markets, work on the subsidy instruments being applied in the national programme (both ownership and rental), some work on accessing land and informal settlement upgrading.

More recently, new projects have been identified including urban land use management linked to the Spatial Land Use and Management Act (SPLUMA), backyard incremental development, support to metros to formulate housing strategies and community-based funding for upgrading. There are very few projects where no work has been undertaken.

It can be concluded that at the output level, the Human Settlements Component has achieved results with respect to the delivery/provision of knowledge outputs (e.g. through its work on property markets, informal settlement upgrading, and urban land use management). It has also made progress with respect to the development of recommendations to create an enabling fiscal environment (through its work on the USDG and its linkage to the Built Environment Performance Plan, and its work on subsidy instruments).

- 3) Public Transport:** Indications are that activities are being implemented as planned in some cities. The focus has been on cities' transport planning and rolling out Bus Rapid Transit (BRT) systems.

The CSP's Integrated Public Transport Network (IPTN) Guidelines work has been well received, and focuses on the necessity of spatial transformation, the transversal nature of planning, budget reform, and annual sector assessments. Furthermore, the CSP's work related to the Public Transport Network Grant (PTNG) has culminated in grant reforms that have direct implications for the application and award of public transport grants. This too has been positively received by the metros.

Other deliverables produced by the component include a technical report describing the interventions required to devolve the transport function (which was not well-accepted by the metros), and a status quo report for the National Capacity Building Strategy. The Transport component has also continued to provide support for hearings dealing with the financial sustainability of Public Transport systems.

It can be concluded that at the output level, the Public Transport Component has made notable progress with respect to the development of recommendations to create an enabling fiscal environment through its work on the PTNG. It has also achieved results with respect to the development of recommendations to create an enabling policy, regulatory and support environment through its work on the IPTN Guidelines.

**Economic Development:** Measurable deliverables under the Economic Development component relate largely to workshops, draft reports and learning notes. Products produced include the Sub-National Doing Business review (a very significant project) and action plans, an Asset Management and Service Delivery review, and a draft City Public Employment Innovation Report. The component is also undertaking an Urbanisation Review with the World Bank, which is currently underway. Generally, projects that reached the implementation stage are on track in terms of planned outputs.

Processes undertaken through the component include the facilitation of peer learning events for the Sub-National Doing Business project; the administration of an informal and township

activities survey; detailed engagement with selected cities on city economic strategy and planning; and the completion of five urbanisation research missions.

It is noted that the Sub-National Doing Business project has gone beyond simply ranking the participating metros to developing action plans for improvement in relation to specific metrics such as registering property, getting electricity, and construction permits. A second iteration of the assessment and ranking process is planned.

It can be concluded that at the output level, the Economic Development Component has made progress with respect to the delivery/provision of knowledge outputs and trained/skilled technical resources.

- 4) Climate Resilience and Sustainability:** The Climate Resilience Component only effectively began in 2016, with the appointment of a Climate Resilience Lead. There has been substantial work done on trying to narrow the focus of the component and to focus on some quick wins in the limited time which remains in this phase of the programme. This has included identifying existing projects that are being pursued by other component leads and leveraging off these including for example a review of IGR grants and trying to ensure that the Built Environment Performance Plan also incorporates an environmental focus.

There has been very positive progress in developing relationships with the Department of Environmental Affairs and trying to align the agenda and work area of CSP with DEA's existing international commitments. CSP is looking to identify metros which could test a particular set of projects in the next phase.

With respect to the metros, there has been significant success in implementing the planned outputs in the stronger (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 products that were particularly effective include peer learning forums and leadership courses, the Built Environment Performance Plan, technical assistance, advocacy and lobbying, financial strategy, long-term framework development, and intergovernmental systems improvements.

Take up of and engagement with CSP projects has varied considerably in the weaker metros. Demand-led projects appear to have been less successful in this context. Key reasons for poor take up include capacity constraints and political and administration changes. Key challenges faced include difficulty in the CSP receiving support and internal capacity within metros to coordinate and manage programmes. Further challenges include identifying champions both at an overall city level and to implement projects.

### **5.3.5 Programme effectiveness (outputs): Overall evaluation findings**

The project-level status review indicates that of the approximately 229 projects that the CSP has established since inception, just under half have been discontinued whereby the majority have been absorbed into another project. On the one hand, this reflects a rationalisation of projects so that the CSP can focus its resources and capacity. At the same time, it 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 traction could be secured. 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.

A quantitative 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 the planned deliverables of the CSP have thus not yet been completed but are still underway. It is thus highly unlikely that all of the CSP's planned deliverables will be completed by 2018.

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

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 has 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 weaker 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.

#### **5.4 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 immediate outcome level looks for indications of emerging results and at the likelihood that the CSP will achieve the intended outcomes in the future.

A qualitative analysis of the achievements of the various components of the CSP at the immediate outcome level is presented below. This analysis is based on a review of the CSP's 2017/18 annual plan, metro and national level planning documentation, and interviews with relevant stakeholders. Further information can be found in **Appendix 8** and **Annexes 1 to 6**.

Specifically, the analysis explores whether there has been changes in vision and leadership to drive spatial restructuring, city capability to plan and manage urban spatial transformation, and approaches to the financing, packaging and delivery of catalytic projects. It further explores indications of changes in the intergovernmental environment – with respect to fiscal, policy and regulatory reform – to support city transformation.

#### **5.4.1 Vision and leadership to drive spatial restructuring**

In both the stronger (i.e. better capacitated) and weaker metros there is evidence that the CSP has contributed to a shift in how leadership views spatial planning and transformation. In the case of the stronger metros it is noted that this shift in perspective commenced prior to the CSP, but that the activities of the CSP strengthened, reinforced and increased the momentum.

In this regard, the leadership workshops and Built Environment Performance Plan have been key instruments/ initiatives. In many metros, the Built Environment Performance Plan has proven to be a valuable tool in developing consensus related to the importance of spatial planning, and the role of CSP in facilitating debates and creating a platform for discussion is acknowledged.

It is noted that metros promulgating the strongest TOD strategies tend to be those in which the political leadership has bought into the concept of the Built Environment Performance Plan. Certain of these metros are beginning to make progress in engaging provincial departments and SOEs in the Built Environment Performance Plan process.

In some of the weaker metros, the benchmarking process has been valuable for understanding the spatial planning challenges being faced, and how these could be overcome.

#### **5.4.2 Capability to plan and manage urban spatial transformation**

There is evidence that the activities and tools of the CSP have enhanced the metros' capabilities to plan and manage urban spatial transformation. By far the key element in regard to this outcome is the Built Environment Performance Plan which is recognised by all metros to be an extremely useful process and document to achieve integration and ultimately urban spatial transformation. The Built Environment Performance Plan is seen by all metros to have been effective in requiring departments to work together and in consolidating policy into one document that is easily accessible.

Nevertheless, the degree of the CSP's influence in this regard has varied across metros. In the stronger metros, the Built Environment Performance Plan has become a lot more comprehensive over time and has moved to locate issues relating to spatial planning and targeting in the context of the bigger picture i.e. institutional arrangements, funding arrangements and catalytic projects. In these metros, the Built Environment Performance Plan is also being used to reflect and consolidate the outcomes of the IDP and SPF.

While the weaker metros have experienced challenges with complying with the stringent requirements associated with the compilation of the Built Environment Performance Plan, they have nonetheless also benefited from the assistance provided by the Built Environment Performance Plan in articulating and coordinating their planning intentions and objectives. The results of an independent Built Environment Performance Plan benchmarking exercise undertaken by Aurecon are shown in **Appendix 14**. The data show that in most cases the Built Environment Performance Plan quality has improved over the last three iterations with CSP support.

It is noted that the link between the Built Environment Performance Plan and the budgetary framework remains somewhat weak in all of the metros. This is a focus of the CSP going forward, and the stronger metros are already working on improving this aspect of their planning processes.

#### **5.4.3 *Enhanced citizen involvement and taking a partnership-based approach to the delivery of catalytic projects***

Across all cities catalytic projects are lagging. With respect to the identification and packaging of projects, cities have faced challenges as a result of political dynamics and insufficient specialist expertise. With respect to the financing and implementation of projects, cities also appear to be experiencing difficulties with securing support and funding from the private sector, SOEs and other public-sector entities such as relevant line departments and provincial stakeholders. It is noted that the time frame of most of these projects is long-term.

The stronger metros have shown the most promise with respect to promoting enhanced citizen involvement and taking a partnership-based approach. In this context, the CSP has played a meaningful role in the development of a Stakeholder Engagement Toolkit and is making progress with respect to facilitating catalytic project investment commitments from certain SOEs. The stronger metros have also achieved more promising results with respect to the engagement of the private sector in the delivery of catalytic projects.

The weaker metros, however, have not succeeded in securing the trust of the citizenry or the private sector. Although the CSP has been working towards improving this situation, limited evidence of citizen involvement and a partnership-based approach to the delivery of catalytic projects is observable in this context.

#### **5.4.4 *Assignment of functions to the metros***

The CSP's attempts to develop recommendations regarding the devolution of functions to the metros have thus not yet yielded significant effects at the outcome level, and assignment of the human settlement and public transport functions to cities has not occurred as envisaged. In respect of human settlements, it has been blocked by the Minister. While there has been some traction in respect of the transport, this has still been limited.

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. This is largely due to the fact that the CSP has not succeeded in gaining the buy-in of the key line departments (as a result of political obstacles) and does not have the authority to force the line departments to act in accordance with its recommendations. This has limited the CSP's impact in terms of the TOC.

#### **5.4.5 *Restructured fiscal and financial framework***

With respect to fiscal and financial reform, there has been significant documentary evidence of achievements in this area. In the Human Settlements Component the CSP's contribution at a national level in respect of financial reform has been well received and the DoHS have indicated that it is being applied in respect of the development of the new Human Settlements White Paper. At the national level, the Public Transport Component's Integrated Public Transport Network package of reform has changed the manner with which cities plan

and budget for their public transport systems. It has also provided DOT with support in assessing the new applications, to make much more credible funding allocation choices.

More specifically, the Integrated Public Transport Network Guidelines work has: a) linked the critical role of planning across functions to achieve spatial transformation; b) reformed the budget system to longer term projections to align with spatial changes; and c) assisted in annual sector assessments of this, through the PTNG budget process. This has led to an understanding of fiscal and financial sustainability for public transport systems as intricately linked to spatial change. It has further introduced a greater degree of predictability and sustainability into the allocation of public transport grants through the implementation of a formulaic system.

Furthermore, the role of the Built Environment Performance Plan in enabling higher levels of intergovernmental cooperation and promoting fiscal reform across the metros is noted. The rationale behind the Built Environment Performance Plan is to integrate and align the cities' planning objectives with their budgets, and ultimately to link the Built Environment Performance Plan with existing regulated instruments and grants. In this way, the Built Environment Performance Plan is viewed as a potential mechanism for influencing and "jump-starting" other regulated tools. As noted above, there have been higher levels of success in this regard in the better capacitated metros.

It is further noted that the establishment of the ICDG grant framework – and its linkage to the Built Environment Performance Plan – is playing an important role in incentivising metros to invest in integration zones in support of the TOD agenda.

#### **5.4.6 Reviewed policy and regulatory frameworks**

With respect to policy and regulatory reform, the evidence of this outcome is mixed. This is likely a reflection of confusion within the national policy environment.

In the Human Settlement component for example the new White Paper indicates a fundamental shift in thinking and approach to human settlement development that will enable a more integrated way of delivering housing. However, at the same time the DoHS is proceeding with the implementation of mega projects which many believe will undermine spatial transformation.

In respect of the Public Transport Component, the Integrated Public Transport Network Guidelines work has entrenched the necessity of spatial transformation at a policy level. Nevertheless, there remain significant policy barriers to be addressed, particularly in the sphere of rail.

#### **5.4.7 Key implementation challenges**

The CSP has faced a number of implementation challenges that have impeded its effectiveness. These challenges have arisen in the context of the CSP's engagement with the national line departments, the metros, and the provincial departments.

The programme was designed on the premise that buy-in existed or could be secured at both the national and metro level. One of the major implementation challenges that has directly influenced the CSP's performance to date is discordance in the objectives of line departments with those of metros (amplified by issues related to grant reforms). This has affected the extent of progress towards creating an enabling environment and achieving fiscal and regulatory reform.

At the national level, a key challenge faced by the CSP in respect of the Human Settlements component is a difference in perspective between the CSP and DoHS with respect to the

implementation of housing policy. Indeed, the current policy focus of the DoHS on mega projects undermines spatial imperatives of a compact city and does not adequately focus on densification of cities. The CSP also supports accreditation, which the DoHS is not in full agreement with.

At the inter-governmental level, the CSP programme initially faced significant challenges with respect to securing the cooperation of COGTA – despite strong alignment at the policy level. Nevertheless, the CSP has made significant progress in this regard more recently (specifically with the established of the IUDF office in COGTA), and COGTA is now included on many of the Core Governance Component project steering committees. COGTA has recently become involved in the CSP's executive leadership courses, and in the CSP's transversal management projects. COGTA is also seeking to play a more active role in the Integrity Strategy projects. Together with COGTA, the CSP is currently in the process of developing a programme for secondary cities which will include similar areas of work to that included in CSP (in its current form).

There is limited evidence of sustained engagement with provincial government, a major stakeholder with direct and significant influence on planning processes. Some key role players have consequently disengaged on the basis of duplication and perceived lack of consultation. This is a major constraint to improving inter-governmental relations and ensuring agreement on the inter-governmental project pipeline. For certain CSP components, such as Public Transport, provincial engagement is increasingly becoming a key focus of the programme.

At the metro level, a number of implementation challenges have also arisen. In certain of the metros (both strong and weak), the CSP has faced changing political contexts. 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.

The CSP has also struggled to identify project champions in certain metros. In this context, changes in key CSP resources at the city level has resulted in a lack of continuity to the programme's implementation, which has affected levels of buy-in. Significantly, in the weaker metros, officials have sometimes lacked the capacity to be able to receive the CSP's support and to coordinate, manage and implement CSP programmes and projects. There have been challenges in the nature of supply-led interventions being provided across all metros, irrespective of their functionality and level of need.

#### **5.4.8 Programme effectiveness (outcomes): Overall evaluation findings**

Although the analysis finds indications of emerging positive changes in all of the metros reviewed, such changes have typically been more pronounced in the context of the stronger (i.e. better capacitated and more politically stable) metros.

In the stronger 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 this context. In the stronger metros, the Built Environment Performance Plan has also become a lot more comprehensive over time and is now being used to relate 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 weaker metros, city representatives have suggested that the CSP has played a key role in raising the profile of spatial planning in the city, 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 the weaker 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 as a result of difficulties in determining the projects and in structuring how these projects are implemented. The stronger metros have achieved more promising results with respect to the engagement of the citizenry, the private sector and SOEs in this context. The weaker metros, however, have not succeeded in securing the trust of the citizenry or the private sector, as evidenced by increasing community protest marches and land invasions.

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 key metro fiscal and funding areas such as the ICDG, USDG, Development Charges Policy and MTEF and Fiscal Framework alignment amongst other areas. Furthermore, the Integrated Public Transport Network Guidelines, package of reform has changed the manner in which 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 yet to be realised in respect of reforms (in part this is a function of the status of the DoHS own 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 the realm of fiscal reform and variable success in the realm of city implementation support, its achievements in the realm of 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 performances in those areas. 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)..

## **5.5 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 has 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 established (partly in response to the scale-up of the programme) limiting the number of years for which reliable data could be obtained.

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

### **5.5.1 Programme management**

#### *CSP Structure*

The CSP has a complex structure as a ring-fenced Programme Management Unit (PMU) within the National Treasury's IGR Division. The salient features of this structure are illustrated below. (For a summary of the CSP's own proposed organisational structure see **Appendix 9**).

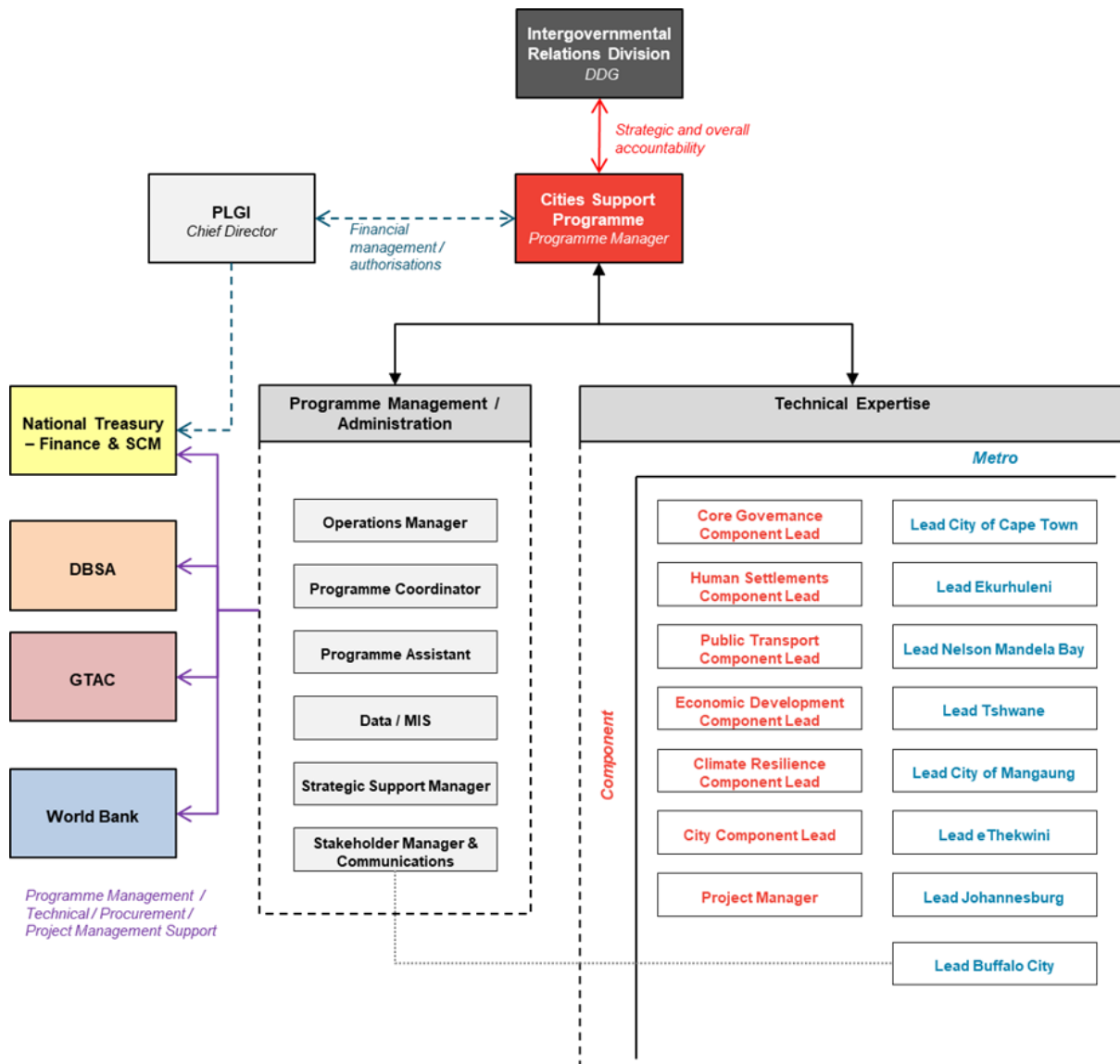
The CSP operates a matrix structure. The CSP has a Component Lead that is responsible for structuring and implementing the projects to be undertaken in respect of that Component. In addition, each Component Lead operates as a City Lead for one of the eight metros. The City Lead is responsible for coordinating the delivery of supply and demand projects in that metro and for reporting on progress.

The metro is also responsible for nominating 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 was 14 comprising a programme manager, 4 programme management / administrative staff and 9 technical experts. The current organisational structure is shown in the figure below.

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).

Figure 11: CSP Operating Structure



The CSP is not a unit / directorate or branch on the National Treasury establishment, but instead operates as ring-fenced PMU reporting to the DDG IGR. The DDG IGR has overall accountability for the programme and helps to determine the CSP's strategic direction within the broader strategic framework for IGR as well as National Treasury as a whole.

In respect of operational and financial management accountability the CSP operates through the Provincial & Local Government Infrastructure Chief Directorate. This directorate is responsible for the day-to-day financial oversight of the CSP and any authorisations in respect of payments through the National Treasury system. Furthermore – within the National Treasury - the CSP needs to engage with NT Finance (in respect of payments) as well as Supply Chain Management (SCM) in respect of any procurement.

In respect of governance it is noted that the planned Programme Steering Committee (an inter-departmental forum) was never established. As such the CSP Programme Manager reports to the DDG IGR and on financial matters to the Chief Director PLGI. While the Programme Manager of CSP participates in IGR senior management / Chief Director Meetings he does not have the status of an official and consequently requires CD and DDG approval for all financial and related accountability matters.

The explicit design of the CSP is that of a small core team utilising the contracted services of professionals to deliver its projects. This not only limits the total fixed cost of the programme, but also enables a high degree of flexibility and responsiveness as the programme is able to rapidly deploy local and international expertise. Critical to this model however is an efficient procurement process, as well as access to the necessary databases / panels of professionals and firms. Additionally, a robust management system to ensure that resources are optimally utilised and deliver both outputs and outcomes is key. The extent to which this is being achieved is explored further in the sub-sections that follow.

The current CSP PMU structure operates a programme management / administration team comprising 4 people. Most of these resources were only contracted in the last 2 years. These resources are tasked with the day-to-day project and financial management of the CSP as well as setting up systems and developing appropriate policies and procedures. Prior to their appointment, the CSP relied on its partners (notably the DBSA) but also operated with limited formal processes.

The second leg of the CSP PMU comprises the technical team which currently consists of nine technical advisors (TA's). These are all highly skilled and experienced resources contracted on two-year time-based contracts (the majority of current contracts commenced on 01 March 2016 and run until 30 June 2018).

**Table 16: CSP Team Contract Timeframes**

	Function	Name	Start date	End date	Months	Total Hours
1	PM	Llewellyn Holtshausen	01/03/2016	30/06/2018	28	4,480
2	PM	Stanley Mutisi	01/10/2016	30/06/2018	21	3,360
3	PM	Suzette Pretorius	01/03/2016	30/06/2018	28	4,480
4	PM	Xoliswa Sithebe	01/07/2016	28/07/2018	25	5,920
5	TA	Yasmin Coovadia	01/02/2016	30/06/2018	29	4,640
6	TA	Roland Hunter	01/03/2016	30/06/2018	28	4,480
7	TA	Michael Kihato	01/03/2016	30/06/2018	28	4,480
8	TA	Seth Maqetuka	01/10/2016	30/06/2018	21	3,360
9	TA	Nhlanhla Mncwango	01/03/2016	30/06/2018	28	4,480
10	TA	Nishendra Moodley	01/02/2016	30/06/2018	29	4,640
11	TA	Samantha Naidu	01/03/2016	30/06/2018	28	4,480
12	TA / PM	David Savage	01/02/2016	30/06/2018	29	4,640
13	TA	Anthea Stephens	01/10/2016	30/06/2018	21	3,360
14	TA	Jeremy Timm	01/03/2016	30/06/2018	28	4,480
<b>Average</b>					<b>26.5</b>	<b>4,377</b>

Notes: PM = Programme Management; TA = Technical Advisory

Source: CSP Contracts database, own analysis

The table above indicates the current contract periods for the CSP team. These are aligned to the completion date for Phase 1 of the CSP in 2018.

As illustrated in the figure above, the CSP operates a matrix structure with most of these technical resources assuming a dual role – on the one hand responsibility for managing one of the core CSP programme components (such as Core Governance) as well as acting as project managers (Leads) for specific metros. In this role these resources are required to

project manage, deliver / provide technical support, report and assume overall accountability for both elements – Component and City.

The model of allocating one CSP consultant per metro ('CSP city coordinator') has been invaluable in coordinating projects and ensuring that there is one point of contact. CSP had identified and applied an approximate ratio of time to be spent by consultants on providing implementation support (60%) to working with national departments (40%). In practise, this has varied considerably between consultants as a result of the differing levels of metro functionality and the extent of progress being made at the national/sectoral level.

It must be noted that the structure illustrated belies the real complexity of each Core Component – especially in respect of Core Governance where the span of that component covers five sub-components: Leadership and Governance; Planning Reforms; Monitoring, Reporting and Incentives; Infrastructure Finance Reform and Infrastructure Delivery. These five sub-components are delivered by four different Technical Advisors. Additionally, within each metro a specific project may call on the expertise of a Component lead, for instance Human Settlements within metro X etc. In short, the matrix structure extends across core components and cities, but equally within components and city work as well.

The CSP is well-located within the National Treasury and closely aligned to the work of the IGR Division which has primary responsibility for local government fiscal and related matters. This ensures that the CSP is both able to support the Treasury functions but equally influence the policy and fiscal reform process. This position also confers significant authority on the CSP, enabling its engagement with metro's. As such this position enables the CSP to operate more efficiently than it would be able to if located elsewhere. However, the absence of a single senior official responsible (Programme Manager) for the CSP has introduced a degree of inefficiency and complexity into its operations.

On the basis of the available evidence the current CSP programme structure has been relatively efficient in assisting the programme to meet to 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.

### *Implementation partnerships*

As noted above, given the relatively small size of the CSP core team, the CSP utilises a number of partnerships including the DBSA, GTAC and the World Bank. The DBSA relationship is governed by an agreement (Service Level Agreement (SLA), September 2014). This agreement required the DBSA to set up and manage a Programme Implementation Unit (PIU) to "*facilitate and coordinate day-to-day activities of the programme*" (SLA, 2014: 2). The agreement with the DBSA also made provision for the establishment of a Programme Management Steering Committee ("PSC") to provide oversight and governance of the CSP and to promote effective co- operation between the National Treasury and the DBSA. The DDG IGR (NT) or her designate was to be the chairperson. A key task for the PSC was to develop Operational Guidelines for the CSP within 90 days of the agreement commencement date. These were meant to cover: project approvals; budget approvals; invoice sign-off; disbursements; programme roll out plan; and a communication strategy. It is unclear whether this was produced.

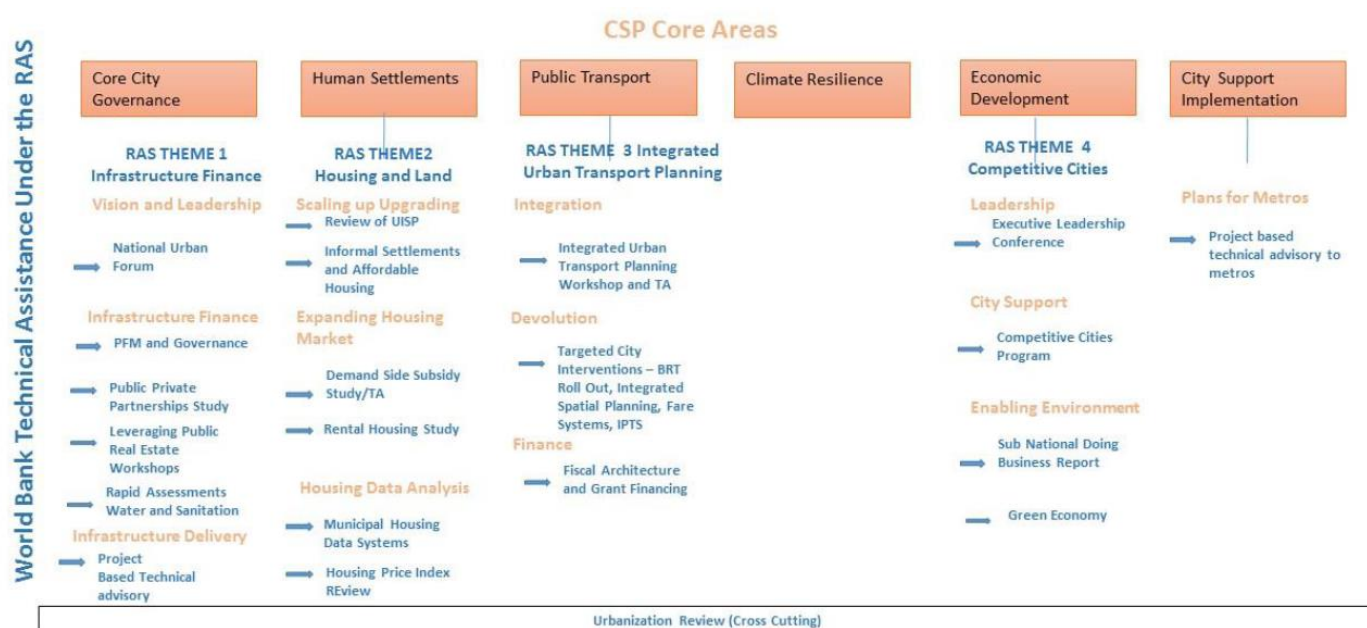
The DBSA agreement was amended (Addendum, 2016) in November 2016 in order to extend its term to 30 June 2018 as well as revise some of the obligations. Given the

establishment of a programme management function for the CSP within National Treasury in 2016, it was agreed that the DBSA's role would be limited to the above scope and provision of procurement support. Consequently, the DBSA management fee (including office rent and IT costs) was reduced to 3% based on the approved total funds under management of the CSP budget (Addendum, 2016: 5).

Additionally, the CSP has entered into a Memorandum of General Agreement (MoGA) with the Government Technical Advisory Centre (GTAC) (Memorandum, 3 July 2014), a government component within the National Treasury, to provide project management, procurement and technical support to the CSP. The MoGA is supported by specific Memoranda of Particular Agreement which set out specific projects, for instance PN 994 (796) in respect of Human Settlements Finance (Memorandum of Particular Agreement, 2016, unsigned). A Concept Note: CSP-GTAC Partnership (no date), sets out in greater detail the various projects to be supported by GTAC including: Economic development; Human settlements and Infrastructure finance.

Finally, the CSP, through the Government of South Africa, entered into an agreement with the World Bank in September 2013 to provide technical support as well as the procurement of specialist service providers to the CSP. Under the "Reimbursable Advisory Services (RAS) for Cities South Africa Program" (Valued at US\$ 5 million), the World Bank undertook a number of activities for the CSP. The objective of the RAS was to *"support and strengthen the management capacity and systems of a selected number of South African cities to create more inclusive, productive, sustainable built environments"* (World Bank, 2016: 6).

Figure 12: World Bank RAS I – Themes



Source: World Bank, 2016

The original RAS included 24 activities under six agreed focus areas (themes) in addition to the Urbanisation Review and Program Management – see **Appendix 10** and the figure above - aligned directly with CSP.

The intended purpose and modalities of the RAS was to provide technical inputs (both into the structuring and implementation of the CSP and international knowledge and experience) to the National Treasury CSP team and to South African cities, based on demand.

The partnership model is an integral component which has enabled the CSP to mobilise expertise and additional programme management resources as well as additional funding for

the programme. The initial DBSA partnership has proven to be less efficient (causing delays in the establishment of key programme structures, operations etc.) and has been re-scoped to a procurement support function. The GTAC relationship is relatively new and there is limited data available on the efficiency of this relationship. In respect of the World Bank it is noted (see further below) that the RAS mechanism has been expanded within the agreed timeframes indicating high degree of efficiency. Feedback from the CSP indicates that across all three partnerships efficiency levels have varied at times depending on partner resourcing and internal issues. While this inefficiency has at times caused delays (for instance in procuring core CSP consultants), the CSP has been able to effectively “arbitrage” its support needs across the three partners.

On balance, the utilisation of a number of partnership arrangements and a small PMU with mostly outsourced 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 deal with procurement requirements (more or less successfully, see more below) that are constant challenges within government.

### *Stakeholder engagement*

In respect of stakeholder engagement, as well as oversight and coordination, the key structure the CSP utilises – and for which it provides the secretariat - is the City Budget Forum (CBF). Established in 2011 to closely follow the national and provincial Budget Forum (established in terms of the Intergovernmental Fiscal Relations Act 1997), the role of the CBF was originally intended to consult on any fiscal, budgetary or financial matter affecting cities and legislation that has financial implications for cities.

Under the CSP this has been expanded to offer an important coordinating space for the articulation of city concerns and input / guidance to the CSP’s programme. As the CSP notes, “The underlying intention of the CBF is to improve intergovernmental coordination with a specific interest in regularizing a space for cities to debate and discuss issues which impact on them.” The CSP also undertakes regular reporting to the CBF. The CBF, which meets four times a year, is attended by senior officials from all metros as well as participating national departments.

The CBF – based on a review of its minutes, input presentations and reports – appears to be an effective forum that is able to provide for the coordination of city opinions and input into the broader Treasury budget and policy processes.

The CSP has also established a Coordinators Committee which meets quarterly to review programme progress and issues. This comprises the Coordinators from each of the participating metro’s as well the CSP city leads. These meetings are held prior to every CBF.

In addition to the CBF and the Coordinating Committee, the CSP participates in a number of other fora, including:

- IGR Forum, a coordinating structure without a statutory basis;
- Budget Council, which the CSP Programme Manager attends in support of the DDG IGR; and
- The IUDF Steering Committee (established in 2017), where the CSP reports on its activities.

At the implementation level the CSP has established a number of technical working groups. Some of these include: The Reporting Reforms Working Group comprising SALGA, SACN, Auditor General and others, co-chaired by CoGTA and National Treasury; the Planning Alignment Working Group co-chaired by National Treasury and CoGTA; and the Developer

Charges Working Group. These are task-delimited working groups comprising selected officials and technical experts.

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. Nevertheless, stakeholder engagement continues through specific project-level engagements, such as working with DEA with a specific focus on climate finance and securing grant reforms. Other key stakeholders such as SACN and SALGA are engaged through various workshops and other CSP initiatives such as the Leadership course.

Echoing the views of the 2013 Review of the Cities Support Programme, our finding is that while there are numerous touch points with key stakeholders, the CSP's current stakeholder structures are inadequate. The available structures do not offer sufficient space for the participation and active engagement (for instance in determining CSP priorities etc.) of the broad set of critical stakeholders. More critically the current stakeholder fora and processes are insufficient to secure the buy-in required – especially from key national stakeholders.

### **5.5.2 Programme systems, processes and procedures**

Only in the last three years has the CSP set up processes and procedures. These have been documented in an Operations Manual (*Operational Guideline Version*, May 2016) and are supported by a number of tools and systems.

Specifically, the appointment of an Operations Manager and Programme Coordinator in 2014/15 has been the key impetus to this shift. In addition, the appointment of a Strategic Support Manager has been key to driving a more systematic approach and more effective documenting of the CSP processes and procedures, specifically around project development, client engagement and related governance.

This is however not to say the CSP operated without any systems previously, but instead relied heavily on its implementing partners, specifically the DBSA, to support such processes and systems, as well as less-formal interactions amongst the initially small teams (3 - 4 people) in the first few years of the programme.

Overall the CSP operates a well-structured project-based process and system. These are captured to a degree in its *Operational Guideline Version 1* (May 2016). Overall the CSP comprises core programme management functions and projects. The former includes overall programme management / oversight; strategic support; monitoring and evaluation; stakeholder engagement and communications; as well as operations management; coordination and administration. Generally, these are ongoing activities.

In contrast the core activities of the CSP (organised along the lines of Components and metros as indicated above) operates through a highly structured project management approach. Key CSP processes comprise: 1) Projects; 2) Procurement and 3) Payments. The CSP has a well-defined project process which is set out in more detail in **Appendix 11**.

Our consideration of the efficiency of these processes and systems looks at three elements: Procurement management, Human resource management and Project management.

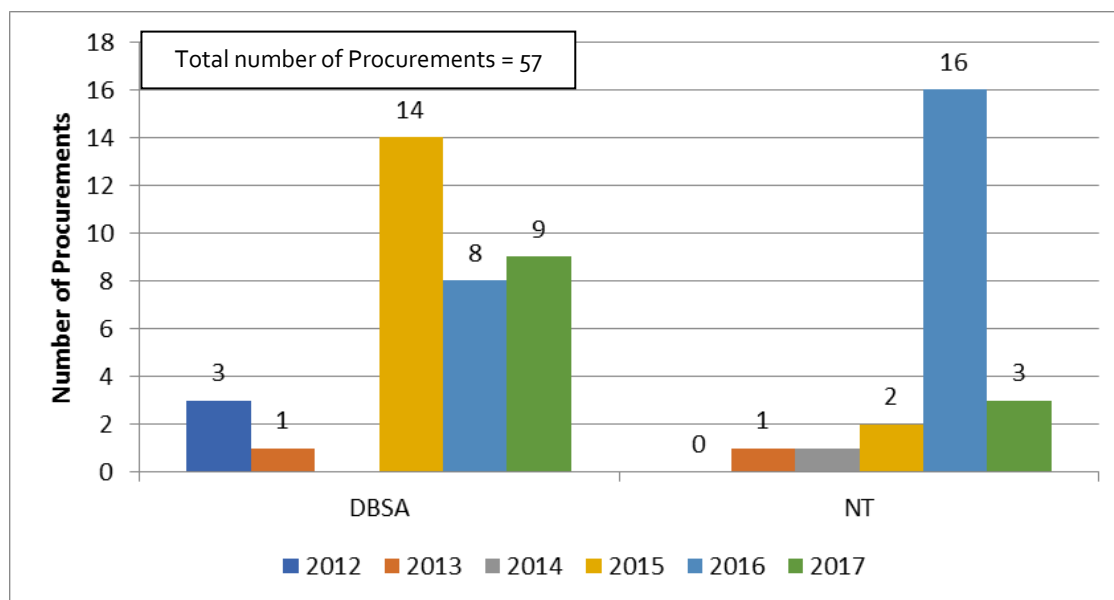
#### *Procurement management*

Given the very high reliance of the CSP on procured external resources – especially technical expertise to undertake key assignments – the efficiency of the overall procurement process is central to its operations.

The figures below show the total number of procurements and their value completed (some R 208 million) through the CSP partners to date.

The two peaks evident in the graphs above show the initial programme set-up at the DBSA in 2012 and the procurement of the service providers to undertake the initial diagnostic work with the metros. The second peak in 2016 at National Treasury indicates the contracting of the CSP team as summarised in table 18 above.

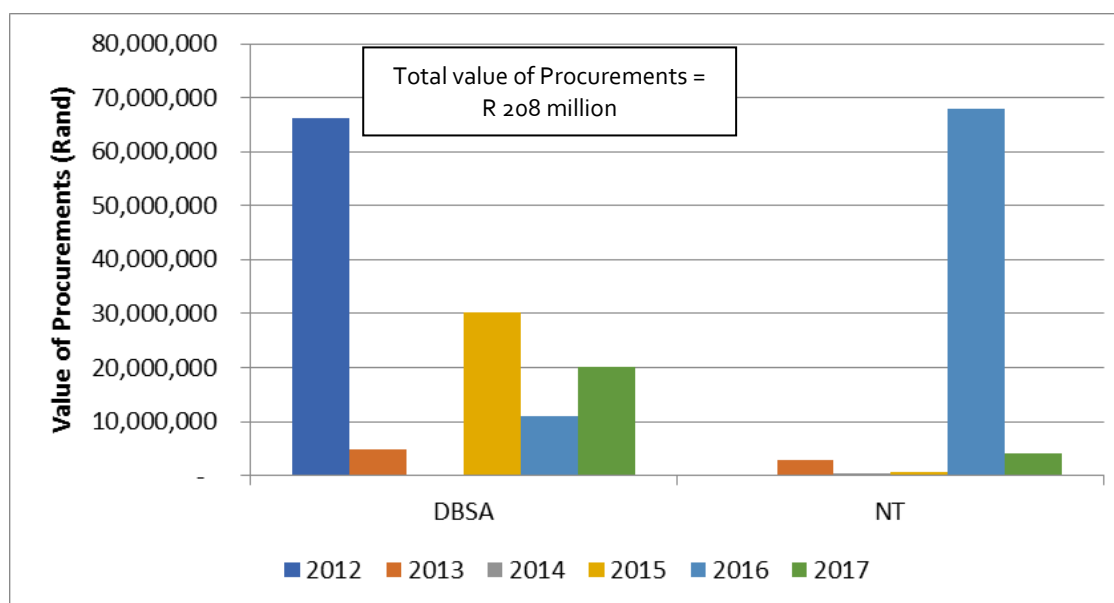
**Figure 13: Number of CSP Procurements, 2012 – 2017**



Note: "NT" includes both National Treasury SCM and GTAC

Source: CSP Contracts database, own analysis

**Figure 14: Value of CSP Procurements, 2012 – 2017**



Note: "NT" includes both National Treasury SCM and GTAC

Source: CSP Contracts database, own analysis

Based on a sample of 15 procurements (for which complete data was available in the procurement tracker) the following average procurement timelines were evident.

**Table 17: Average Procurement Timeframes**

	<b>DBSA</b>	<b>NT *</b>
Avg. weeks from Request to Contract signing	23 weeks	2 weeks
Avg. weeks from RFP to Contract signing	14.6 weeks	2 weeks

\* Note: Only includes a single procurement

Source: CSP Procurement Tracker, own analysis

These timelines appear to be acceptable when considering anecdotal evidence of slow government procurement processes. Information from GTAC for instance indicates that on average a procurement will take 16 weeks at minimum from RFP to award.

No data was available to assess the efficiency of payment processes, but evidence from respondents (service providers) suggests that this is well managed and efficient. The one detracting concern noted was the complex internal Treasury process which requires both the CSP Programme Manager as well as the CD: PLGI to sign off. This is a consequence of the fact that the Programme Manager does not enjoy the status of an official and a duly delegated official is required to act on behalf of the accounting authority (DDG and DG).

Overall the procurement management of the CSP can be considered efficient. The programme has been able to tender and appoint service providers in an efficient manner. Additionally, the utilisation of multiple procurement channels is an important risk mitigation given broader public-sector procurement challenges.

#### *Human resource management*

In respect of implementation efficiency, a key measure is the time utilisation and management of the CSP team, especially given that the programme is human resource intensive.

Human resource management effectively comprises the tracking and managing of time utilisation (level of effort) by individual team members. This occurs through a timesheet system. Individual consultants bill against this time. The timesheet system enables the tracking of time utilisation against projects (based on project codes), however this is not necessarily linked to specific deliverables or outputs.

Overall the management process is mainly focused on considering the “burn rate” on a monthly basis of individual consultants against their contracts. There is no evidence that time-based budgets (proposed level of effort which enables costs to be linked to outputs) are developed consistently across all projects. In respect of efficiency there are no clear goals (i.e. how much time should be spent per component, activity, deliverable, etc.) per team member. This limits the CSP’s ability to track its efficiency and direct effort.

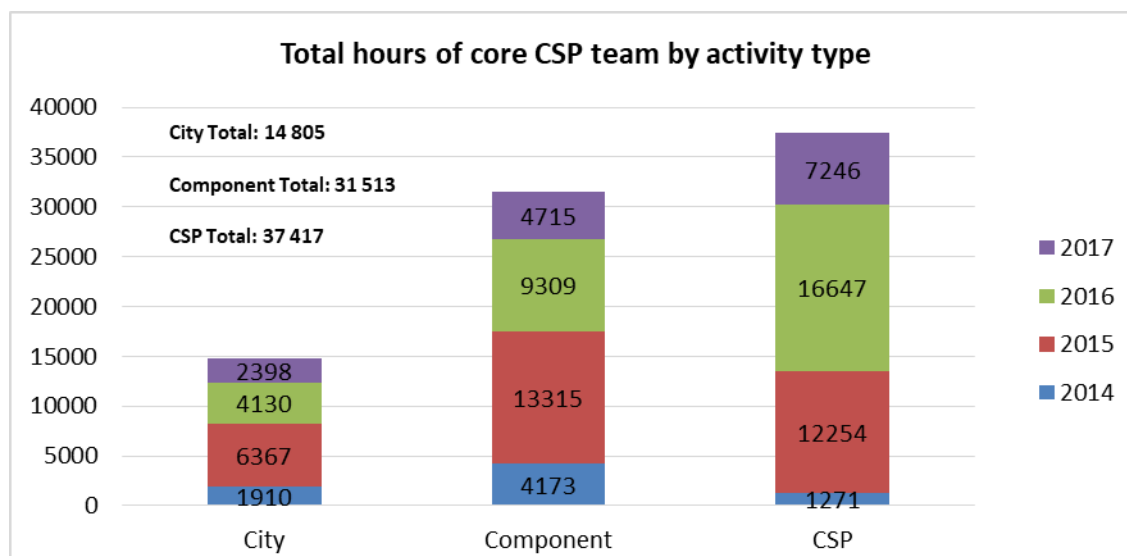
An additional complexity is the challenge in agreeing on good benchmarks for activities especially considering the highly fluid nature of support interventions. The current approach therefore relies very heavily on the integrity of individual consultants who have an inherent self-interest in maximising billings.

While the evaluation explored the possibility of looking at the level of effort expended by the CSP in relation to outputs and outcomes, the available data does not offer any easy analysis (for instance by clearly linking expenditure and time to specific project deliverables etc.). The evaluation has therefore looked at a number of proxy indicators.

Set out below is an analysis of the CSP’s Timesheet System which records all hours billed by the Core Team against Project Codes as well as activities. While there are some noted misallocations (which the CSP Programme Management and Administration team generally aims to correct), the data provides useful insight.

The figure below shows the total number of hours spent by the CSP Team (aggregate) each year against City, Component and overall CSP activities. (It should be noted that the Timesheet System was only fully implemented in 2015 hence the limited data for 2014. Equally the data for 2017 is only up to July 2017).

**Figure 15: Total Hours – CSP Core Team by Component / Activity**



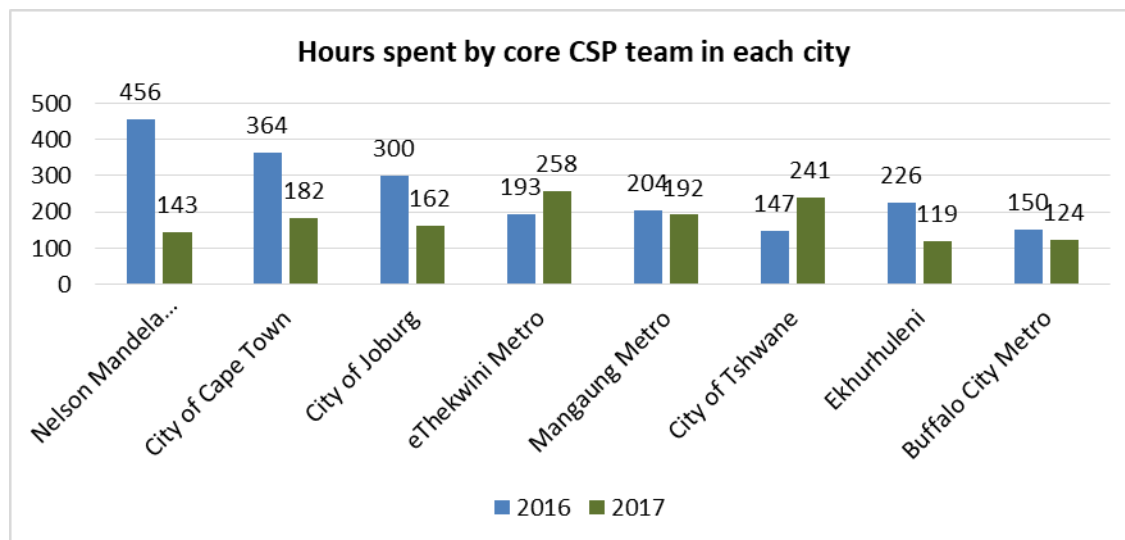
Source: CSP Timesheet tracker, own analysis

The data show that the bulk of time has been allocated to cross-cutting CSP programme activities and secondly to the Components, with City's about half the hours of those two. Looking at it on an annual basis it is evident that CSP's focus has shifted in line with its strategy and Annual Plans. For instance, from 2015 to 2016 there was a shift from high focus on Components (delivery) to a greater focus on the overall CSP Programme as the initiative nears the end of its first term requiring considerable effort in respect of knowledge management, institutionalisation, etc.

However, the data must be interpreted with caution, because as previously noted the distinction between City, Component and CSP overall is not easily maintained with many projects and activities comprising elements that cut across all of these areas.

Overall the data indicates (based on an analysis of time spent on 2016) that on average the team is spending 12 days per month (core team) on CSP programme activities.

The figure below – covering only 2016 and 2017 – shows the level of effort of the CSP Core Team across the metros.

**Figure 16: Total Hours – CSP Core Team per Metro, 2016 and 2017**

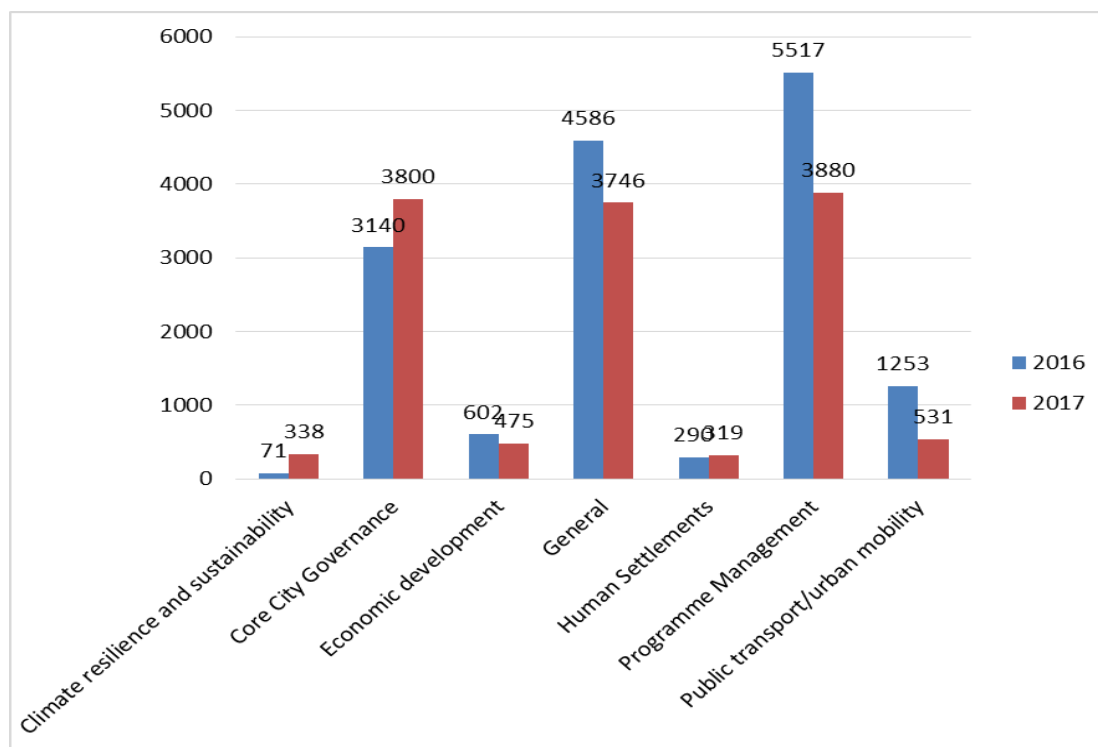
Source: CSP Timesheet tracker, own analysis

Given that 2017 is not a complete year it is prudent to focus on 2016 (in the absence of any preceding year's data which could establish trends). On that basis it is evident that Nelson Mandela Bay enjoyed a significant focus followed by the City of Cape Town and then Johannesburg. This corroborates the metros case study findings that suggest that these three relationships have been particularly successful from a support perspective (i.e. good relationship characterised by support for the projects, a receptive counterpart, etc.).

The figure overleaf provides some insight into the level of effort (hours spent) by the Core CSP Team across the Components. Evident is that Core Governance – not surprisingly - attracted the greatest effort. This is primarily a result of the scale and complexity of the Component, which, as we have noted elsewhere, is effectively a composite of five larger components.

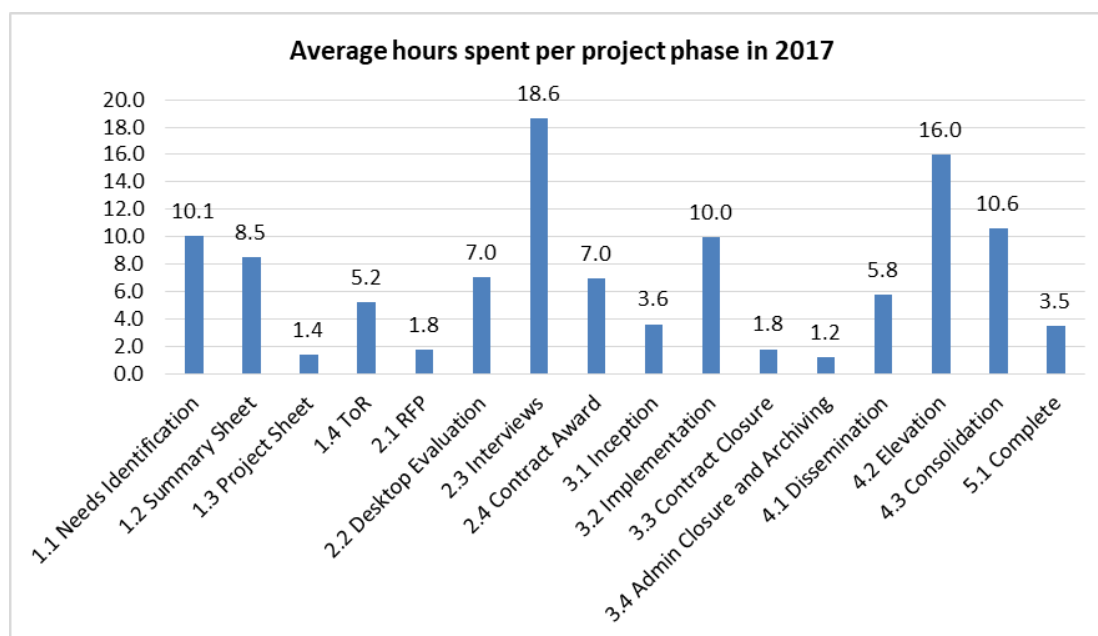
Of concern however are the high number of hours allocated to Programme Management (noting that this data does not include the Programme management and Administration team). This corroborates concerns expressed as to the significant administrative burden the CSP (mainly due to its location in government) places on the Technical Advisors. This is partially suggestive of inefficiencies in the administrative / programme management processes (possibly due to the absence of well-developed systems). However, an alternative viewpoint is that this also reflects the true nature of much of the work being undertaken which is of a project management nature rather than the provision of technical expertise.

Equally evident is the very large number of hours allocated to "General". This – according to the Programme Management – comprised ad hoc support provided, particularly to National Treasury and the IGR Division. Given that this kind of support is a focus of the programme and has been recognised by directorates (such as the LGBTA office of National Treasury), consideration should be given to this being specified more clearly both in terms of understanding level of effort, and in identifying where these efforts have demonstrated progress. In this instance, CSP has been actively involved in and supported the Mid-Year Benchmarking Reviews.

**Figure 17: Total Hours – CSP Core Team per Component, 2016 and 2017**

Source: CSP Timesheet tracker, own analysis

The final graph illustrates the average number of hours per project (based on an analysis of the timesheet system) per project phase.

**Figure 18: Average Hours per Project Phase in 2017**

Source: CSP Timesheet tracker, own analysis

The data suggests that the primary function of the CSP PMU is project / programme management with significant effort going into project administrative tasks. Only 9% of the time (of the average of 112 hours per project) is spent on implementation. This is in large measure a direct outcome of the CSP's Implementation model to utilise PSPs.

The table below provides a final insight into the current utilisation of the Core CSP's Team time. The table indicates the top 10 projects / activities by total hours over the period 2016-2017.

**Table 18: Timesheet analysis – Top 10 Project by Total Hours, 2016 to 2017**

Project Code	Project Name	CSP Component	Hours spent	Hours spent as a % Total Top 10
ADM	General admin	n/a	1992	19%
CG1	Executive Leadership Courses	Core City Governance	1454	14%
PM8	CSP Planning	Programme Management	1443	14%
CG21	Reporting Reforms	Core City Governance	1049	10%
PM	General Programme Management	Programme Management	873	8%
PM17	Programme Management Coordination	Programme Management	864	8%
CG27	BEPPs Annual Process	Core City Governance	855	8%
PM3	Stakeholder Engagement	Programme Management	671	6%
CG10	Land Development Transaction Support (catalytic projects)	Core City Governance	627	6%
PT3	National Capacity Building Strategy	Public Transport	509	5%
<b>Total</b>			<b>10337</b>	<b>100%</b>

Source: CSP Timesheet tracker, own analysis

The timesheet system also includes a single overall code for time spent on individual metros that is not project-related, and there is some indication that this is the greatest proportion of time. This is consistent with the importance of working broadly and focussing on building relationships but needs to be carefully monitored when facing difficulties related to buy-in and engagement and trying to re-engage metros where there is limited prospect of success given internal institutional difficulties.

Overall – given the inability to clearly link the level of effort to specific outputs and outcomes – it is difficult to issue a clear evaluative judgment as to whether resource utilisation is efficient. Nevertheless, it is noted that the existence of the timesheet tracking database, in and of itself, is an indication that the programme has instituted mechanisms to support and manage the efficient performance of its human resources. However, the system requires refinement and the development of more appropriate budgets / targets in respect of time utilisation on key activities as well as per project. Specifically, the absence of an effective means to budget and track time-cost against project outputs / deliverables is of concern given that time-costs are the largest budget element of the CSP.

### *Project management*

A further key element of any efficiency analysis is to understand whether the planned outputs have been delivered and how these relate to the costs (project management).

As indicated in the effectiveness section above (and once again noting the data limitations with respect to being able to actually track and understand the number of projects), there were some 229 projects that were planned for the CSP. Of the total 229 projects only 11 are closed, that is formally completed both in respect of implementation and administrative processes.

There are some 97 projects that have been discontinued. The main reason provided for the discontinuation of projects is the CSP's process over the last two years to rationalise the number of projects and consolidate often smaller projects into "parent projects". This is a rational response – in our view – to a significantly ambitious overall plan of projects at the start of the programme.

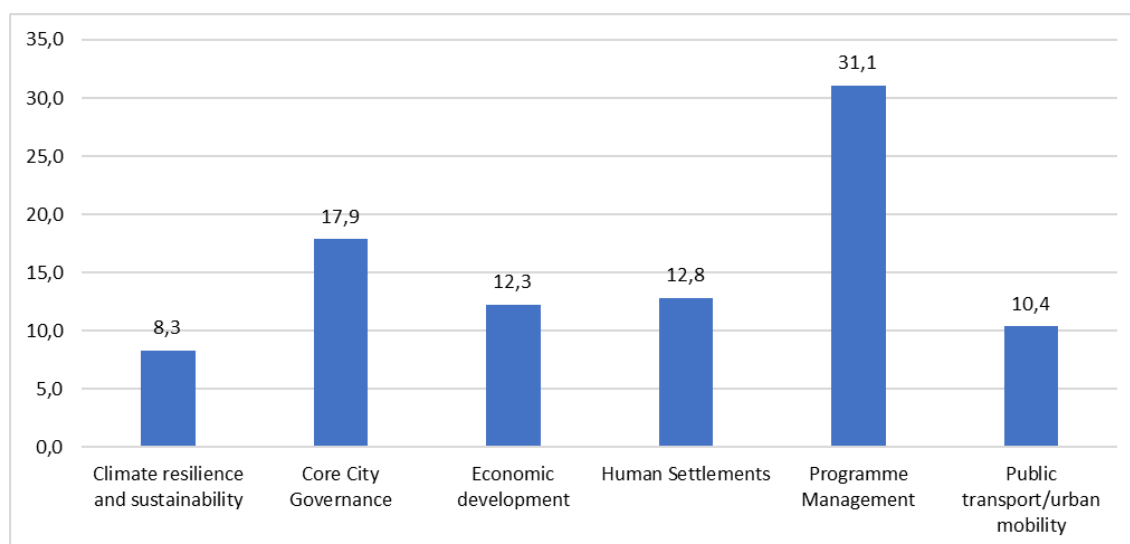
The second key reason projects have been discontinued is because there is no longer the demand for them. This is a critical aspect of the CSP (and key learning of previous support programmes) that projects and support should not proceed if there is a lack of demonstrable demand or support from the client. This in our view is reflective of sound programme management and prudent utilisation of resources.

At the same time, the evidence suggests relatively few resources have been "wasted" on projects that were subsequently abandoned. Indeed, the table in **Appendix 16** illustrates that over the 2016/17 and 2017/18 period approximately R 100,000 was spent on projects which are discontinued entirely. This represents less than 1% of the CSP's expenditure over that period.

The figure below indicates our analysis of the average duration of CSP projects by Components in months. With the exception of overall Programme Management most projects are of approximately 12 month's duration. This is most likely a response to an annual planning cycle discipline necessitated by a broader annual and MTEF government planning and budgeting cycle.

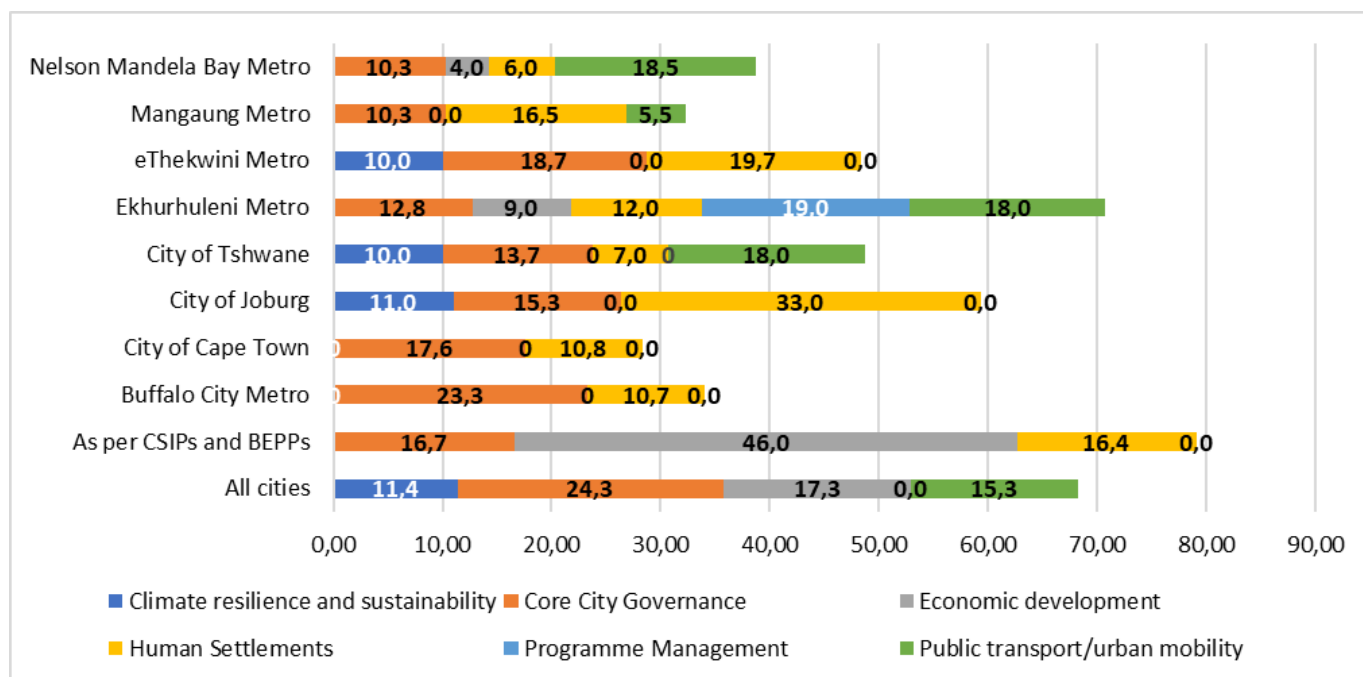
The data available is not able to offer any insight into project efficiency. An analysis of Quarterly Reports reveals typical project implementation challenges relating to delayed procurements, the complexities of engagement processes in government, service provider delays etc.

**Figure 19: Average Project Duration by Component, Months**



Source: CSP Project Sheets and Projects database, own analysis

There is considerable variation in the average duration of projects. The case studies do not support any easy conclusion in respect of efficiency and its link to effectiveness. For example in Cape Town there does appear to be some relationship with generally shorter projects timelines (possibly indicative of greater efficiency) and generally greater effectiveness. However, the same cannot be said for Buffalo City Metro.

**Figure 20: Average Project Duration by City and Component, Months**

Source: CSP Project Sheets and Projects database, own analysis

A key challenge in the current process is the highly fluid nature of projects. The project sheets were initially modified on a regular basis to accommodate changes such as the termination of projects or the consolidation of projects. In the last two years this process has been normalised and regularised, limiting such updates, and ensuring that traceability is put in place. However, a consequence of the less formalised approach previously adopted is that often projects – including total number, status etc. – cannot easily be reconciled.

More critically much of the history of specific projects is not formally documented in a consistent manner and resides with individual Component or City Leads. This is compounded by the fact that while each project has a unique project Code (identifier), at times codes have been modified. While this has now been addressed, it does contribute to challenges in being able to track and monitor projects.

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. At the same time, however, 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. Although the evaluation notes that these project management systems have improved considerably over the last two years, the inability to track project efficiency is concerning given the scale and complexity of the CSP programme.

### 5.5.3 Financial Efficiency

Funding for CSP can be split into (1) funding for the direct costs of CSP as a support programme (cost of CSP staff – the 14 team members) and (2) the costs for contracting experts/organisations to deliver technical assistance (training, capacity building, preparation of knowledge products etc).

Outside of the ICDG (which is within the control of the CSP) and the USDG which is conditional on the Built Environment Performance Plan, the CSP does not have funding for projects in housing, transport, municipal infrastructure etc., including funding for catalytic projects.

The initial CSP Funding Framework (final draft in January 2012) (National Treasury 2012c) indicates the following with respect to the funding of the CSP:

- “The CSP will leverage planned housing, transport and municipal infrastructure investments of over R 200 billion in the next five years. This financing is already on budget, particularly in the large grant programmes such as the housing subsidy, Urban Settlements Development Grant and transport subsidies.
- An estimated additional allocation of R 26,7 billion over five years is required to support the core reforms to city governance, human settlements, public transport and climate resilience that are targeted by the CSP.
- In particular this financing is required to support the introduction of a City Performance Grant from 2013/14 that will create the incentives necessary for sustainable enhancements to municipal capacity.
- Non-grant related implementation support is estimated at R 1,3 billion over 5 years.”

It was also proposed that a loan facility of \$400 million (R 3.2 billion) over five years be accessed from the World Bank for implementation support and climate change interventions in cities. As indicated above a decision was taken that this source of funding would not be appropriate.

The CSP Framework documents that follow this draft are then silent on the amount of funds required and where these funds will be sourced from. For example, the CSP Framework Document dated the 7 August 2015 does not have a section on funding.

The only other indication of funding allocated to the programme is in the Performance Audit of the CSP undertaken by NT in 2015. This report indicates the following:

“The funding allocation from the NT for the programme over the 5 years is a total of R 50 million; R 40 million of which will be managed through the DBSA systems and R 10 million through the NT system. The total infrastructure development support as indicated by the Estimates of National Expenditure (ENE) allocation was R 145,600,000 in the 2014/15 financial year; R 150,600,000 in the 2015/16 financial year and R 155,600,000 for the 2016/17 financial year. The implementation of the initiation phase was conducted in 2013/14. The implementation phase of the CSP started from the 2014/15 financial year and will be completed by the 2017/18 financial year.” (National Treasury 2015a, p5)

It is noted that two CSP Annual Plans were provided to the Evaluation Team namely 2016/17 and 2017/18. The 2017/18 does not include budget allocations. The 2016/17 does include budget forecasts.

Based on an analysis of various source documents and data - including the Basic Accounting System (BAS), RAS agreements and Financial Reconciliation etc., the following high-level budget for the CSP is evident.

**Table 19: CSP Operating Budget (Rand)**

Source of Funding	2013/14 *	2014/15	2015/16	2016/17	Total
NT Programme 3		50,000,000	38,981,000	59,593,000	<b>148,574,000</b>
NT Programme 8	20,000,000	20,000,000	19,997,140		<b>59,997,140</b>
SECO **				61,632,000	<b>61,632,000</b>
DBSA	18,395,000	14,839,209			<b>33,234,209</b>
<b>Total</b>	<b>38,395,000</b>	<b>84,839,209</b>	<b>58,978,140</b>	<b>121,225,000</b>	<b>303,437,349</b>

Sources: Various CSP documents, BAS, DBSA AFS, SECO Recon, WB RAS Recon

Notes:

\* No data available for 2012/13

\*\* SECO = Swiss Economic Cooperation and Development

Based on the available data the total CSP budget for the period 2012 to 2017 is some R 303 million. This budget is derived from four main sources:

- 1) National Treasury under Budget Programme 3 (IGR) since 2014/15. This is as recorded in the ENE. These funds are used to cover the cost of the core team and programme / administrative support through the DBSA and GTAC.
- 2) National Treasury under Budget Programme 8. This comprises funding under National Treasury's General Budget Support Programme (GBS). These funds were utilised to pay for the World Bank RAS 1 (Total amount = 5m USD).
- 3) Grant funds secured in 2016 from Swiss Economic Cooperation and Development (US\$ 9 million) to be paid to the World Bank.
- 4) Funds from the DBSA which were utilised in the early design and set-up phases of the CSP. These funds came from the Municipal Capacitation Account which was the balance of the funding from the Siyenza Manje programme previously implemented by the DBSA on behalf of National Treasury.

The initial allocation of funding from the National Treasury under the SLA to the DBSA was R 40 million for the period 1 April 2014 to 31 March 2017. This covered operational costs, project disbursements and the DBSA's management fees set at 5% of the "approved total funds under management of the CSP budget" (SLA, 2014: 9).

Set out in the table overleaf is the overall CSP operational expenditure to date. This is based on a reconstruction from various data sources. It should be noted that adequate pre-2015 records could not be obtained and the interpretation of financial statements from the DBSA was of limited value.

Table 20: CSP Operating Expenditure

<i>Rand</i>	<b>Notes</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>TOTAL</b>
		<i>no data</i>	<i>Housed at DBSA</i>	<i>Housed at National Treasury</i>			
<b>INCOME</b>							
NT Programme 3	1			50,000,000	38,981,000	59,593,000	148,574,000
NT Programme 8	2		20,000,000	20,000,000	19,997,140		59,997,140
SECO	3					61,632,000	61,632,000
DBSA	4		18,395,000	14,839,209			33,234,209
<b>Total</b>			<b>38,395,000</b>	<b>84,839,209</b>	<b>58,978,140</b>	<b>121,225,000</b>	<b>303,437,349</b>
<b>TRANSFERS</b>							
DBSA	5			40,000,000	33,000,000	32,500,000	105,500,000
GTAC	6			1,097,122	3,151,669	3,832,121	8,080,912
<b>Total</b>			<b>-</b>	<b>41,097,122</b>	<b>36,151,669</b>	<b>36,332,121</b>	<b>113,580,912</b>
<b>EXPENDITURE</b>							
Management Fees	7		760,000			5,490,514	6,250,514
DBSA Other Costs	8		3,667,379	3,667,705			7,335,084
Core Team	9		5,444,056	10,161,603	19,492,270	19,300,961	54,398,889
Service Providers - NT	10		8,571,881			718,123	9,290,004
Service Providers - DBSA	11				13,306,711	18,129,531	31,436,242
World Bank	12		20,000,000	20,000,000	19,997,140	40,214,182	100,211,322
Travel / Disbursements			307,395	1,009,901		836,321	2,153,617
Administration & Programme Management	13				89,579	4,410,373	4,499,952
<b>Total</b>			<b>38,750,711</b>	<b>34,839,209</b>	<b>52,885,700</b>	<b>89,100,005</b>	<b>215,575,625</b>
<b>TOTAL (OVER) / UNDER SPEND</b>			<b>- 355,711</b>	<b>8,902,878</b>	<b>6,092,440</b>	<b>32,124,995</b>	<b>87,861,724</b>
<i>(Excluding transfers to DBSA and GTAC)</i>							
<b>% SPENT</b>			<b>101%</b>	<b>41%</b>	<b>90%</b>	<b>73%</b>	<b>71%</b>

**Notes to table:** (1) NT budget on ENE; (2) General Budget Support to World Bank RAS 1 (Total amount = 5m USD); (3) 1<sup>st</sup> and 2<sup>nd</sup> Tranche - Swiss Economic Cooperation & Development Grant (USD 9 m), paid to World Bank; (4) Municipal Capacitation Account (Balance from Siyenza Manje); (5) Transfer to DBSA to cover for Expenditure; (6) Transfer to GTAC to cover for Expenditure; (7) Paid to DBSA and GTAC; (8) Includes DBSA salaries, rent, audit fees etc.; (9) For 2014/15 single expenditure item for Core Team and Service Providers; (10) 2013/14 includes Probitas (Framework Contract) and UP; (11) PSPs contracted and paid through the DBSA; (12) PSPs contracted and paid through the World Bank RAS; (13) Includes full cost of programme administration team (XS, SP and LH) and est. 30% of some core team members time (DS, SN, JT and StM).

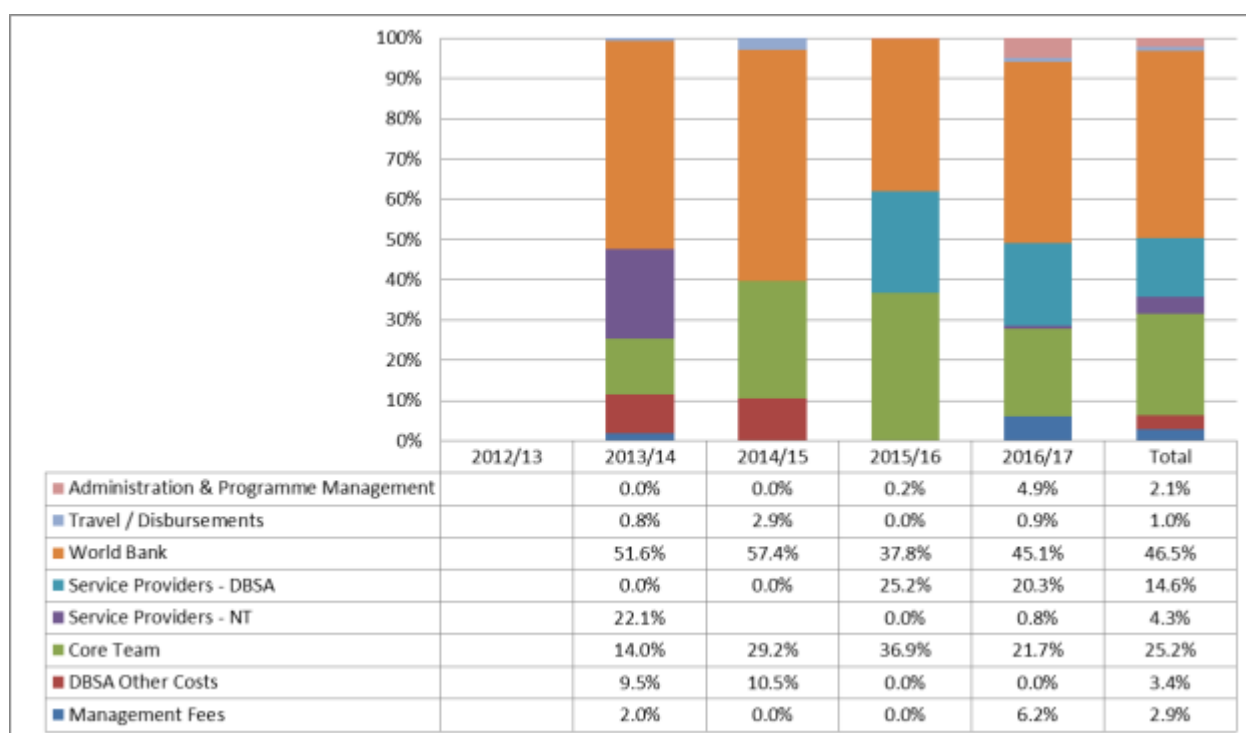
The data show a reasonable degree of efficiency for a programme of this nature in respect of expenditure with the CSP demonstrating a 71% total expenditure rate against the total budget. In some years (2013/14 and 2015/16) this is in excess of 90%. However, 2014/15 is an outlier with a 41% spend, which is in large part a consequence of the transition of PMU arrangements from DBSA to the National Treasury.

The current CSP structure costs approximately R 2.5 million per month (including both professional fees and disbursements cost) – assuming 100% utilisation of available hours. This equates to about R 180,000 per person per month (noting that there are significant hourly rate differences between administrative, programme management and technical advisory functions). It should be noted that the CSP team does not receive a salary or related benefits but instead bill on a monthly basis for actual time utilised.

The total contract value for the CSP Team is R 66.9 million which comprises R 58.3 million in professional fees and R 8.6 in disbursements. The average hourly professional fee rate (excluding VAT) is R 1,023 in respect of the technical advisory team (minimum R 900 / hr, maximum R 1,450 /hr). Adjusting for one specific outlier in respect of rates, the average for the technical team is some R 975 per hour.

The figure and table below show the estimated breakdown of expenditure (noting data limitations).

**Figure 21: CSP Expenditure Components**



The data show that administration and programme management across the four years for which data is available comprises some 5% of total expenditure. This is considered very efficient. For example, the Jobs Fund is mandated to operate with a 5% administration and programme management cost, but currently operates at about 7%.

The cost of the core team (Component and City Leads) comprises 25.2% of total expenditure over the four years with the bulk of the remaining expenditure (some 65.4%) going towards the primary “delivery” function comprising PSPs procured through the key partners.

Overall the World Bank RAS mechanism has been the key contributor to expenditure over the four years – some 46.5% of total spend. The World Bank’s internal (but independent)

evaluation of the RAS indicates that the RAS managed to expend all of its funds in line with its budget and timeframes.

**Table 21: Expenditure of the RAS (US\$) as at June 2017**

Spend by Thematic Area	Latest budget	Spent	% Spent
Competitive Cities	1,180,000	746,463	63%
Land and Housing	790,000	454,282	58%
Infrastructure Finance	1,260,000	1,928,230	153%
Infrastructure Finance (Water and Sanitation)	115,000	46,334	40%
Integrated Urban Transport Planning	1,055,000	1,311,722	124%
Environmental and Social Management of Urban Investments	Dropped		
Public Financial Management and Governance	70,000	66,894	96%
Urbanisation Review	300,000	536,356	179%
Program Management	230,000	297,588	129%
<b>Total</b>	<b>5,000,000</b>	<b>5,387,869</b>	<b>108%</b>

Source: World Bank, 2017 and SA Urban Reimbursable Advisory Services (P144125) Recon (Excel), own analysis

The table above shows the revised total budget for RAS I. The original US\$ 5 million was supplemented by additional contributions from the World Bank to cover for the additional expenditure primarily in respect of the Urbanisation Review and Infrastructure Finance theme. The table below indicates the RAS expenditure by category (US\$ millions).

**Table 22: Expenditure by Category (US\$ million)**

Category	Technical Work	Travel	Total	Share of Total
Bank Staff (incl. overheads)	1.8	0.36	2.16	40%
Consultants	0.98	0.61	1.59	30%
Consulting Firms	1.64	n/a	1.64	30%
<b>Total</b>	<b>4.38</b>	<b>0.96</b>	<b>5.39</b>	<b>100%</b>
Share of Total	82%	18%	100%	

Source: World Bank, 2017

According to the World Banks evaluators,

“The program spent within expected norms for Bank staff, external consultants and firms, and travel, with some 40% on Bank staff costs, and 30% for consultants (including travel). Overall, 82% (or \$3.5 million) of the budget financed technical work, while 18% (or \$.96 million) was spent on travel.” (World Bank, 2017)

While the World Bank services were paid for by National Treasury it is noted that there was a degree of World Bank subsidisation of these services (see further below).

Furthermore, the World Bank has assisted the CSP to secure a further US\$9 million from SECO for future work. During implementation, the RAS leveraged an additional US \$1.5 million (or 30% of the original US\$ 5 million RAS amount) in outside financing as follows:

- SECO funds in support of the Sub-National Doing Business activity (US\$ 0.60 million);

- Public Private Infrastructure Advisory Facility (PPIAF) funds in support city panel reviews, technical advisory and a study on the PPP framework in South Africa (US\$ 0.30 million);
- Cities Alliance (amount not provided)
- World Bank Group Budget (US\$ 0.6 million) (World Bank, 2016)

In addition to the operating budget, the CSP designed and supports the allocation of the Integrated City Development Grant (ICDG).

First introduced in the 2013/14 financial year, the primary purpose of the grant is to:

“To provide a financial incentive for metropolitan municipalities to achieve a more compact urban spatial form through integrating and focussing their use of available infrastructure investment and regulatory instruments.” (DORA, 2017: 200).

This grant is integral to the CSPs theory of change and offers an incentive to metros to participate in the programme and enhance integrated planning, specifically through the Built Environment Performance Plan (the specific performance conditions for the ICDG are set out in Schedule 4B to the Division of Revenue Act). The grant conditions are indicated in the Division of Revenue Act (DORA) Schedule and set out in **Appendix 15**.

Summarised in the table further below is the expenditure trends in respect of the ICDG. The total allocations (budget) in terms of the Division of Revenue Act (Schedule 4B) to the ICDG per metro for the period 2013/14 to 2016/17 are summarised in the table below.

**Table 23: ICDG Allocations, 2013/14 – 2016/17**

<i>Rand</i>	2013/14	2014/15	2015/16	2016/17	Total 2013/14- 2016/17
City of Cape Town	10,364,000	57,171,000	50,826,000	44,805,000	163,166,000
Nelson Mandela Bay	3,193,000	4,133,000	5,708,000	9,276,000	22,310,000
eThekweni	9,539,000	52,621,000	46,781,000	50,256,000	159,197,000
Ekurhuleni	8,808,000	40,323,000	43,194,000	38,078,000	130,403,000
City of Tshwane	8,096,000	44,659,000	39,702,000	42,652,000	135,109,000
City of Johannesburg	-	50,497,000	49,327,000	64,746,000	164,570,000
Mangaung	-	5,596,000	10,157,000	10,912,000	26,665,000
Buffalo City	-	-	5,605,000	6,080,000	11,685,000
<b>Total</b>	<b>40,000,000</b>	<b>255,000,000</b>	<b>251,300,000</b>	<b>266,805,000</b>	<b>813,105,000</b>

Source: Division of Revenue Act, 2013, 2014, 2015, 2016.

To date a total of R 813 million has been allocated to the ICDG in support of the eight metros.

Allocation to each metro is based on a “population-weighted basis in order to account for the relatively greater planning complexity and investment needs in larger metropolitan municipalities.” (DORA, 2017: 200) In terms of the most recent DORA allocation a further R927.5 million has been allocated for the next MTEF period (2017/18 to 2019/20).

**Table 24: ICDG Allocations, 2017/18 – 2019/20**

<i>Rand</i>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>Total 2017-2020</b>
City of Cape Town	53,629,000	56,740,000	59,917,000	170,286,000
Nelson Mandela Bay	16,521,000	17,478,000	18,458,000	52,457,000
eThekweni	49,361,000	52,224,000	55,148,000	156,733,000
Ekurhuleni	45,577,000	48,221,000	50,921,000	144,719,000
City of Tshwane	41,892,000	44,322,000	46,804,000	133,018,000
City of Johannesburg	63,592,000	67,281,000	71,048,000	201,921,000
Mangaung	10,718,000	11,339,000	11,974,000	34,031,000
Buffalo City	10,829,000	11,457,000	12,099,000	34,385,000
<b>Total</b>	<b>292,119,000</b>	<b>309,062,000</b>	<b>326,369,000</b>	<b>927,550,000</b>

Source: Division of Revenue Act, 2017

As set out in the Guidelines for the implementation of the Integrated City Development Grant in 2013/14 (2013) the ICDG is:

“Managed by the City Support Programme, Intergovernmental Relations Division, National Treasury. Strategic management and oversight will be undertaken in consultation with an interdepartmental committee consisting of the Departments of Human Settlements, Cooperative Governance, Transport and Environmental Affairs. The interdepartmental committee will meet quarterly to determine any changes to indicators, approve specific measurement methods, and oversee the performance measurement process. The committee may also recommend flexibility in the application of grant rules and procedures should good cause be established.

The Intergovernmental Relations Division, National Treasury, will be responsible for budgeting, allocating and disbursing grant funds in accordance with agreed procedures in this guideline. Fund transfers will be processed by the Neighbourhood Development Partnership Programme. Progress with the implementation of the grant will be reported to the City Budget Forum.” (ICDG Guidelines, 2013, p18).

Consequently, the performance of the CSP has a direct bearing on the utilisation of this grant. That is the extent to which metros are able to prepare credible Built Environment Performance Plans (a condition of ICDG allocation) it is also reflective of the effectiveness of the CSPs support.

Across the four years the average total expenditure of the ICDG is 72%. Performance varies considerably across the metros, with the large and stronger metros generally more effective in spending their allocations. This supports the observation in the effectiveness section that the CSP is more effective in the larger and stronger metros.

Table 25: ICDG Performance

	2013/14			2014/15			2015/16			2016/17		
	Allocation	Expenditure	% Spend	Allocation	Expenditure	% Spend	Allocation	Expenditure	% Spend	Allocation	Expenditure (Jun17)	% Spend
City of Cape Town	10,364,000	863,570	8%	57,171,000	45,802,541	80%	50,826,000	52,720,784	104%	44,805,000	38,699,000	86%
Nelson Mandela Bay	3,193,000	-	0%	4,133,000	4,133,000	100%	5,708,000	1,695,492	30%	9,276,000	7,006,000	76%
EThekweni	9,539,000	9,538,000	100%	52,621,000	52,621,000	100%	46,781,000	46,781,000	100%	50,256,000	50,256,000	100%
Ekurhuleni	8,808,000	751,260	9%	40,323,000	47,316,526	117%	43,194,000	39,706,871	92%	38,078,000	24,225,000	64%
City of Tshwane	8,096,000	7,101,351	88%	44,659,000	38,351,975	86%	39,702,000	16,531,764	42%	42,652,000	6,145,000	14%
City of Johannesburg	-	-	0%	50,497,000	40,386,418	80%	49,327,000	30,879,971	63%	64,746,000	46,673,000	72%
Mangaung	-	-	0%	5,596,000	4,906,797	88%	10,157,000	9,652,949	95%	10,912,000	8,689,000	80%
Buffalo City	-	-	0%	-	-	0%	5,605,000	1,298,848	23%	6,080,000	5,432,000	89%
<b>Total</b>	<b>40,000,000</b>	<b>18,254,181</b>	<b>46%</b>	<b>255,000,000</b>	<b>233,518,257</b>	<b>92%</b>	<b>251,300,000</b>	<b>199,267,679</b>	<b>79%</b>	<b>266,805,000</b>	<b>187,125,000</b>	<b>70%</b>

Sources: Division of Revenue Act, Schedule 4, Part B (2014 - 2017); National Treasury, Section 71 Information (In-year Management, Monitoring and Reporting): 2016/17, 4th Quarter, own analysis

Note: City of Cape Town expenditure in 2015/15 is an anomaly and should technically not be possible. No explanation could be found. This may be a data error in the Treasury accounts.

While respondents in our interviews with metros, such as the City of Cape Town have noted the usefulness of the ICDG in supporting their efforts, it is acknowledged that the ICDG is not a significant grant in relation to other core infrastructure grants such as the USDG and HSDG. The table and graph below indicate the comparatively small size of the ICDG when compared to the USDG.

**Table 26: ICDG versus USDG (R million)**

	2013/14	2014/15	2015/16	2016/17	2017/18-F	2018/19-F	2019/20-F
	<i>Expenditure</i>	<i>Expenditure</i>	<i>Expenditure</i>	<i>Allocation</i>	<i>Allocation</i>	<i>Allocation</i>	<i>Allocation</i>
USDG	9,077	10,285	10,554	10,839	11,382	11,956	12,631
ICDG	18	234	199	267	292	309	326
ICDG as % of USDG	0.2%	2.3%	1.9%	2.5%	2.6%	2.6%	2.6%

Source: ENE, various

The data indicate that the CSP's interventions have (at least in part) resulted in improved USDG expenditure as summarised in the table below.

**Table 27: USDG Expenditure 2011-2016**

	2011/12	2012/13	2013/14	2014/15	2015/16
Buffalo City	36.9%	72.9%	99.9%	100.0%	100.0%
Nelson Mandela Bay	100.0%	100.0%	100.0%	100.0%	100.0%
Mangaung	68.8%	78.9%	90.0%	89.3%	92.2%
Ekurhuleni	97.7%	94.4%	89.1%	75.5%	87.5%
City of Johannesburg	92.6%	100.0%	100.0%	100.0%	94.5%
City of Tshwane	98.9%	100.0%	96.5%	97.6%	100.0%
eThekweni	97.4%	100.0%	100.0%	100.0%	100.0%
City of Cape Town	91.4%	93.6%	77.3%	90.1%	90.6%
<b>Total</b>	90.3%	94.1%	93.9%	93.0%	94.8%

Source: Department of Human Settlements (2017), Report on Urban Settlements Development Grant: Presentation to Committee in Appropriations, 30 May 2017; National Treasury (2016), Urban Settlements Development Grant: 2nd and 3rd Quarter Exp of 2016. Presentation to Select Committee on Appropriations

### 5.5.4 Competitiveness of consultancy rates

In undertaking a comparative analysis of the CSP consultants' rates, two perspectives have been adopted. The first explores what the programme would have possibly cost utilising a government modality and how the basic cost elements (specifically the time cost of the core team) compare to professional rates. Additionally, we have looked at some comparator costs for other programmes – which while not directly comparable provide some insight.

The current core team's contracted value for an average of 2.2 years per team member is R 58 million. The average hourly rate excluding VAT is R 975 (adjusting for one outlier). Assuming a 21-day work month at 8 hours a day (i.e. 100 % utilisation) this would mean that the total cost of a resource under such rates is R 1,96 million per year.

The table below sets out a range of comparators against which one could assess these rates.

**Table 28: CSP Consultant Rates Comparators**

DPSA Recommended Maximum Consultant Rates (Rand per Hour)				
Long-term (more than 60 consulting days)				
	All Overheads		Partial Overheads	
Salary band	Mark-up	No Mark-up	Mark-up	No Mark-up
Level 13 (Director)	1,612	1,240	1,387	1,065
Level 13/14 (Chief Director)	1,778	1,368	1,530	1,174
Level 14/15 (CD / DDG)	2,073	1,595	1,784	1,369
Level 15 (DDG)	2,277	1,753	1,960	1,504
Fee rates exclude operational / project expenditure, e.g. travelling, accommodation, subsistence				
Equivalent cost at 100% utilisation (full-Time) per Year				
	All Overheads		Partial Overheads	
Salary band	Mark-up	No Mark-up	Mark-up	No Mark-up
Level 13 (Director)	3,095,040	2,380,800	2,663,040	2,044,800
Level 13/14 (Chief Director)	3,413,760	2,626,560	2,937,600	2,254,080
Level 14/15 (CD / DDG)	3,980,160	3,062,400	3,425,280	2,628,480
Level 15 (DDG)	4,371,840	3,365,760	3,763,200	2,887,680
Government Senior Management (SMS) Remuneration Scales 1 Jan 2016				
Full-time SMS	Min	Mid-Point	Max	
Level 13 (Director)	898,743	978,717	1,058,691	
Level 13/14 (Chief Director)	1,068,564	1,173,087	1,277,610	
Level 14/15 (CD / DDG)	1,299,501	1,381,697	1,463,892	
Level 15 (DDG)	1,689,750	1,796,628	1,903,506	
OSD for Engineering Professions and Related Occupations: 1 April 2017				
	Min	Mid-Point	Max	
Chief Engineer Grade B	1,057,683	1,355,463	1,653,243	
Specialist Engineer	1,283,553	1,559,195	1,834,836	
Chief Construction Project Manager Grade B	1,057,683	1,355,463	1,653,243	
Chief Professional Surveyor, Architect, QS, Town & Regional Planner, GISc Grade B	911,355	1,157,920	1,404,484	

Sources: DPSA, *Hourly Fee Rates for Consultants - With effect from 1 April 2016*; DPSA Circular 5 of 2016: *Improvement in Conditions of Service of Members of the Senior Management Service (SMS): 1 January 2016*; DPSA Circular 1 of 2017

The data show that the current CSP hourly rates are highly competitive when seen against equivalent rates set by DPSA and public service sector salary bands. While it could be argued that should the Core CSP be graded at a Director level in government the total remuneration cost would be some 50% less, this ignores the other cost to the company not covered by the current SMS remuneration such as benefits, sick leave, annual leave as well as overheads costs such as rent etc. that should be included in any total cost to company

assessment. In the case of the CSP, the consulting model assumes that all of these costs and risks are carried by the individual contractor.

Given the high-calibre of experienced professionals being utilised by the CSP it is also highly unlikely that any would accept full time employment in the public sector.

The assessment suggests that given the skills and expertise secured the cost is reasonable and represents an efficient utilisation of resources.

The cost of the CSP can also be compared to the cost of other support programmes. Good data is limited, and comparisons should be treated with caution, but summarised in the tables below are some comparators.

**Table 29: National Treasury Programme Comparators (Rand per year)**

		2016	2017
<b>Municipal Finance Improvement Programme II</b>	Total programme cost*	99,904,411	156,216,585
	Avg. Adviser cost **	1,380,000	1,380,000
<b>GTAC Technical Advisory Services</b>	Total programme cost	39,669,960	76,750,928
	Avg. Adviser cost ***	1,957,000	1,957,000

Source: GTAC Annual Report 2015/16 and 2016/17; Communication and data from GTAC CFO M. Rautenbach  
 Note: \* includes assets; \*\* Based on an average hourly rate of R750 excluding VAT at 230 days of 8 hours per day per year; \*\*\* Based on an average hourly rate of R1,064 excluding VAT at 230 days of 8 hours per day per year

**Table 30: Siyenza Manje Comparator**

Annual Budget					
Source (Rand millions)	2006/07	2007/08	2008/09	2009/10	Total
N Treasury (70%)	-	84,9	219,3	319,6	623,8
DBSA (30%)	42,2	36,4	94,0	137,0	309,6
<b>Total (Rm)</b>	<b>42,2</b>	<b>121,3</b>	<b>313,3</b>	<b>456,6</b>	<b>933,4</b>
Personnel Costs incl. Advisors					
Rand millions	2006/07	2007/08	2008/09	2009/10	
SM Expenditure/Municipality	R4.22	R2.33	R2.25	R2.37	
SM Expenditure per Expert	R0.53	R0.97	R2.19	R2.47	
SM Expenditure per Young Professionals	R3.01	R1.52	R1.92	R3.00	
SM Expenditure/All deployment types	R0.43	R0.47	R0.86	R0.90	

Source: Genesis Analytics & the Project Shop, 2010

The CSPs current costs appear to be well line with current equivalent in GTAC but are somewhat higher than the MFIP programme (which deploys a similar model and utilises highly skilled advisors). Even against the Siyenza Manje programme (considering that the data is 7 years old), the CSP has comparatively low average staff costs.

### 5.5.5 Value for Money

A key element in assessing the efficiency of any programme is a measure of its value for money. Real and good value for money (a good balance between the effects achieved and the costs of the programme) would only be achieved if the positive results at output level would be effectively used to implement an effective and efficient investment programme (in housing, transport, municipal infrastructure, etc.).

There are numerous methodologies to assess value for money (VFM) such as Cost Effectiveness Analysis, Cost Benefit Analysis, Social Return on Investment, etc. however such methodologies require robust data and/or appropriate comparators. In the case of the CSP neither of these is available beyond the limited insight presented above. These indicate that the programme is not out of the norm when compared to similar initiatives. Additionally, as noted above, the CSP's interventions have (at least in part) resulted in improved USDG expenditure over the period of the CSP's implementation.

More critically a useful measure of VFM in the case of the CSP would be a quantification of the levels of investment metros have been able to secure for their catalytic projects with CSP support. However, given the early stage of these projects this is not yet available.

Consequently, pronouncing on VFM 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, i.e. there exist initial signs of VFM, in a number of areas with the key exception of investment in catalytic projects.

### **5.5.6 Monitoring and evaluation**

CSP has a Planning, Monitoring and Evaluation Framework which was developed in 2015 and distinguishes between 6 categories of indicators being those at a strategic level, programme performance level, component level, city level, project and function level. These indicators are all at varying stages of development and finalisation.

#### *Monitoring indicators*

Currently the CSP does not have a set of programme-level performance indicators in place to measure overall progress which provides detailed and comprehensive analysis on results, time spent on various functions, expenditure and procurement processes, time taken per project and so forth. While some of this information may exist in various forms, it is not aggregated and consolidated on a routine basis which would provide a basis for programme management and decision-making. This will require attention as the programme moves forward and will be particularly important if CSP is to begin to be governed by an external SteerCo or Technical Working Group. The CSP has not developed any indicators to monitor progress in its work with national and transversal departments.

CSP has tended to measure project progress at an output level, which is informed by whether projects are being implemented as planned. Given that so much of CSP's work has been process-focussed to date, these metrics do not provide considerable insight into the performance of the programme in the identified component areas. The output indicators need to be refined further.

#### *Routine programme management and tracking*

As part of trying to put in place processes that assist with programme management, and to assist a distributed team to be able to communicate and share information, CSP has set up a number of dropboxes which are accessible to the team and contain documents related to the various aspects of the programme.

CSP has acknowledged that there are a number of limitations to dropbox, and that there have been instances where files cannot be located or have been deleted. To date these risks are mitigated by maintaining a master copy at all times. Nevertheless, the programme is

exploring other possible software with similar functionality to dropbox that is easier to use and has less potential risks as it moves into the next phase of implementation.

### *Progress Reports*

CSP city coordinators currently produce reports per metro on a monthly basis which document what has happened against what was planned, what is planned for the following month, and documents any risks to implementation that need to be addressed. These reports are submitted to the CSP programme manager and to the metros, where it is expected that the reports are distributed to the executive team. The monthly reports are aggregated quarterly, and then feed into an annual report.

Currently, the process is that CSP is accounting to the metros, and there is very little indication of metros reporting into CSP as to what they have been able to achieve in terms of the demand-led projects in each of the relevant component areas. This is concerning as it removes the need for accountability, and does not assist with building the spatial planning, service delivery, and financial management capacity of metros to address the needs identified in the CNA and prioritised in the CSIP.

While it is acknowledged that CSP has been imposed on the metros by National Treasury, and that metros have not had the means to formally decline participation, these reporting arrangements need review as the programme moves forward. It is imperative that metros are held accountable for the progress or lack of such in the CSP areas of support. Changing the current reporting processes and obligations will go some way to achieving this.

### *Fit for purpose information system*

During 2015, CSP was able to secure assistance through GTAC to begin to develop and implement a management information system which could provide a central repository for understanding how projects are progressing. This project tracking system is used by the CSP team to track progress of particular projects, and to note where they are in implementation. It is based on a set of project codes which are based on the component which the project falls into, the metro and the nature of support being provided. These codes are also used by the consultant team to report on time spent on a monthly basis. This system was introduced in 2015 and has been refined on an ongoing basis in order to better meet the needs of the programme.

It is currently open access and allows individual consultants to initiate a new project. This is particularly useful for a team that works largely off-site and reduces the burden placed on the project management and monitoring team. However, this also introduces its own risks where information is not always correctly captured or maintained on an ongoing basis. This has resulted in a situation where the content reflected in project sheets differs from that contained in monthly and quarterly reports. The monthly and quarterly reports are far more qualitative in nature and report on what people have been doing (process), whereas the project sheets are entirely quantitative and definitional. In order for these two data sources to interface better, there is a need to tighten up the structure and content of monthly and quarterly reports to ensure that very specific variables are reported on in a uniform basis.

In its final year of implementation, CSP has embarked on a process of reviewing and consolidating projects. Until this year, a number of projects had remained active on the system though there had been little progress. This process of consolidating projects meant that many projects that were initiated at city-level, as part of a larger process with line departments were absorbed into the higher-level projects. In theory, this should mean that there is still likelihood of progress and need for the project. In the process of consolidating these projects, projects that were previously defined individually with their own project code, and reported on individually, have now been subsumed into one project code.

This decision creates a number of risks, in that an individual is required to track back through a number of previous versions of the project sheets to understand progress, and historical data is not available. CSP has indicated that consultants are required to complete a discontinuation report where projects have been merged or discontinued.

CSP's M&E processes have been considerably 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 the fit for 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. This system also provides a basis for understanding the way consultants are spending their time. This is a particularly important metric where consultants have a shared responsibility for managing a set of activities/projects that relate to a particular component and are required to be supporting one of the participating metros. CSP has put in place a metric as to how consultants should be balancing their time, and the timesheet data can provide a high-level analysis of how consultants are performing against this metric, and to try and introduce some kind of correction as required.

In addition to the work on indicators and the management information system which tracks project progress, CSP has tried to put in place a number of processes and strategies that track various aspects of the programme. These include a stakeholder engagement matrix which should be capturing how relationships are being managed, involvement of key stakeholders and the nature of their involvement. While ideal in theory, this has not been implemented as initially conceptualised. Much of the work on stakeholder engagement is known by the consultant responsible for this area of the programme but is not documented in any formal sense.

### *Capturing emergent learning*

CSP has undertaken a Strategic Review in some of the participating metros with a view to inform planning and implementation within the metro. To date, strategic reviews have been undertaken for Ekurhuleni, Nelson Mandela Bay and one is currently underway for Tshwane. These reviews do provide an opportunity for reflection on progress, and the issues that are affecting implementation (including the implementing environment and experience of working with the metro). These strategic reviews do generate learning, but it is not clear the extent to which these reviews are shared beyond the consultants who are responsible for strategic support, programme management and those that are responsible for coordinating activities in the respective metros.

CSP convenes a monthly meeting with the full programme team to report on progress in the various component areas and the metros. Individual consultants prepare presentations for delivery at homeweek. Homeweek provides an opportunity to convene as a group and to ensure that all team members have a clear understanding of progress. The week is governed by an agenda with a clear purpose, but there is limited evidence of if/how the information shared during home week inputs into a wider learning process. This is particularly concerning given the significant time invested in homeweek by the CSP team (one week per month), which calls into question the efficiency of this arrangement.

Similarly, CSP provides a number of opportunities for engagement within the programme. One such example is the city coordinators forum which was set up to allow city coordinators to convene quarterly and share challenges and insights into what is happening in their own metros, and how they have overcome particular challenges. This forum has been very effective at providing support to city coordinators. Despite the success of the forum, there is

no indication that there is any reflective learning which has considered and documented the implications of what is being shared, and how the programme has internalised this information and responded accordingly.

There is value in considering how CSP could use such information to inform decision-making, and to document the implications of these findings for CSP itself, or other support programmes pursuing the same objectives.

The absence of this focus may also be due to the fact that the programme is heavily driven by results and technical inputs but demonstrates far less consideration or awareness of the people-related issues which influence how the programme takes shape in different implementing contexts. This needs to be considered further in subsequent phases of the programme.

### *Knowledge Management Processes*

CSP has produced a number of outputs in the past three years. These outputs vary from research papers, workshop reports, policy submissions, bulletins related to municipal borrowing, the municipal money website, among others. All of these deliverables have particular relevance for a diverse stakeholder body, including the general public. To date, knowledge management and dissemination processes within CSP have 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.

This has contributed to a perception within National Treasury that officials are not clear on 'what CSP is doing'. This challenge is recognised and acknowledged by the programme team. There is a need for CSP to put in place clear processes that track the finalisation and production of deliverables, with a clear dissemination strategy. Earlier on in the programme, there had been plans to produce a regular CSP newsletter which could be shared, and to input into existing communication mechanisms within National Treasury (Whats Up for example). The evaluation team could not find any indication as to whether this has happened, and to what extent.

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. These three stages include outputs being disseminated to a stakeholder audience, being elevated to the necessary stakeholders (Council in the instance of an output that has emerged from a city-level project), and consolidation is about how these deliverables are being institutionalised. CSP acknowledges that these steps are not perfect and may not apply across all activities and projects.

CSP has incorporated the monitoring of deliverables against timelines as part of the 2017/2018 Annual Plan. Deliverables that are produced as part of the RAS mechanism, are typically branded by the World Bank or the Urban Land Institute (ULI), but those that are outputs of CSP-led processes are not branded in a consistent way. CSP needs to consider a branding convention for all deliverables. This is particularly important if the programme is to become known as a knowledge repository which is able to provide a set of shared resources which focus on addressing issues that are faced by many metros (this may be resources related to integrated public transport networks for example) and to issues related to urban development and spatial transformation more broadly. It is also necessary to be able to acknowledge how partners may have contributed to these outputs and provides an opportunity for CSP to demonstrate their value-add.

Currently, the primary vehicle for showcasing the work of CSP is the website which was launched in 2015. While certain key outputs of the CSP are available on the website, the evaluation found that the website, in its current state, does not effectively showcase the

outputs and achievements of the CSP to date. This gap may be due to competing priorities of the team responsible for information and data management. It is imperative that the tracker for finalising deliverables is also used by the team responsible for managing the website, to ensure that research and knowledge products are uploaded to the website, and that new content is added on a frequent basis.

Currently there are a number of Treasury-related documents for processes that CSP is engaged in, which appear on the National Treasury website but are not uniformly uploaded to the CSP website. Though it may seem like an overlap, where there are key outputs of CSP, these should also appear on the CSP website. This will provide a clear picture of what CSP is achieving in its three areas of work; being the creation of an enabling environment for spatial transformation, achieving fiscal and regulatory reform and providing implementation support to metros.

### **5.5.7 Programme efficiency: Overall evaluation findings**

On the basis of 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 number of 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 deal with procurement requirements that are constant challenges within government.

In respect of stakeholder engagement, our finding is that while there are numerous fora and processes (such as the City Budget Forum, BEPP or annual Local Government Budget Reviews) with key stakeholders, 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 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).

Our consideration of the efficiency of the CSP’s systems, processes and procedures looks at procurement management, human resource management and project management. Our 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 value 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). However, the inability to clearly link the level of effort to specific outputs and outcomes has made it difficult to issue a clear evaluative judgment as to whether resource utilisation – given the outputs and outcomes is efficient.

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 46% or 97 projects of the originally planned 229 projects have been discontinued costing some R 3.2 million (1% of operating budget). However, of these discontinued projects, 53% have been integrated into another project, while 31% were discontinued because of lack of demand or resource constraints. At the same time, however, 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 averaging R 975 per hour (excluding VAT) are competitive when seen against equivalent rates set by DPISA 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.

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, i.e. there exist initial signs of value for money in a number of areas, with the key exception of 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 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.

## **5.6 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.

### 5.6.1 Programme-level sustainability

#### *Policy environment*

The CSP is likely to continue receiving high-level policy support given the ongoing policy priority that cities enjoy within the national policy framework generally (as reflected through the NDP), and within the National Treasury public finance mandate more specifically. In particular, it is noted that the National Treasury continues to assert the need for fiscal reform and ongoing support for large cities that face the largest pressures in respect of urbanisation.

Notwithstanding the above comments, there is a concern expressed by some respondents that broader government policy framework is becoming less conducive for a city agenda. There is also a strong push for the CSP to be expanded to other secondary cities. Assuming that the CSP's future budget will be similar to its current budget, this creates a risk of diluting results and potentially negatively impacting on the sustainability of the programme.

It is noted that the publication of the IUDF and the establishment of a programme within CoGTA to drive its implementation supports the ongoing activities and sustainability of the CSP. While the specific interaction and modalities between the CSP and IUDF will need to be resolved, the IUDF again supports the importance of the role of cities and reasserts the need for support to such cities.

#### *Programme funding*

The above assertions are supported by the Treasury's willingness to provide ongoing funding to the CSP. In the 2017 ENE, a budget has been indicated for the next three years for Infrastructure Development Support which includes the IDIP as well as CSP programmes. The ENE indicates that between R 275 and R 305 million per year has been budgeted.

**Table 31: ENE – National Treasury – Infrastructure Development Support Budget 2017 - 2020 (Rands)**

	2017/18	2018/19	2019/20
Infrastructure Development Support	275,100,000	288,800,000	305,000,000

Source: ENE, 2017

The CSP's own annual plan indicates that of the initial ENE budget some R 60 million over the three years (2016 to 2019) is to be allocated to the CSP.

Additionally, the CSP has managed to secure additional funding via SECO and the World Bank of R 137 million over the 2018 – 2020 period.

**Table 32: CSP Funding Commitments 2016-2019 (Rands)**

Funding Source	2016/17	2017/18	2018/19	Total
National Treasury	16,454,948	25,022,250	18,541,000	<b>60,018,198</b>
World Bank RAS	6,505,852	-	-	<b>6,505,852</b>
World Bank SECO	-	68,850,000	68,850,000	<b>137,700,000</b>
<b>Total</b>	<b>22,960,800</b>	<b>93,872,250</b>	<b>87,391,000</b>	<b>204,224,050</b>

Source: CSP Annual Plan 2016/17

Given a budget of some R 200 million for the 2016/17 to 2018/19 period and indications that Treasury will fund the outer MTEF years, the CSP will be financially sustainable if costs are contained within current expenditure levels.

The allocation of budget also indicates a high degree of Treasury as well as other stakeholder support including SECO and the World Bank.

### *Institutional structure and location*

As noted in the Effectiveness section, the institutional location of the CSP within National Treasury has been critical to providing the programme with the authority and influence necessary to achieve positive results with respect to its fiscal reform agenda and its provision of city implementation support. On the other hand, its institutional location has been less conducive to achievements in the realm of policy and regulatory reform.

Although there have been suggestions that the CSP would be more appropriately located in COGTA, the evaluation finds that overall the CSP is well located within the National Treasury and that its proximity to the DDG's office in IGR is important in securing the necessary support. This is supported by the view of COGTA representatives, who assert that it is better to have the CSP positioned in Treasury because a programme like the CSP needs to be located in a "stable and solid institution".

However, there is a concern that the CSP is over-reliant on DDG support. Although the interviews highlight the broad support and appreciation of the CSP across most of the IGR Division's directorates and even within the Public Finance division in National Treasury, the CSP programme is not effectively institutionalised within the National Treasury structure. The PMU head is not an official and does not have formal authority within the Treasury management structure, in contrast for example to the Neighbourhood Development Partnership Unit which has been established as a Directorate within IGR and headed by a senior official (Chief Director). This is compounded by the current dual reporting responsibility of the CSP PMU head to the DGG IGR on strategy and the CD: PLGI on administrative finance matters.

While the current consultant model of the CSP should be retained – and is in fact key to its flexibility and effectiveness – the CSP would benefit from a stronger institutional location within the National Treasury. This would also ensure its sustainability in respect of organisational and political changes.

### *Resourcing model*

As indicated earlier in the report, the current organisational design is complex and heavily reliant on highly-skilled specialist resources. Despite recent additional programme management capacity and the establishment and implementation of enhanced programme management systems which together have significantly improved the programme sustainability, the current resourcing model poses risks.

Specifically, the core risk to programme sustainability is the short-term contracts (i.e. contracts with a maximum duration of 2.5 years) under which the core team are appointed (these end in June 2018). If the programme is to continue, these contracts need to be renewed with some urgency and ideally extended to a more reasonable length in order to retain the critical skills and institutional knowledge.

From a sustainability perspective, human resourcing is the single biggest concern given the very significant tacit knowledge this team has and the very steep learning curve any new consultants would have to endure. Should this team not be secured – at least in the majority – the sustainability of the CSP is unlikely to be ensured.

### **5.6.2 Institutionalisation of outputs and outcomes**

This sub-section 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.

At the metro level, there is evidence of wide acceptance of the spatial transformation agenda of the CSP. Indeed, it appears that the intent of the CSP to create more compact cities and achieve spatial transformation through interventions in the five targeted sectoral areas has been internalised by the cities' leadership across the metros. Furthermore, the linking of the Built Environment Performance Plan to the ICDG has created an incentive for the implementation of this spatial transformation agenda in practise.

The extent to which this agenda has been entrenched in the cities' operations, however, varies across the metros. A significant degree of institutionalisation of outputs and outcomes can be observed in the context of the better capacitated metros. In these metros, the Built Environment Performance Plan is now firmly entrenched in the cities' planning processes and has further been definitively integrated into the cities' institutional arrangements and inter-governmental structures. This process of institutionalisation suggests that many of the changes achieved by the CSP in these cities to date would be sustainable in the absence of on-going intervention and support from the CSP.

In the weaker metros, by contrast, there is limited evidence of CSP outputs being integrated into the metros' internal planning processes. At most, there appears to be some alignment between the SDF and the CSP's agenda specifically in terms of restructuring zones, development corridors, priority areas and integrated transport planning. However, it does not appear that the Built Environment Performance Plan has been significantly incorporated into the relevant IDP processes and the cities' organisational structuring and functions. In these metros, it seems unlikely that the positive outcomes achieved by the CSP to date would be sustainable without on-going CSP support.

In all metros, it appears that further work is required with respect to linking the Built Environment Performance Plan to the cities' budgetary processes, and that the CSP has a relevant and on-going role to play in this context.

It is proposed that the varying likelihood of the sustainability of the effects generated by the CSP in the various metros to date can be attributed to three primary factors: (i) the extent of political buy-in that the CSP has been able to secure from the cities' leadership for its spatial transformation agenda; (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.

Another sphere in which the CSP appears to be having a sustainable impact at the metro-level is through the Economic Development component, as can be seen from the action plans flowing from the sub-national Doing Business analysis which – in some cases – are starting to lead to process changes that should generate efficiencies and better performance.

At the national and inter-governmental level, the relative institutionalisation of CSP outputs and the associated likely sustainability of expected outcomes is more difficult to assess. In the fiscal reform sphere, the CSP has achieved significant success in this regard – specifically with respect to the grant reforms that came out of the CSP's PTNG work and the linking of the ICDG to the Built Environment Performance Plan.

In the policy and regulatory reform sphere, the institutionalisation of outputs is less evident due to the fact that the policy function ultimately remains with the line departments. Thus, while the CSP has made a significant contribution to the development of the Integrated

Public Transport Network (IPTN) Guidelines, the institutionalisation of other policy and regulatory outputs has been more limited. This speaks to the need for the CSP to work more closely with the line departments – potentially within the context of an integrated inter-governmental structure – to inculcate a certain way of thinking and approach to urban development within the departments themselves. This, in turn, may require a political intervention higher up in the governmental hierarchy, the purpose of which would be to motivate the line ministries to work more effectively with the CSP.

The CSP's 2016/17 and 2017/18 annual plans demonstrate an increasing focus on the institutionalisation of the CSP's outputs and strategy. This refers to ensuring that, where appropriate, (i) these outputs are clearly linked to improving outcomes, with a strategy to achieve this; and (ii) relevant stakeholders have ownership of this strategy. The CSP's 2017/18 annual plan articulates this in the three steps of (a) **dissemination** of outputs to stakeholders at the national level; (b) **elevation** of processes through established processes and platforms; and (c) **consolidation** of outputs through policies, legislation, budgets, and practise.

Planned initiatives to be undertaken in this respect include: developing a sustainable institutional partnership, involving national government, academia, and cities, under which future city leadership programmes could be run; consolidating and refining the Built Environment Performance Plans to enable the institutionalisation of the process for outcomes-led planning; institutionalisation of the policy and regulatory work-stream through high level policy approval of outputs at senior National Treasury Management and by Cabinet; and developing a terms of reference for Institutionalisation and Implementation Support of the CIDMS.

Furthermore, the CSP has noted that certain of the Core Governance sub-components have been developed to the extent that they are now ready to be transferred over to COGTA. By handing over certain programmes and functions to COGTA – an established and institutionalised ministry – these sub-components would likely be more sustainable in the long-term.

### **5.6.3 Sustainability: Overall evaluation findings**

Overall the conclusion in respect of the sustainability of the CSP is a mixed one. From the perspective of the overall programme – considering the policy environment, its actual funding, its institutional location, and its current resourcing model – the CSP is likely to be sustainable but faces some risks.

Indeed, 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. contracts with a maximum duration of 2.5 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 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.

A significant degree of institutionalisation of outputs and outcomes – particularly with respect to the Built Environment Performance Plan – can be observed in the context of the better capacitated metros. In the weaker metros, by contrast, there is limited evidence of CSP outputs being integrated into the metros' internal planning processes. 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.

It is proposed that the varying likelihood of the sustainability of the effects generated by the CSP 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 the fiscal reform sphere, the institutionalisation of outputs is less evident in the policy and regulatory reform sphere. This speaks to the need for the CSP to work more closely with the line departments in order to inculcate a certain way of thinking and approach to urban development.

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.

## 6. Conclusions

### 6.1 Implications for the Theory of Change

In this section, the findings of the evaluation are explored in relation to the CSP's Theory of Change. The diagram below illustrates the extent to which the various elements of the Theory of Change have been implemented and whether or not the various assumptions and assumed causal linkages underlying the Theory of Change have held true.

The diagram illustrates that at the activity level substantial progress has been made with respect to undertaking leadership and governance development; generating and sharing (through the CBF) innovative urban transformation practices; and providing technical support to metros. At the intergovernmental level high levels of progress have similarly been made with respect to developing recommendations to the intergovernmental system to create an enabling fiscal framework and an enabling policy and regulatory environment.

At the same time, moderate progress has been made with respect to 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 has been made with respect to convening platforms for advocacy and undertaking lobbying for cities within the inter-governmental system and society at large.

At the output level, substantial progress has been made with respect to the successful leadership development programme, the production of the knowledge outputs, and the implementation of the Built Environment Performance Plan across metros. Substantial progress has also been made with respect to the elevation of recommendations to create an enabling fiscal framework.

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

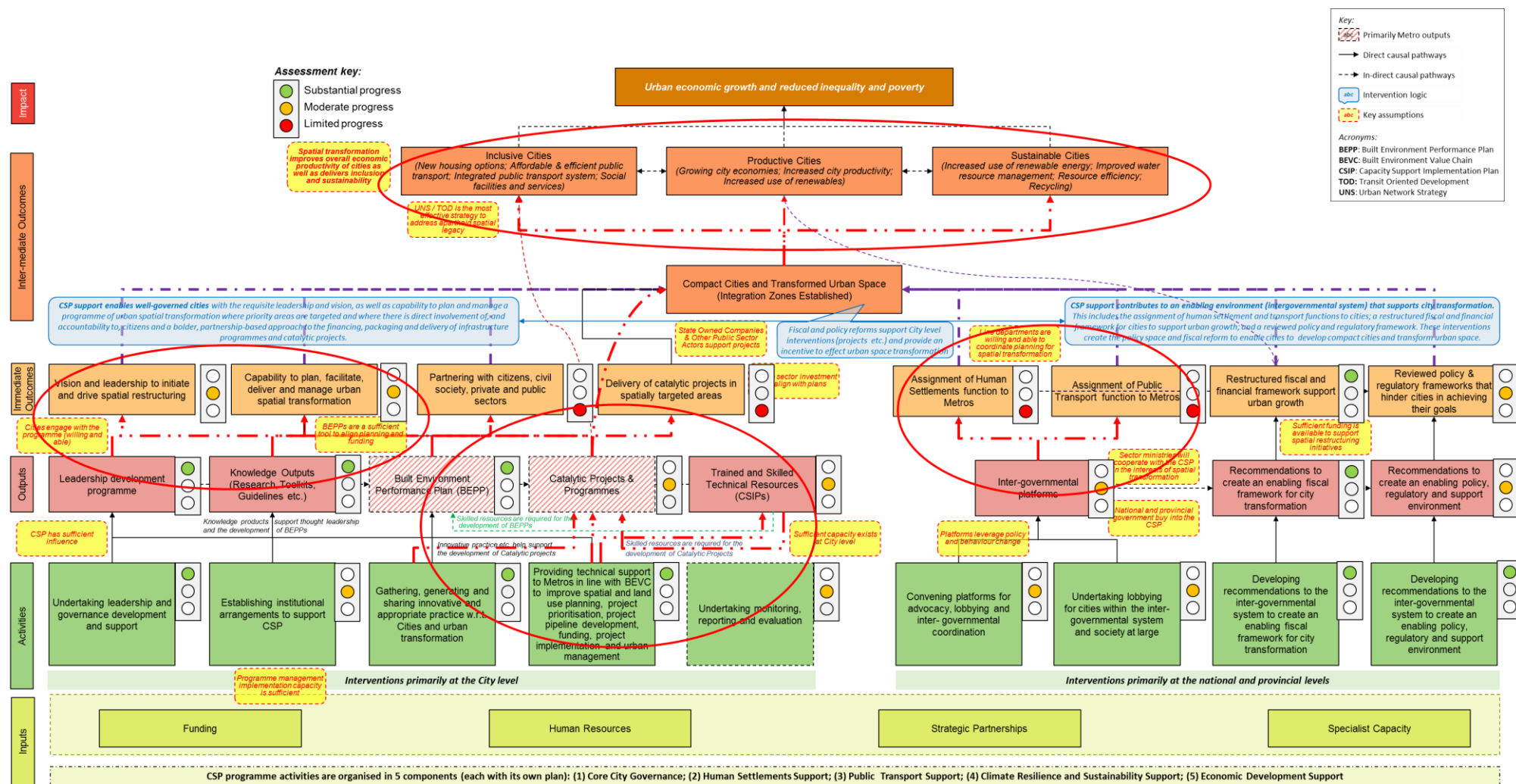
Finally, at the immediate outcome level, moderate progress has been made at the city level with respect to achieving a change to vision and leadership and developing city spatial transformation capability. At the inter-governmental level moderate progress has been made with respect to achieving a reviewed policy and regulatory framework, while substantial progress has been made with respect to achieving a restructured fiscal and financial framework to support urban growth (in the context of the PTNG and the ICG).

In contrast limited progress has been made with respect to cities partnering with citizens, civil society, private and public sectors in the delivery of catalytic projects. At the inter-governmental level, limited progress has been made with respect to the assignment of human settlements and public transport functions to the metros.

An analysis of the Theory of Change in relation to the findings further suggests that certain critical assumptions underlying the Theory of Change have not held.

At the metro-level, the programme has experienced difficulties in securing political buy-in in the context of certain metros, due to a constantly changing political environment. The CSP has also found certain metros to be lacking the minimum capacity requirements necessary to be effective partners to the CSP. As a consequence, the immediate outcomes relating to changes in city vision, leadership and capabilities have not manifested in practise to the extent envisioned.

Figure 22: Implications of the evaluation findings for the Theory of Change



Moreover, with respect to the implementation of catalytic projects, private sector as well as other public sector and state-owned companies have not always proved willing to align and invest in catalytic projects. Challenges relating to specialist expertise, funding, and political support, have further hindered the implementation of these projects. Consequently, the immediate outcomes relating to the delivery of catalytic projects in partnership with the public and private sectors has occurred only 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, given the highly contested nature of key components. Related to this has been the CSP's lack of influence in the inter-governmental arena to effect policy change. As a result, very little progress has been made with respect to the assignment of human settlements and public transport functions to the metros. At the same time, only moderate progress has been made with respect to achieving a reviewed policy and regulatory framework.

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

## **6.2 Conclusions**

### **6.2.1 Key successes of the CSP**

- i. The CSP's fundamental principles, purpose and objectives correspond strongly to the socio-economic challenges facing South Africa. Furthermore, a significant degree of alignment can be observed between the CSP's objectives and South Africa's national policy objectives. It is concluded that the CSP is extremely relevant and fundamentally pro-poor in intent.
- ii. Extensive activities have been undertaken by the CSP. At the metro level, the implementation of demand projects catering to each metros' specific context and needs have complemented the implementation of supply projects. Significant progress in delivering planned outputs is evident in the Core City Governance component. The Human Settlement, Public Transport and Economic Development Components have also had success in the delivery of key outputs. The Climate Resilience Component (which effectively launched later than the other components) has had less success in this regard.
- iii. There is evidence of levels of change in vision and leadership to drive spatial restructuring, particularly in the stronger 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 weaker 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 a number of partnership arrangements and a small PMU with mostly outsourced specialist skills, enables the CSP to leverage its resources very significantly and deploy skilled resources relatively

rapidly. The Programme has also been able to tender and appoint service providers in a relatively efficient manner.

- v. The CSP has been reasonably financially efficient in respect of expending its budgets. The assessment suggests that given the skills and expertise secured the cost is reasonable and represents an efficient utilisation of resources. 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. At this stage of the programme it is not possible to issue a clear assessment in respect of value for money.

A number of key CSP outputs – including the Built Environment Performance Plan, the ICDG, the Integrated Public Transport Network Guidelines, and work on the PTNG – have been or are in the process of being institutionalised. This increases the likelihood that the outcomes achieved by the CSP will be sustained in the long-term.

### **6.2.2 Key challenges facing the CSP**

- i. Although the CSP has made attempts at aligning and integrating its activities with those of other governmental stakeholders operating in similar spaces and pursuing similar objectives, duplication of efforts remains a concern. It is noted that while 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, concerns remain with respect to the quality of the CSP's relationship with certain stakeholders and the limited degree of mutual cooperation taking place in this context

At the metro-level, the programme has experienced difficulties in securing political buy-in in the context of constantly changing political environments. The CSP has also found certain metros to be lacking a minimum capacity necessary to be effective partners to the CSP. This has had implications for the degree of the institutionalisation of CSP outputs at the metro-level. Specifically, the evidence suggests that not all of the positive outcomes achieved to date by the CSP would be sustainable in the absence of on-going intervention and support in the context of the weaker metros.

- ii. Private sector as well as other public sector and state-owned companies have not always proved 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.
- iii. The CSP has not succeeded in securing the support of key national line departments and provincial stakeholders, as a result of the highly contested nature of key components. Related to this has been the CSP's limited ability to effect (influence) policy and regulatory change. The CSP has responded pragmatically to these challenges and has taken a decision to continue with the implementation of its activities at the metro level even in the absence of buy-in from certain national level stakeholders. This approach is being undertaken with the hope that traction at the metro level will assist the programme with gaining traction at the national level further down the road.

Challenges remain with respect to the CSP's M&E processes. While the 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 with one another, and at present are not producing data obviously conducive to the analysis of the extent to which on-going projects are being efficiently managed.

- iv. To date, knowledge management and dissemination processes within the CSP have 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, finalisation and institutionalisation of knowledge products more closely.
- v. It is noted that the CSP's degree of responsiveness to a "pro-poor agenda" is disputed. Within the logic of the CSP the proposed interventions are understood ultimately to address poverty and marginalization through economy efficiency, investment and economic growth. However, there are stakeholder views that question this logic and assert that the current approach leads to increased marginalisation as investment in basic services etc. is diverted.

### **6.2.3 Other key observations and learnings**

- i. The CSP was designed to be a short-term (i.e. time-bound) catalytic programme. As such, the programme has not been institutionalised within government (rather the focus has been on institutionalising outputs and infusing knowledge). The advantage of this approach is that the CSP has retained a degree of flexibility that has been key to its performance to date. At the same time, however, the lack of institutionalization has given rise to issues of accountability and over-reliance on DDG support in National Treasury. The arrangement has further limited the programme's influence over other governmental players.
- ii. Despite the fact that the CSP has not been institutionalised, its location within National Treasury has had significant implications for the programme's effectiveness. The CSP is closely aligned to the work of the IGR Division, which has primary responsibility for local government fiscal matters. This has provided the CSP with the leverage necessary to drive its fiscal reform agenda. At the same time, the National Treasury is held in high esteem by many of the metros. This has provided the CSP with the leverage necessary to drive its city support work.
- iii. The CSP has had limited success in the realm of some key policy and regulatory reforms due to the fact that the policy and regulatory functions remain with the line departments, many of which have strained relationships with National Treasury (for instance DoHS). Going forward, the development of collaborative relationships between the CSP and relevant line departments such as Human Settlements and Public Transport will be key to the CSP's progress in this area. By strengthening its relationships with entities such as SACN, SALGA and COGTA, the CSP will further enhance its potential to have a significant impact in the city support sphere.
- iv. At the metro level, the CSP's varying levels of success can be attributed to three primary factors: (i) the levels of existing capacity demonstrated by key city officials; (ii) the ability of the CSP to secure city-level "champions" (particularly at the administrative level); and (iii) the extent of political buy-in that the CSP has been able to secure. With respect to the latter, it is noted that the programme has been implemented in an uncertain and often changing political environment. The importance of undertaking a proactive process of consistent political engagement to ensure ongoing commitment to the objectives of CSP cannot be overstated.
- v. The CSP has demonstrated that its primary value lies in being 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.

## 7. Recommendations

The evaluation has identified a number of recommendations for further consideration by the CSP. These are presented below, under the sub-headings strategic, structural and operational recommendations.

### 7.1 Strategic recommendations

- i. There is a need to improve consensus regarding the purpose of CSP and to communicate clearly the purpose of the CSP more broadly. This includes identifying the purpose, role, target audience and anticipated timeframe of the CSP. Based on our analysis of the CSP and discussions with key CSP consultants, the following key insights have emerged regarding the nature 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 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.

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.

- b. The core role of the CSP is to bring together stakeholders and to facilitate partnerships in this context. The CSP can thus be understood as a vehicle to facilitate collaboration, integration, and alignment between a diversity of stakeholders in support of cities.
  - c. The CSP was designed to be a short-term, time-bound programme. While the precise time period over which the CSP should exist remains to be seen, we recommend that the programme continues for at least another five years. It is proposed that the CSP still has an important role to play, particularly with respect to supporting and driving the implementation of key catalytic projects in the near future.
- ii. The CSP has achieved varying levels of success across the three realms of focus outlined above. The CSP has taken a pragmatic approach to the implementation of the programme, by moving forward in the areas in which it has buy-in and traction (e.g. the fiscal reform sphere and certain cities) and expending less energy on the areas in which it is facing 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 in order for the programme's intermediate outcomes and ultimate impact to be achieved. It is thus proposed that going forward the CSP needs to pay increased attention to addressing the political and intergovernmental challenges hindering achievements in the context of regulatory and policy reform.
- iii. This has direct implications for the CSP's Theory of Change. The TOC should be revised so as 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 practice (as outlined in Section 6), and (iii) incorporate explicitly the additional activities and outputs that will need to be implemented in order to make progress in the more challenging areas of policy and regulatory reform. The latter, which follows from the

identification of the continuing needs in each of the three spheres (as outlined in Section 7.1), are outlined in section 7.2.3.

## 7.2 Structural recommendations

- i. While acknowledging the flexibility that comes with the non-institutionalisation of the CSP, the evaluation also highlights the associated issues of insufficient accountability, over-reliance on the DDG, and lack of authority over other governmental stakeholders. We thus propose a middle-ground approach to the question of institutionalization. The evaluation recommends that the CSP should be institutionalised through a programme framework within National Treasury. It should operate within its own branch structure (similar to the Jobs Fund) or Chief Directorate (similar to the Neighbourhood Partnership Unit). The CSP Unit should be overseen by a full-time programme manager based in Pretoria i.e. a senior civil servant at least at Chief Director level who reports internally within National Treasury. The implementing agents of the CSP would continue to be highly-skilled consultants, contracted under arrangements similar to the 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.
- ii. The programme should consider establishing an Intergovernmental Steering Committee managed by National Treasury. The purpose of the Steer Co will 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. 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. This Steering Committee will be ultimately accountable to National Treasury for all matters related to the Programme. This governance structure needs to clearly communicate the structure and objectives of the CSP, so that line departments and metros can find reason to engage and support the programme's initiatives.
- iii. The CSP needs to consider how it can 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 to achieving the goals of CSP. This is particularly important in instances where there are perceptions of an overlap in focus and tasks. In this context, a CBF type structure at the provincial and national level should be considered. This would serve as a formalized platform, the purpose of which would be to ensure that there is consistent and regular communication to a broad stakeholder audience about CSP progress to date, activities undertaken, and outputs delivered. It is proposed that the IUDF could have a potentially important role to play as an inter-governmental coordination structure in this context.
- iv. The CSP has noted that certain of the Core Governance sub-components have been developed to the extent that they are now ready to be transferred over 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. It is proposed that such an approach would decrease the overall cost of the CSP and ensure the long-term sustainability of these sub-programmes.

### 7.3 Operational recommendations

i. Metro-level support:

- a. 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. It is thus proposed that even in the context of supply-side projects, the CSP should offer differentiated support that aligns with the existing levels of capacity within each metro. It is further proposed that demand-side projects should be minimized in the context of the low-capacity metros (where, historically, few successful demand side projects have been completed).
- b. For CSP to gain sufficient traction and prioritisation by political stakeholders and administrative officials, there is the need for the implementation of an explicit programme of engagement with politicians at the metro level. It is proposed that the CSP should convene annual meetings with high level metro politicians in order to set the specific agenda for the next twelve months. This would ensure that project selection considers the political context in which the CSP is being implemented, and the specific (non-technical) factors that will influence implementation. It is further proposed that the role of city coordinator within the metro should be located in the strategic heart of the organisation. (Depending on the metro this may be in the City Manager's office or in the Mayor's office).

ii. Catalytic projects:

- a. The limited progress made to date with respect to the implementation of catalytic projects suggests that the CSP needs to revisit its current approach. It is noted that the implementation of catalytic projects is not within the direct control of the CSP. Rather, the CSP has the ability to deliver programmes in support of the metros' implementation of the catalytic projects. It is proposed that the CSP should move away from its current process of identifying and supporting catalytic projects, and move towards a clear approach to identifying specific technical and transactional support requirements that rapidly progress projects through packaging to securing investment and ultimately implementation.– Consideration needs to be given to the development of clear performance metrics for the CSP that move beyond capacity building and knowledge products to metric such as achieving financial close, private investment etc.
- b. Related to the above point, there is need for a funding model that provides specialist technical assistance and transaction advisory support to a set of projects that are approved by a Technical Committee (proposed) on the basis of key criteria such as likelihood of systemic impact. This will ensure that projects selected have greater likelihood of take-up, avoid a situation where a large number of projects are initiated and never move forward. This is imperative to also ensure focus and coherence around the explicit outcomes of the programme, and the activities identified as a means to achieving this. A variety of options could be considered such as the National Treasury PPP Unit Project Development Facility (PDF) which funds technical and transaction advisory work on PPPs and can include an element of cost recovery in support of the fund sustainability.

iii. Stakeholder engagement:

- a. Securing the active participation of line departments (specifically Human Settlements and Public Transport) is crucial to achieving longer-term change. CSP needs to engage with line departments more vigorously with a specific focus on aligning planning and budgeting, and reforming the fiscal, regulatory and policy environment. Transversal departments such as COGTA have an important supporting role to play in this context, notably through the facilitation of umbrella structures such as the IUDF. At the same time, it is noted that political intervention higher up in the governmental hierarchy may be required in order to push the line ministries to work more effectively with the CSP. The Executive Leadership Programme has the potential to serve as one platform for launching the programme politically. Presentations to Cabinet and SALGA should also be arranged.
- b. Provincial and SOE engagement is crucial to aligning planning and budgeting, particularly when it comes to planning for the funding and implementation of catalytic projects. Provincial departments and SOEs therefore need to be engaged to a greater extent, specifically in the context of the development of the Built Environment Performance Plan.

iv. Institutionalisation and dissemination of outputs

- a. The outputs of the CSP need to be institutionalised to a greater extent in order to ensure their sustainability. In particular, focus should be applied to ensuring the institutionalisation of the Built Environment Performance Plan across all metros. The Built Environment Performance Plan has had considerable success in developing cohesion around the spatial agenda within metros and promoting collaboration in planning. The focus now needs to shift to ensuring that the Built Environment Performance Plan is institutionalised effectively and influences the Integrated Development Plan, which is legislated and tied to budgets.
- b. CSP has been able to deliver a number of outputs and knowledge products that have not been disseminated to the broad stakeholder audience. There is a major need that the process of dissemination be planned and executed effectively. This would entail developing some form of knowledge repository that is actively managed. Related to this is the need for CSP to put in place a clear protocol for approving deliverables and updating the website.

v. Monitoring and evaluation systems

- a. A temporary change agent such as the CSP needs time-bound targets and a clearer framework for monitoring and measuring its success. In addition to tracking the programme's progress with respect to its expected medium and long-term outcomes, such a framework should be able to provide insight into the extent to which the CSP is delivering *against its planned deliverables and outputs* within the specified time period. This is a clear criterion for accountability.
- b. Related to this, the CSP's project management systems need to be able to ensure that resources spent generate the necessary results, and that activities lead to demonstrable results for dissemination and use. There is thus a need for systems that clearly link the relationship between costs and outputs. These systems should further provide some sort of benchmark against which the relative cost-efficiency of the programme's components can be assessed. In

particular better project-level budgeting and time estimation is required down to the deliverable level.

- c. The current timesheet system has a number of timesheet codes that relate to routine programme administration (communication, monitoring, knowledge management, administration). Many of these tasks overlap and considerable amounts of time are being logged against these codes with no demonstrable outputs. The timesheet codes need to be defined much more clearly. More specifically the system needs to be able to track time spent against project outputs / deliverables.
- d. There is a need to document the process of emergent learning which supports decision-making. This is a reflective process which could be used to support decision-making as to which projects and activities are pursued, and those that are discontinued. Undertaking a structured learning review on a bi-annual basis, which looks at the progress of particular kinds of projects, will help to deepen understanding of where the programme has been more or less successful to date. This information should be used to inform further planning and decision-making.

## 8. Appendices

### 8.1 Appendix 1: Evaluation framework

Evaluation Criteria	Core Issues	Evaluation Questions	Data Collection Instruments	Data Sources
<b>Relevance</b>	1a. Appropriateness of the CSP as a response to the underlying problems	<ul style="list-style-type: none"> <li>What is the meta-theory of change that CSP is contributing to?</li> <li>To what extent is the programme's underlying theory of change consistent with the policy statements of its key stakeholders when it was designed, namely National Treasury (NT), Department of Human Settlements (DHS), DPME and is it sufficiently "pro-poor"?</li> <li>Do the objectives of CSP correspond to the problems identified in the problem analysis?</li> <li>Is the original problem analysis underlying the theory of change still valid?</li> <li>How did stakeholders participate in the design process and support the eventual design?</li> </ul>	<ul style="list-style-type: none"> <li>Document review/ content analysis</li> <li>Key informant interviews (KIIs) with CSP officials and World Bank representatives;</li> <li>Reports of National Departments and SACN</li> </ul>	<ul style="list-style-type: none"> <li>Diagnostic reports (including CSP problem/situational analysis, CSP Framework document, NDP diagnostic, IUDF diagnostic, 20-year review, etc.)</li> <li>Relevant legislation (including human settlements, transport, White paper on local government, SALGA, MFMA, DORA, ENE)</li> <li>Strategic documents from Metros</li> <li>State of the Cities Report, 2011 and 2016</li> </ul>
<b>Coherence</b>	1b. Extent to which the programme is internally consistent	<ul style="list-style-type: none"> <li>To what extent are the elements of the intervention logic (theory of change) complementary, mutually supportive and non-contradictory?</li> <li>Are the activities and outputs of the CSP consistent with the programme's overall goals and objectives?</li> </ul>	<ul style="list-style-type: none"> <li>Document review/ content analysis</li> <li>KIIs with CSP officials (Programme Manager, Strategic Support and relevant city coordinators/ component leads)</li> </ul>	<ul style="list-style-type: none"> <li>Diagnostic reports (including CSP problem/situational analysis, CSP Framework document, etc.)</li> </ul>
	1c. Extent to which the programme is externally	<ul style="list-style-type: none"> <li>Are there potential overlaps with other existing interventions?</li> <li>Do the objectives and activities (or specific measures) support or contradict those of other public interventions?</li> </ul>	<ul style="list-style-type: none"> <li>Document review/ content analysis</li> <li>KIIs with CSP officials</li> </ul>	<ul style="list-style-type: none"> <li>Diagnostic reports (including CSP problem/situational analysis, CSP Framework document, NDP diagnostic, IUDF diagnostic, 20-</li> </ul>

Evaluation Criteria	Core Issues	Evaluation Questions	Data Collection Instruments	Data Sources
	consistent		(Programme Manager, Strategic Support); Rep of National Departments, World Bank representatives	year review, etc.) <ul style="list-style-type: none"> <li>• Relevant legislation (including human settlements, transport, MFMA, DORA)</li> <li>• White paper on local government</li> <li>• Capacity Support Implementation Plans for selected metropolitan municipalities</li> <li>• State of the Cities Report, 2011 and 2016</li> </ul>
<b>Effectiveness</b>	2a. Capability of the CSP to deliver the envisioned outputs	<ul style="list-style-type: none"> <li>• Is CSP well on track to produce the planned outputs by 2018? If not, what are the key reasons for this and how could these be overcome?</li> <li>• What is the evidence so far:               <ul style="list-style-type: none"> <li>○ Have the activities been undertaken as planned, and did these contribute effectively to the outputs? If not, what have been the key implementation challenges and how could these be overcome?</li> <li>○ Have the assumptions held during the implementation of the CSP? Are there other key assumptions that need to be taken into account?</li> <li>○ What are the measurable results at output level to date, in relation to the CSP's results framework?</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Document review</li> <li>• KII with National departments, Experts; Local government officials (political and administrative), World Bank representatives</li> <li>• Budget analysis</li> </ul>	National: <ul style="list-style-type: none"> <li>• SACN State of the Cities Report 2016 and SACN Data Almanac</li> <li>• Minutes and other documents of the City Budget Forum</li> <li>• Medium Term Budget Statement</li> <li>• CSP annual plans</li> <li>• CSP quarterly and annual reports</li> <li>• Analysis of CSP M&amp;E framework and data system</li> <li>• CSP inputs to budget forums and other related forums</li> </ul> City level: <ul style="list-style-type: none"> <li>• Reports prepared by City Coordinators (quarterly and annually, both financial and non-financial), end of term reports.</li> </ul>
	2b. Capability of the CSP to deliver the	<ul style="list-style-type: none"> <li>• Is CSP well on track to produce the planned immediate outcomes by 2018? If not, what are the key reasons for this and how could these be overcome?</li> </ul>	<ul style="list-style-type: none"> <li>• Document review</li> <li>• KII with National departments,</li> </ul>	National: <ul style="list-style-type: none"> <li>• SACN State of the Cities Report 2016 and SACN Data Almanac</li> </ul>

Evaluation Criteria	Core Issues	Evaluation Questions	Data Collection Instruments	Data Sources
	envisioned immediate outcomes	<ul style="list-style-type: none"> <li>What is the evidence so far:               <ul style="list-style-type: none"> <li>Are there indications of changes in city governance related to the immediate outcome statements reflected in the TOC? i.e.:                   <ul style="list-style-type: none"> <li>Vision and leadership to initiate and drive spatial restructuring;</li> <li>Capability to plan and manage urban spatial transformation;</li> <li>Citizen involvement and a partnership based approach to the financing, packaging and delivery of catalytic projects in spatially targeted areas</li> </ul> </li> <li>Are there indications of changes in the intergovernmental environment to support city transformation, as articulated by the immediate outcome statements reflected in the ToC? i.e.:                   <ul style="list-style-type: none"> <li>Assignment of human settlements and public transport functions to cities;</li> <li>Restructured fiscal and financial framework to support urban growth;</li> <li>Reviewed policy and regulatory frameworks that hinder cities in achieving their goals</li> </ul> </li> <li>To what extent has CSP support contributed to these results?</li> <li>Have the assumptions held at the immediate outcomes level? Are there other key assumptions that need to be taken into account?</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>experts; local government officials (political and administrative) of five selected metros, consultants.</li> <li>Budget analysis</li> </ul>	<ul style="list-style-type: none"> <li>National departments' policies, programmes, M&amp;E frameworks</li> <li>Draft Human Settlements White Paper</li> <li>IGR fiscal reform frameworks 2015</li> <li>Minutes and other documents of the City Budget Forum</li> <li>Medium Term Budget Statement</li> <li>CSP research reports and other deliverables (especially outcome indicators defined at the immediate level)</li> </ul> <p>City level:</p> <ul style="list-style-type: none"> <li>Cities' plans (SDBIPs, IDPs, BEPPs, SDFs, Housing and Public Transport chapters in IDPs, infrastructure plans, etc.)</li> <li>Cities' reports (quarterly and annually, both financial and non-financial), end of term reports.</li> <li>CSP Results Framework</li> <li>Gap Analysis for selected metropolitan municipalities</li> </ul>

Evaluation Criteria	Core Issues	Evaluation Questions	Data Collection Instruments	Data Sources
		– What are stakeholder perceptions of the CSP?		
<b>Efficiency</b>	4. Efficiency of the CSP in achieving its intended outcomes	<ul style="list-style-type: none"> <li>To what extent are current programme structures, systems, processes and procedures efficient in enabling optimal programme performance? (project management, team management, stakeholder engagement, knowledge management, communication, monitoring and evaluation)</li> <li>Is it likely that CSP will offer value for money? (Cost-effectiveness)</li> <li>What is the evidence so far:</li> <li>Until date, how economically have the resources used been converted into direct outputs and into effects, respectively? Could this be improved (and how)?</li> <li>Is the CSP well managed?</li> <li>Are activities implemented well?</li> <li>Have all stakeholders demonstrated the capacity and interest to play the envisioned role in CSP?</li> <li>Is there sufficient continuity of staff within the stakeholder organisations?</li> <li>Do, in general, the prerequisites for the efficient implementation of the CSP exist, or are there any assumptions underlying the theory of change that require attention/ action? (E.g. no available budgets for necessary follow up activities, capacity to deliver, bad quality implementation, etc.).</li> <li>What system is used to monitor and evaluate the CSP, and thus ensure efficiency?</li> <li>What does it produce? How efficient and effective is it?</li> <li>To what extent is current CSP knowledge management enabling quality programme impact evaluation in the future?</li> <li>To what extent are cities active role-players and beneficiaries in this regard?</li> </ul>	<ul style="list-style-type: none"> <li>Budget and expenditure analysis</li> <li>KIIs with CSP officials, Local government officials (political and administrative);</li> <li>National departments, experts, World Bank representatives, consultants</li> </ul>	<ul style="list-style-type: none"> <li>CSP annual plans</li> <li>CSP quarterly and annual reports</li> <li>CSP M&amp;E framework and data system</li> <li>CSP operations documents and policies</li> </ul>

Evaluation Criteria	Core Issues	Evaluation Questions	Data Collection Instruments	Data Sources
<b>Sustainability</b>	5. Extent to which the CSP is institutionally, financially, and in “policy terms” sustainable going forward	<ul style="list-style-type: none"> <li>Does the CSP seem appropriate and sustainable based on current implementation, policy, and political/organisational trends?</li> <li>To what extent is the organisational design of the CSP appropriate to the furtherance of its aims and intended results? Is the institutional location of the CSP appropriate?</li> </ul>	<ul style="list-style-type: none"> <li>Document review</li> <li>KIIs with SALGA, SACN</li> <li>Relevant secondary data sources</li> </ul>	<ul style="list-style-type: none"> <li>Budgetary/expenditure data from National Treasury</li> <li>Nature of partnership agreements in place</li> <li>Reviews completed to date</li> <li>Relevant documents outlining the roles, responsibilities and expected outcomes of CSP activities in the identified cities</li> </ul>
<b>Conclusions and Recommendations</b>	6a. Key conclusions reached regarding programme performance	<ul style="list-style-type: none"> <li>Overall, what have been the main strengths and weaknesses of the implementation of the CSP, and what are the reasons for these?</li> <li>What are the constraints that hinder the implementation of the programme?</li> <li>What are the main lessons that have been learnt in the implementation of the CSP to date? (In terms of dimensions - institutional, financial, policy?)</li> </ul>	<ul style="list-style-type: none"> <li>Analysis of findings with respect to the evaluation criteria</li> </ul>	
	6b. Key recommendations to improve the design and implementation of the programme	<ul style="list-style-type: none"> <li>How does the ToC and logframe/results framework need to be revised based on the findings of the evaluation?</li> <li>What specific recommendations are offered to improve programme implementation/performance with a view on the future direction(s) of the programme?</li> </ul>	<ul style="list-style-type: none"> <li>Analysis of findings with respect to the evaluation criteria</li> </ul>	

## 8.2 Appendix 2: Individuals Interviewed

No.	Name	Surname	Affiliation	Position
1.	Peter	Ahmad	Cape Town	Senior Manager: Planning
2.	James	Archer	National Treasury	Director: Public Finance
3.	Sue	Bannister	City Insight	Expert
4.	Stephen	Berrisford	Stephen Berrisford Consulting cc	CSP Consultant
5.	Geoffrey	Bickford	South African Cities Network	Public Transport
6.	Sandile	Booi	Buffalo City	Transport
7.	Calvin	Brummer	NMB	Senior Manager: Human Settlements
8.	Nonhlanhla	Buthlezi	National Department of Human Settlements	National Department of Human Settlements
9.	Mzwake	Clay	NMB	Chief Operating Officer
10.	Yasmin	Coovadia	CSP	Project Manager and City of Joburg CSP city coordinator
11.	Jean	de la Harpe	South African Local Government Association	Municipal Infrastructure Services
12.	Patricia	de Lille	Cape Town	Politician: Mayoral Committee (Mayor)
13.	Barbara	de Scande	NMB	Acting CFO
14.	Achmat	Ebrahim	Cape Town	City Manager
15.	Wendy	Fanoë	National Treasury	Chief Director: IGR (Policy and Planning)
16.	Raymond	Foster	Buffalo City	Senior Manager: Planning
17.	Amanda	Gibberd	National Department of Transport	Director: Universal Access
18.	Gary	Goliath	World Bank	Senior Urban Specialist
19.	Tim	Hadingham	Cape Town	Senior Manager: Economic Development
20.	Jan	Hattingh	National Treasury	Chief Director: IGR (LGBA)
21.	Paul	Hendler	In site	CSP Consultant
22.	Brett	Herron	Cape Town	Politician: Mayoral Committee (MMC Transport and Urban development)
23.	Llewellyn	Holtzhausen	CSP	Programme Coordinator

No.	Name	Surname	Affiliation	Position
24.	Roland	Hunter	CSP	Economic development Lead and Tshwane CSP city coordinator
25.	Kevin	Jacoby	Cape Town	CFO
26.	Stacey-Leigh	Joseph	South African Cities Network	Human Settlements
27.	Steven	Kenyon	National Treasury	Director: IGR (Policy and Planning)
28.	Craig	Kesson	Cape Town	City Coordinator within metro
29.	Michael	Kihato	CSP	Public Transport Lead and NMB CSP city coordinator
30.	Edward	Komane	Ekurhuleni	Investment Promotion
31.	Joseph	Leshabane	National Department of Human Settlements	Chief Operating Officer
32.	Annette	Lovemore	NMB	Politician: Mayoral Committee (Infrastructure)
33.	Ndivho	Lukhwareni	Johannesburg	City Manager
34.	Lusanda	Madikizela	Ekurhuleni	Senior Manager: Public Transport
35.	Sindiswa	Maka	Ekurhuleni	Planning
36.	Pumla Nazo	Makatala	Buffalo City	Politician: Mayoral Committee (Planning)
37.	Bonile	Malilia	National Department of Transport	Director: Public Transport Network Development
38.	Seth	Maqetuka	CSP	Human Settlements Lead and Ekurhuleni CSP city coordinator
39.	Barry	Martin	NMB	Senior Manager: Water and Sanitation
40.	Zanele	Matembo	Ekurhuleni	CM Office
41.	Nonceba	Mbali-Majeng	Buffalo City	Senior Manager: Planning
42.	Rob	McGaffin	n/a	CSP Consultant
43.	Johan	Mettler	NMB	City Manager
44.	Nhlanhla	Mncwango	CSP	Lead City Coordinator and previous BCM CSP city coordinator
45.	Neo	Moerane	Buffalo City	City Coordinator within metro (Acting)
46.	Tsholo	Mogotsi	Johannesburg	Senior Manager: Economic Development
47.	Bongani	Molefe	Ekurhuleni	Senior Manager: Human Settlements
48.	Nishendra	Moodley	CSP	Core City Governance Lead and Cape Town CSP city coordinator

No.	Name	Surname	Affiliation	Position
49.	Mulalo	Muthige	National Department of Human Settlements	n/a
50.	Stanley	Mutisi	CSP	Data/MIS
51.	Samantha	Naidu	CSP	Stakeholder Manager and Communications and Buffalo City CSP coordinator
52.	Noludwe	Ncokzani	Buffalo City	HOD Economic Development
53.	Nceba	Ncunyana	Buffalo City	HOD Engineering
54.	Fikile	Ndlovu	Ekurhuleni	Thembisa Corridor Catalytic
55.	Elsie	Neluvhalani	National Department of Transport	Director: National Transport Master Plan
56.	Mthunzi	Ngonyama	Buffalo City	Human Settlements
57.	Malijeng	Ngqaleni	National Treasury	DDG: IGR
58.	Faith	Nkohla	Department of Environmental Affairs	Climate Change Adaptation - socio-economic sectors
59.	Sipho	Nkosi	National Treasury	Chief Director: IGR (PLGI)
60.	Siyabonga	Nodu	Ekurhuleni	IPTN
61.	Retief	Odendaal	NMB	Politician: MMC Finance
62.	Nontsikelelo Priscilla	Peter	Buffalo City	Politician: Mayoral Committee (Finance)
63.	Patrick	Phophi	Johannesburg	Senior Manager: Human Settlements
64.	Herman	Pienaar	Johannesburg	Senior Manager: Planning
65.	Riana	Pretorius	Buffalo City	Ex-BEPP compiler
66.	Anele	Qaba	NMB	Senior Manager: Economic Development
67.	Vincent	Rabothata	COGTA	Planning
68.	Molatelo	Rapetsoa	NMB	Senior Manager: Public Transport
69.	Rory	Reardon	NMB	Politician: previous council
70.	Shirley	Robinson	GTAC/CSP consultant	Sub-National Cost of Doing Business Coordinator
71.	Margot	Rubin	CUBES	Expert
72.	Ulrike	Rwida	National Treasury	Chief Director: Public Finance
73.	David	Savage	CSP	CSP Programme Manager

No.	Name	Surname	Affiliation	Position
74.	Tebogo	Sebotha	National Department of Transport	Director: Public Transport Network Development
75.	Ibrahim	Seedat	National Department of Transport	Acting Chief Director: Public Transport Network Development
76.	Lisa	Seftel	Johannesburg	Senior Manager: Public Transport
77.	Nkateko	Shipalana	Johannesburg	Senior Manager: Economic Development
78.	Yondela	Silimela	Johannesburg	City Coordinator within metro
79.	Tommie	Snyman	Ekurhuleni	IPTN
80.	Anthea	Stephens	CSP	Climate Resilience Lead and Mangaung CSP city coordinator
81.	Catherine	Stone	Cape Town	Previous City Coordinator
82.	Pieter	Swanepoel	Ekurhuleni	Senior Manager: Planning
83.	Jeremy	Timm	CSP	CSP Strategic Support Manager and previous Ekurhuleni city coordinator
84.	Rabelani	Tshikalanke	Department of Environmental Affairs	Director: Climate Change Mitigation
85.	Palesa	Tsita	Ekurhuleni	City Coordinator within metro
86.	Lawrence	Valeta	Buffalo City	Ex-CSP counterpart in the City
87.	Miemie	van Maltitz	Ekurhuleni	Thembisa Corridor Catalytic
88.	David	Van Niekerk	National Treasury	Chief Director: IGR (NDPG)
89.	Melissa	Whitehead	Cape Town	Senior Manager: Public Transport
90.	Andrew	Whitfield	NMB	Politician: Mayoral Committee (ED)
91.	Lindelwa	Ximiya	Ekurhuleni	Strategy
92.	Pam	Yako	Zenande Leadership	CSP Consultant

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CSP Framework

CSP M&E Framework

CSP Monthly Reporting Template

CSP Operations Guidelines

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CSP PMR&E Framework

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## Stakeholder Engagement Strategy

## Summary of Comments on 2015/2016 BEPP Indicators

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BCMM: A Concept for the Sleeper Site in East London

BCMM BEPP 2014/2015

BCMM BEPP 2015/2016

BCMM BEPP 2016/2017

BCMM Capacity Needs Analysis

BCMM Case Study Report

Cities Support Programme CSIP finalization Home Week 2015

City of Cape Town: BEPP 2014/2015

City of Cape Town: BEPP 2015/2016

City of Cape Town: Five -Year Integrated Development Plan 2012 - 2017

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Ekurhuleni: Capacity Support Implementation Plans 2016/2017 and 2017/2018

Ekurhuleni: Concept Note Knowledge Management

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Ekurhuleni Strategy Development Framework

Project Closure Report: Ekurhuleni Knowledge Management

Ekurhuleni: Transit-Oriented Development Analysis and Strategy

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Nelson Mandela Bay ToR for Long Term Strategy Development

Project Closure Report: Nelson Mandela Bay SDR

## **8.4 Appendix 4: Overview of Key Policy Documents and Programmes**

### **8.4.1 Neighbourhood Development Partnership Grant**

The Neighbourhood Development Partnership Grant (NDPG) (National Treasury 2007) commenced in February 2006. The primary focus of the NDPG is to stimulate and accelerate investment in poor, underserved residential neighbourhoods by providing technical assistance and capital grant financing for municipal projects that have either a distinct private sector element or an intention to achieve this. The NDPG is structured in the form of a conditional grant to municipalities through the Division of Revenue Act (DORA), 2007 and is administered by the Neighbourhood Development Programme (NDP) Unit located in National Treasury. NDPG is underpinned by four key principles, namely, Partnership; Innovation, Equity and Community.

1. Partnership: Central to the NDPG is the encouraging and fostering of partnerships at all levels between key stakeholders in the public and the private sectors.
2. Innovation: The programme continuously identifies opportunities for learning and innovation both to further the objectives of the programme but also to support township investment in South Africa more broadly and drive the development of appropriate responses to support investment.
3. Equity: Key to the Programme is the principle of contribution and ownership. The programme recognizes and strives to ensure local buy-in and contribution (which could be in the form of financial or “sweat equity”) of local communities, Small Medium Micro Enterprises (SMMEs) and other local role players.
4. Community: The central role of the local beneficiary community and their active consultation and participation is critical to the success of any initiative. Projects should also contribute to an improved sense of place and community.

The NDPG recognises that strategic public-sector investment in public facilities, infrastructure and places can provide the impetus for sustainable private sector investment and improvement in the collateral value of township properties. A key focus therefore is to enable NDPG funding to unlock the resources and initiate the property developments required to transform NDPG target areas into vibrant and economically functional neighbourhoods that are pleasant to live in and provide residents with access to shops, markets, recreational and community facilities, and public transport.

Interventions supported include for example township areas (broadly defined as spatially distinct neighbourhoods that were previously zoned for residential use for non-white people by apartheid-era municipalities); strategic economic development projects; land use restructuring; stimulating property markets and purchasing power retention.

### **8.4.2 Local Government Turnaround Strategy**

The Local Government Turnaround Strategy (LGTAS) (NDP 2030) was aimed at counteracting the forces that are undermining the Local Government system including: systemic factors, i.e. linked to the model of local government, policy and legislative factors, political factors, weaknesses in the accountability systems, capacity and skills constraints, weak intergovernmental support and oversight, and issues associated with the inter-governmental fiscal system.

The LGTAS was a country-wide programme, mobilizing all of government and society to embark upon a concentrated effort to deal with the factors undermining Local Government and to restore good performance in the country’s municipalities.

The LGTAS recognised that municipalities in the country have different capacities and are faced with different social and economic challenges. Depending on the different challenges it is necessary for the municipalities to focus on those responsibilities that they are able to deliver on.

Five strategic objectives were identified that guided the LGTAS interventions and support framework:

1. Ensure that municipalities meet the basic service needs of communities
2. Build clean, effective, efficient, responsive and accountable local government
3. Improve performance and professionalism in municipalities
4. Improve national and provincial policy, oversight and support
5. Strengthen partnerships between local government, communities and civil society

These objectives were seen as the key drivers to rebuild and improve the basic requirements for a functional, responsive, effective, efficient, and accountable developmental local government.

The LGTAS utilized the following key instruments:

1. A number of working structures to guide and steer the LGTAS.
2. A working group for donor relations, stakeholder management, resource acquisition, contract management and monitoring.
3. Ensuring Siyenza Manje was under the leadership of COGTA for the purpose of coordinating and organizing support to Local Government.
4. Re-organizing the way the Municipal Systems Improvement Grant (MSIG) was structured and complementing this with the establishment of Rapid Response Teams and Technical Support Units.
5. Implementing the MIG policy review proposals including institutional arrangements to support infrastructure planning, project preparation and management and contract management, leveraging of MIG allocations to fund and finance infrastructure at the required scale and the establishment of a national Communications Task Team to enable a coherent, coordinated messaging campaign.

### *New Growth Path*

Government's New Growth Path (Department of Economic Development 2011) aims to create 5 million new jobs between 2010 and 2020. It seeks to do so by providing a supportive environment for growth and development, while promoting a more labour-absorbing economy. Its proposals are intended to lower the cost of living for poor households and for businesses through targeted microeconomic reforms, especially in transport, public services, telecommunications and food. The New Growth Path has fixed six priority areas to job creation: infrastructure development, agriculture, mining, manufacturing, the "green" economy and tourism.

The New Growth Path is based on strong and sustained, inclusive economic growth and rebuilding the productive sectors of the economy. Infrastructure development in particular is a foundation for more jobs and addressing rural under-development. The aim is to target South Africa's limited capital and capacity at activities that maximise the creation of decent work opportunities. To that end, it uses both macro and micro economic policies to create a favourable overall environment and to support more labour-absorbing activities. The main indicators of success are jobs (the number and quality of jobs created), growth (the rate,

labour intensity and composition of economic growth), equity (lower income inequality and poverty) and environmental outcomes.

The New Growth Path proposes the following strategies: To deepen the domestic and regional market by growing employment, increasing incomes and undertaking other measures to improve equity and income distribution; and to widen the market for South African goods and services through a stronger focus on exports to the region and other rapidly growing economies.

The jobs drivers identified are:

1. Substantial public investment in infrastructure both to create employment directly and indirectly by improving efficiency across the economy.
2. Targeting more labour-absorbing activities across the main economic sectors – the agricultural and mining value chains, manufacturing and services.
3. Taking advantage of new opportunities in the knowledge and green economies.
4. Leveraging social capital in the social economy and the public services.
5. Fostering rural development and regional integration.

The table below sets out the key activities to be undertaken in respect of each job driver.

**Table 33: New Growth Path: Job drivers**

Job Driver	Overview
<b>Jobs Driver 1: Infrastructure</b>	Public investment can create 250 000 jobs a year in energy, transport, water and communications infrastructure and in housing, through to 2015. The jobs are in four activities: construction of new infrastructure; operation of the new facilities; expanded maintenance; and the manufacture of components for the infrastructure programme. In addition to these four activities, the impact of the massive infrastructure programme on job creation across the economy (the “multiplier effect”) will be substantial.
<b>Jobs Driver 2: Main economic sectors</b>	The New Growth Path targets opportunities for 300 000 households in agricultural smallholder schemes plus 145 000 jobs in agro-processing by 2020, while there is potential to upgrade conditions for 660 000 farm-workers. Initial projections by the Industrial Development Corporation (IDC) suggest that mining can add 140 000 additional jobs by 2020, and 200 000 by 2030, not counting the downstream and side stream effects. High level services can create over 250 000 jobs directly just in tourism and business services, with many more possible in the cultural industries.
<b>Jobs Driver 3: Seizing the potential of new economies</b>	Technological innovation opens the opportunity for substantial employment creation. The New Growth Path targets 300 000 additional direct jobs by 2020 to green the economy, with 80 000 in manufacturing and the rest in construction, operations and maintenance of new environmentally friendly infrastructure. The potential for job creation rises to well over 400 000 by 2030. Additional jobs will be created by expanding the existing public employment schemes to protect the environment, as well as in production of biofuels. In addition, the New Growth Path targets 100 000 new jobs by 2020 in the knowledge-intensive sectors of ICT, higher education, healthcare, mining-related technologies, pharmaceuticals and biotechnology
<b>Jobs Driver 4: Investing in social capital and public</b>	The social economy includes a myriad of not-for-profit institutions that provide goods and services, including co-operatives, nongovernmental organisations (NGO s) and <i>stokvels</i> . If the sector grew in South Africa closer to international

Job Driver	Overview
<b>services</b>	norms, 260 000 new employment opportunities are anticipated. The public service can also generate 100 000 jobs in health, education and policing by 2020 even if it grows by only 1% a year, as well as substantial opportunities through public employment schemes.
<b>Jobs Driver 5: Spatial development:</b>	While urbanisation will continue, a significant share of the population will remain in rural areas, engaged in the rural economy. Government will step up its efforts to provide public infrastructure and housing in rural areas, both to lower the costs of economic activity and to foster sustainable communities. Rural development programmes can achieve a measurable improvement in livelihoods for 500 000 households, as well as stimulating employment in other sectors.

### 8.4.3 National Development Plan

The National Development Plan (NDP)<sup>7</sup> was developed by the National Planning Commission with the aim of eliminating poverty and reducing inequality by 2030. It has a strong message that individuals should do things for themselves rather than be dependent on government. It proposes that government should shift the balance of spending towards programmes that help people improve their own lives and those of their children and the communities they live in. The plan includes proposals in respect of job creation, expanding infrastructure, using resources properly, education and training, health, building a capable state, fighting corruption and uniting the nation.

The NDP recognizes that the sprawling, low density and segregated land use patterns in South African cities are both inefficient and highly inequitable. Moreover, it responds to the critique that public investments since 1994 have largely reinforced the apartheid spatial form and impose significant costs on the fiscus and on poor households. It recommends a new, spatially-focussed approach that encourages integrated investment, led by cities, through a far stronger emphasis on the location of infrastructure and human settlements and the resulting spatial form of cities. The NDP specifically recommends a restructuring of fiscal arrangements to support this goal.

One of the focus areas of the NDP is transforming human settlements. The objectives of the NDP in this regard are: a strong and efficient spatial planning system, well integrated across the spheres of government; upgrading of all informal settlements on suitable, well located land; more people living closer to their places of work; better quality public transport and more jobs in or close to dense, urban townships.

The NDP makes an extensive range of proposals. Those relevant to cities include: reforms to the current planning system for improved coordination; developing a strategy for the densification of cities and resource allocation to promote better located housing and settlements; substantial investment to ensure safe, reliable and affordable public transport; introducing spatial development frameworks and norms, including improving the balance between the location of jobs and people; conducting a comprehensive review of the grant and subsidy regime for housing with a view to ensuring diversity in product and finance options that would allow for more household choice and greater spatial mix and flexibility.

Further proposals include a national spatial restructuring fund integrating currently defused funding; establishing a national observatory for spatial data and analysis; providing incentives for citizen activity for local planning and development of spatial compacts; and

<sup>7</sup> National Planning Commission, "National Development Plan, 2030."

introducing mechanisms that would make land markets work more effectively for the poor and support rural and urban livelihoods.

The NDP also sets out objectives aimed at building a developmental state that is capable of playing a developmental and transformative role. These objectives include: a public service immersed in the development agenda but insulated from undue political interference; staff at all levels having the authority, experience, competence and support they need to do their jobs; relations between national, provincial and local government being improved through a more proactive approach to managing the intergovernmental system; clear governance structures and stable leadership enabling state-owned enterprises (SOEs) to achieve their developmental potential; transforming human settlements and the national space economy and responding systematically, to entrenched spatial patterns across all geographic scales that exacerbate social inequality and economic inefficiency.

#### **8.4.4 Spatial Planning and Land Use Management Act**

The Spatial Planning and Land Use Management Act (SPLUMA)(South African Government, n.d.) is national framework legislation that sets out a new spatial planning and land use management system regime for South Africa. Broadly SPLUMA provides: development principles and norms and standards; guidance on the spatial planning system by indicating the different kinds of spatial plans, or spatial development frameworks (SDFs) and their content; guidance on the land use management system (LUMS); and limited guidance on land development applications (LDAs) and procedures, as these must be detailed in the provincial planning laws and implemented by municipalities.

SPLUMA specifies the relationship between the spatial planning and the land use management system and other kinds of planning; ensures that the system of spatial planning and land use management promotes social and economic inclusion; provides for development principles and norms and standards; provides for the sustainable and efficient use of land; provides for cooperative government and intergovernmental relations amongst the national, provincial and local spheres of government; and aims to redress the imbalances of the past and to ensure that there is equity in the application of spatial development planning and land use management systems. SPLUMA applies to urban and rural areas and governs informal and traditional land use development processes.

SPLUMA takes a clearly supportive position on informal settlements and incremental upgrading. Its provisions make explicit reference to informal settlements, unlike any pre-1994 planning legislation, creating a set of legally-binding obligations on government.

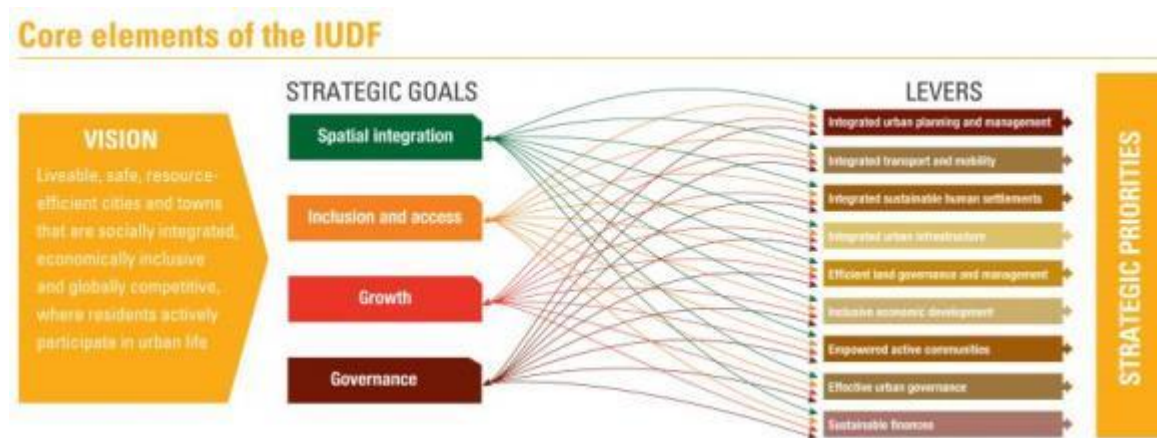
SPLUMA requires a municipality to have a land use scheme that covers all the land within the municipality, including informal settlements. This means that the municipality will have to play a role in regulating and offering land use management services in informal settlement areas. Informal settlements will be zoned. Zoning is important because it legalises the land use and it sets out development rules for that zone. The informal settlement is then legally recognised.

#### **8.4.5 Integrated Urban Development Framework**

The IUDF(Department of Cooperative Governance and Traditional Affairs 2014) is a response to Chapter 8 of the National Development Plan (NDP) “Transforming human settlements and the national space economy”. The policy framework aims to guide the development of inclusive, resilient and liveable urban settlements, while squarely addressing the unique conditions and challenges facing South Africa’s cities and towns. It provides a new approach to urban investment by the developmental state, which in turn guides the private sector and households. Its vision is: *“Liveable, safe, resource-efficient cities and towns that are socially*

*integrated, economically inclusive and globally competitive, where residents actively participate in urban life*". It aims to achieve this through four strategic goals and nine levers (as illustrated below).

Figure 23: Summary of the IUDF



The four overall strategic goals introduced in the IUDF are:

1. **Spatial integration:** To forge new spatial forms in settlement, transport, social and economic areas.
2. **Inclusion and access:** To ensure people have access to social and economic services, opportunities and choices.
3. **Growth:** To harness urban dynamism for inclusive, sustainable economic growth and development.
4. **Governance:** To enhance the capacity of the state and its citizens to work together to achieve spatial and social integration.

These strategic goals inform the priority objectives of the nine policy levers, which are premised on the understanding that (1) integrated urban planning forms the basis for achieving integrated urban development, which follows a specific sequence of urban policy actions, (2) integrated transport that informs (3) targeted investments into integrated human settlements, underpinned by (4) integrated infrastructure network systems and (5) efficient land governance, which all together can trigger (6) economic diversification and inclusion, and (7) empowered communities; all of the above will demand effective (8) governance and (9) financial reform to enable and sustain these policy actions. The levers thus seek to address in combination the structural drivers that maintain the status quo.

**Policy lever 1: Integrated urban planning and management:** Integrated urban planning is essential for coherent development. It stimulates a more rational organisation and use of urban spaces, guides investments and encourages prudent use of land and natural resources to build sustainable communities. The intention is to create cities and towns that are well planned and efficient, and so capture the benefits of productivity and inclusive economic growth, invest in integrated social and economic development, and reduce pollution and carbon emissions, resulting in a sustainable quality of life for all citizens.

**Policy lever 2: Integrated transport and mobility:** Integrated transport and mobility is a vital component of South Africa's economic infrastructure investment. It contributes to a denser and more efficient urban form, supports economic and social development, and is crucial for strengthening rural-urban linkages. The intention is to create cities and towns where goods and services are transported efficiently, and people can walk, cycle and use

different transport modes to access economic opportunities, education institutions, health facilities and places of recreation.

**Policy lever 3: Integrated sustainable human settlements:** Integrated and sustainable human settlements are key to redressing the prevailing apartheid geography, restructuring cities, shifting ownership profiles and choices, and creating more humane (and environment-friendly) and safe living and working conditions. The intention is to create cities and towns that are liveable, integrated and multi-functional, in which all settlements are well connected to essential and social services, as well as to areas of work opportunities.

**Policy lever 4: Integrated urban infrastructure:** An integrated urban infrastructure, which is resource efficient and provides for both universal access and more inclusive economic growth, needs to be extensive and strong enough to meet industrial, commercial and household needs. It should also be planned in a way that supports the development of an efficient and equitable urban form and facilitates access to social and economic opportunities. The intention is to create cities and towns that have transitioned from traditional approaches to resource-efficient infrastructure systems, which provide for both universal access and more inclusive economic growth.

**Policy lever 5: Efficient land governance and management:** Municipalities and private investors both have a vested interest in land value remaining stable and increasing. At the same time, property values reflect apartheid patterns of segregation and mono-functional use, which need to be addressed to promote spatial transformation. Efficient land governance and management will contribute to the growth of inclusive and multi-functional urban spaces. The intention is to create cities and towns that grow through investments in land and property, providing income for municipalities, which allows further investments in infrastructure and services, resulting in inclusive, multi-functional urban spaces.

**Policy lever 6: Inclusive economic development:** As required in terms of the New Growth Path (NGP), the intention is to create cities and towns that are dynamic and efficient, foster entrepreneurialism and innovation, sustain livelihoods, enable inclusive economic growth, and generate the tax base needed to sustain and expand public services and amenities.

**Policy lever 7: Empowered active communities:** As indicated in the NDP which advocates an “active citizenship” agenda the intention is to create cities and towns that are stable, safe, just and tolerant, and respect and embrace diversity, equality of opportunity and participation of all people, including disadvantaged and vulnerable groups and persons.

**Policy lever 8: Effective urban governance:** The complexities of urban governance include managing the intergovernmental dynamics within the city and relations with the province and neighbouring municipalities. City governments need to manage multiple fiscal, political and accountability tensions in order to fulfil their developmental and growth mandates. The intention is to create cities and towns that have the necessary institutional, fiscal and planning capabilities to manage multiple urban stakeholders and intergovernmental relations, in order to build inclusive, resilient and liveable urban spaces.

**Policy lever 9: Sustainable finances:** Cities work within an intergovernmental fiscal framework and are affected by the decisions and actions taken by provincial and national government. Furthermore, with well-managed revenue and expenditure, cities are able to expand their resources and gain access to capital markets, allowing them to meet expenditure demands and to achieve greater scale and efficiency when investing in infrastructure. The intention is to create cities and towns that are supported by a fiscal framework that acknowledges the developmental potential and pressures of urban spaces, manage their finances effectively and efficiently, and are able to access the necessary resources and partnerships for inclusive urban growth.

The nine policy levers are supported by and must be read in conjunction with the crosscutting issues of rural-urban interdependency, urban resilience and urban safety. Rural-urban interdependency recognises the need for a more comprehensive, integrated approach to urban development that responds to both the urban and the rural environments. Urban resilience – or disaster risk reduction and mitigation interventions in the planning and management of urban areas – and urban safety, particularly safety in public spaces, are essential ingredients for creating liveable and prosperous cities.

## 8.5 Appendix 5: Review of Support Programmes

Since the establishment of local government there have been numerous municipal support interventions.

- **Project Consolidate** which aimed at addressing the non-performance of some municipalities. This programme was launched in October 2004 by the then Department of Provincial and Local Government (DPLG) to assist 136 municipalities in distress. It was aimed at promoting improved (financial) accountability, extending local economic development, anti-corruption measures and performance monitoring and evaluation. Project Consolidate was followed by the Local Government Turnaround Strategy (LGTAS) in November 2009.
- **The Siyenza Manje Programme** which spent some R933 million in the period 2006/7 to 2009/10 to build municipal capacity.<sup>[1]</sup> The programme comprised the deployment of experts to municipalities to assist with the implementation of infrastructure projects, planning and financial capacity building.
- The **Joint Initiative on Priority Skills Acquisition (JIPSA)** also launched in 2006 which included as one of its activities the deployment of experienced managers and professionals to municipalities (including retired experts) to improve project development, implementation and monitoring.
- The **Support Programme for Accelerated Infrastructure Development (SPAID)** which was a partnership between the Business Trust and the Presidency of the Government of South Africa aimed to support the achievement of the infrastructure development targets set in the Accelerated and Shared Growth Initiative. The programme was undertaken between 2007 and 2011. One of the initiatives undertaken was the establishment of a Project Preparation Fund to support municipalities to prepare capital projects for implementation in a manner that will accelerate the release of funding and reduce the delays that result from poorly prepared projects and limited capacity to initiate required processes.
- **Municipal Infrastructure Support Agency (MISA):** MISA is a Government Component within the Ministry for Cooperative Governance and Traditional Affairs (CoGTA), established in terms of Presidential Proclamation No. 29 of 2012. Its principal mandate is to provide technical support and assist municipalities to strengthen their internal capacity for delivery and maintenance of basic service infrastructure. By the end of 2014, MISA had deployed 55 technical consultants and 23 service providers that supported 122 priority municipalities. <sup>[2]</sup>
- **The Municipal Finance Improvement Programme (MFIP).** Managed by National Treasury this programme provides financial management expertise that was previously deployed to municipalities via the Siyenza Manje programme managed by the DBSA. The MFIP focuses on capacity building covering various Financial Management Disciplines and attempts to address gaps in the implementation of the MFMA. 70 municipalities and 8 provincial treasuries are currently receiving support through an MFIP advisor appointed to these municipalities and provincial treasuries.

Set out below is an overview of the three key national programmes (Project Consolidate, Siyenza Manje and MFIP), and the key lessons from these initiatives. The final two sections outline the key learning from a 2006 study on the development of a **Framework for**

<sup>[1]</sup> Genesis & The Project Shop, 2010

<sup>[2]</sup> DCOG, MISA's State Readiness to Provide Technical Support and Build Technical Capacity in Targeted Municipalities, Presentation to Portfolio Committee 07 November 2014.

## **Municipal Hands-on Support** and a learning series on the **Expanded Public Works Support Programme**.

### **8.5.1 Project Consolidate**

#### *Overall Programme Objective*

Launched in 2004, Project Consolidate's main function was to strengthen the weak capacity of a selected group of municipalities. It was an intensive support programme that placed emphasis on ensuring that provincial and national government, in collaboration with private stakeholders, jointly supported a number of innovative and strategic initiatives within the selected group municipalities that would enable these municipalities to effectively execute their legislative and functional service delivery mandates<sup>8</sup>.

#### *Programme Implementation*

The programme was launched by the then Department of Provincial and Local Government (DPLG) and was operationalised through the deployment of service delivery facilitators. The beneficiaries of this programme were the identified 136 municipalities in distress. Project Consolidate emphasised the spirit of cooperative governance, and to that end, multiple role players from the public and private sectors were involved to ensure that the objectives of this programme were met<sup>9</sup>.

#### *Outcomes and Impact*

Through the deployment of Service Delivery Facilitators, Project Consolidate introduced a new, more intergovernmental culture and method of working with municipalities particularly in building their capacities.<sup>10</sup> The programme was definitely widespread as by 2008, Project Consolidate and another support programme, Siyenza Manje, had deployed 1224 experts in 268 municipalities.<sup>11</sup> The overall impact of these deployed is largely debatable. In a 2009/2010 Audit Report, the Auditor General found that even with the availability of technical tools in abundance to support municipalities, the measurable results were only fractionally better than the previous year.<sup>12</sup>

It must be said that Project Consolidate did achieve some success, including the eradication of the bucket system at three municipalities, and the provision of some important services, including roads, water and electricity, in more rural municipalities<sup>13</sup>. Overall the support programme only made small improvements and the general consensus is that municipalities are still in a state of decline, and that many of the programmes strategic aims were not achieved, and municipal service delivery protests have grown more frequently and violently<sup>14</sup>.

#### *Lessons Learned*

In a policy process document on the system of Provincial and Local Government<sup>15</sup>, it was stated that some of the lessons learned from case studies of Project Consolidate programme, include the need to strengthen mechanisms to promote financial viability; the need to improve the fight against corruption at the local government sphere and the critical importance of communication between different stakeholders on basic service delivery issues.

<sup>8</sup> Demarcation Board, "Towards A Comprehensive Municipal Capacity Assessment for Adjusting/Assigning Local Government Powers and Functions."

<sup>9</sup> Department of Water Affairs, "Launch of Project Consolidate in the Free State."

<sup>10</sup> Demarcation Board, "Towards A Comprehensive Municipal Capacity Assessment for Adjusting/Assigning Local Government Powers and Functions."

<sup>11</sup> Boyden, *Local Elections in South Africa: Parties, People, Politics*.

<sup>12</sup> Ibid.

<sup>13</sup> Aphasis Cropland, "Local Government Transformer."

<sup>14</sup> Democratic Alliance, "State Of The Nation: Is Local Government 'turnaround' Strategy Just Another Project Consolidate?"

<sup>15</sup> Department of Cooperative Governance and Traditional Affairs, "Local Government Turnaround Strategy."

## **8.5.2 Municipal Finance Management Technical Assistance Programme (MFMTAP)**

### *Overall Programme Objectives*

The MFMTAP was implemented with the objective of supporting selected municipalities in implementing the new budgeting and financial management system and assisting the Government of South Africa in completing selected analytical work on policy reforms which were necessary to create a platform for the efficient and equitable delivery of services at the local government level.

### *Programme Implementation*

The implementation of the MFMTAP involved three components:

- Implementing Reforms
- Design and Implementation of a Municipal Sector Monitoring and Early Warning System
- Additional Policy Reforms

The Project components as articulated in the Loan Agreement are the following:

**Component 1 - Implementing Reforms** (US\$10.0 million planned, US\$14.85 million actual). Assistance to selected municipalities for their new budget and financial management system and service delivery including : reforms under the Municipal Financial Management Act (MFMA) which contained provisions based on international best practice in budgeting, accounting, and financial reporting systems, and provided the basis for implementing the municipal finance reform programme in three phases; and additional reforms i.e. regulatory reforms, designed to encourage the development of a municipal finance market, and support to reform inter-governmental fiscal transfer programs.

**Component 2 - Design and Implementation of a Municipal Sector Monitoring and Early Warning System** (US\$4.85 million planned, US\$0 actual). Support for the South African National Treasury in developing an appropriate model for monitoring municipal finances and in creating linkages in the two major activities (under Component 1) namely: the monitoring of municipal budgets and financial statements in accordance with the budget reform program; and the monitoring of inter-governmental transfers, in association with the Borrower's Vulindlela Information System (VIS) , and in compliance with the Borrower's Division of Revenue Act (DORA).

**Component 3 - Additional Policy Reforms** (US\$5.0 million planned, US\$1.1 million actual). Component 3 was encompassed under 5 major policy reform activities, all through the provision of technical advisory services (TA):

- (i) Implementing reform policies to enable municipalities to access both fiscal and financial resources, including the drafting of legislation for regulating municipal systems and structures, and to clearly stipulate the Borrower's position on: the responsibilities of sub-national entities in accessing finance for the provision of basic services; the existing policy framework on municipal borrowing; subsidizing poor households; and the allocation of powers and functions in regulating municipal systems and structures.
- (ii) Supporting the development of municipal capital markets to create incentives and provide remedies which would encourage the municipalities to participate and seek access to finance through private markets, including implementing the policy framework within which borrowing by municipalities should take place.

- (iii) Improving accuracy in targeting inter-governmental grants to enable municipalities to improve their creditworthiness by: focusing on municipalities which lack adequate resources to meet expenditures on minimum operations; identifying fiscal resources currently being expended at the local or community level and analysing the efficiency of the utilization of such resources; analysing opportunities for simplifying and amalgamating central resources expended at local levels for greater efficiency and support for decentralization; analysing the need for extending restructuring grants to additional municipalities beyond those covered; and examining new inter-governmental fiscal instruments that may be used in promoting the national development goals.
- (iv) Reviewing and reforming policies on regulation of basic service provision to ensure efficient delivery and fair pricing of such services provided by the sub-national entities, including municipalities, by clearly defining the limits of regulation of critical basic services, and to ensure consistent and transparent regulatory arrangements which would provide consumers with regular avenues for public participation.
- (v) Supporting the development of management tools by municipalities to link the integrated development plans and multi-year budgets, including the review of appropriate policies and practices, as well as develop guidelines and support to implement multi-year budgets linked to integrated development plans within a broader strategy to build capacity in local governments.

### *Outcomes and Impact*

#### **Component 1 - Implementing Reforms**

The achievement of the objectives under this component was substantial. The achievements included:

- (i) The implementation of a financial management reform programme based on international best practice (specifically new accounting standards and practices, and budgeting and financial management systems) in 15 targeted municipalities by financial management advisers, financed through donor support from the United Kingdom and Germany. Having achieved the objectives in the targeted 15 municipalities early on the project cycle, its lessons were replicated during the remaining life of the Project to 26 other municipalities.

Municipalities that benefited from the technical assistance showed improvements in the quality of budget papers, development plans, and the monitoring of the flow of public funds at the local level.

- (ii) The implementation of the municipal financial and service delivery system, which helped develop a municipal finance market, and the inter-governmental fiscal transfer programs. Under the municipal finance market, Johannesburg was the first South African municipality to issue municipal bonds in accordance with the new municipal borrowing framework. In addition, two grant instruments were developed by the National Treasury under this component to support high, medium, and low capacity local governments to implement the provision of the Municipal Finance Management Act (MFMA)<sup>16</sup>.

#### **Component 2 - Design and Implementation of a Municipal Sector Monitoring and Early Warning System**

At the time of the project design, the reforms to the municipal sector monitoring and early warning system (monitoring system) were already underway led by National Treasury, but

<sup>16</sup> Bueno, "ICR Review: Municipal Financial Management Technical Assistance Project."

required further refinements specifically in the design and conceptual framework. The design of the monitoring system was carried out with economic and sector work and was successfully implemented without using project funds. The work in implementing the monitoring system included:

- i. The processes and procedures for monitoring grants and municipal finances, and inter -governmental transfers as promulgated by the MFMA and the Borrower's Division of Revenue Act;
- ii. The development of the Africa Region working Paper Series 98 issued in May 2006, entitled "Measuring Intergovernmental Fiscal Performance in South Africa"<sup>17</sup>.

### **Component 3 - Additional Policy Reforms**

Various initiatives were undertaken to contribute to South Africa's knowledge programme and provide inputs into the unfinished financial policy reform agenda for the municipal and sub - national sectors in South Africa through the use of international best practices and expertise. Initiatives carried out and achieved included:

- i. development and refinement of the unconditional and conditional grant system;
- ii. improvements to the Equitable Share Model for the redistribution of natural resources to municipalities while addressing policy priorities for universal access to basic services in the water, sanitation, refuse removal, and electricity sectors;
- iii. quick response to the expansion of municipal infrastructure to underserved areas;
- iv. implementation of the Property Rates Act (PRA);
- v. provisions of alternative sources of revenue to replace the discontinued Regional Services Council Levies; and
- vi. the development of a quantitative study to ascertain the macroeconomic impact on property valuation and the property rating system under the PRA.

These initiatives were concluded and the recommendations that were approved assisted in shaping the fiscal framework in South Africa since 2005<sup>18</sup>.

### **Overall Outcome and Impact**

The Project strengthened local government's capacity for financial management, and the central government's capacity to more effectively target fiscal transfers to achieve equitable development goals<sup>19</sup>.

The main strategic choice in the Project was the exclusive focus on technical assistance and knowledge transfer /sharing. Despite underspending Bank funds by 26 percent, all the PDOs were achieved within the Project timeframe and the outcomes from the execution of each component have continued further investments in supporting systems by the GSA towards accelerating the building of skills in municipalities to improve sustainability and delivery (e.g. new budgeting and municipal financial management and monitoring systems, new supply chain management and audit committees, adopting generally accepted accounting principles and practices, etc) .

The impact on poverty, gender, and social development was best demonstrated in the Project's focus on the deployment of technical assistance which enhanced the reform process and ensured equity and accountability in service delivery, while the main impact of the Project along with institutional change was the strengthening of central and local

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<sup>17</sup> Ibid.

<sup>18</sup> Ibid.

<sup>19</sup> Ibid.

government institutions in the planning, budgeting, and implementation of best practice in financial management<sup>20</sup>.

### *Lessons Learned*

Lessons include:

- While the programme provided key inputs to capacity building, sustained efforts by involved key national agencies (such as National Treasury) are essential to build on progress made;
- A targeted sector-specific Technical Assistance loan with clear linkages to national reforms is an effective means to engage middle -income countries;
- On-site mentoring by international experts is a viable modality for capacity building to ensure the transfer of skills, and for maintaining confidence;
- Identifying and sourcing project management capabilities and expertise from high-capacity national agencies should be encouraged along with suitable working arrangements between the country and Bank teams; and
- Where financial resources are not a priority of Government, but rather Technical Assistance of specialized expertise, lending can be an effective means to access Bank knowledge resources<sup>21</sup>.

### **8.5.3 Siyenza Manje**

#### *Overall Programme Objective*

In 2005, a capacity assessment by the Demarcation Board stated that 61% of municipalities were performing 50% or less of their municipal functions.<sup>22</sup> A SAICE research report noted that 8 municipalities did not have any qualified technicians, technologists or professional civil engineers. An additional 49 municipalities only had one civil technician in their complement of staff. The lack of a strong complement of professional staff in technical services, with an average reported 35% vacancy rate, contributed to the severe capacity constraints facing municipalities at the time.<sup>23</sup>

Siyenza Manje was a support programme established in 2007 through the creation of a task force of engineers and project managers by the Development Bank of South Africa (DBSA). The support programme was set against a backdrop of severe municipal technical capacity constraints, with an overall objective to develop a programme to contribute towards the development of sustainable capacity to manage the delivery of infrastructure services in targeted municipalities; a programme to mobilize and manage the deployment of existing skills and the building of new, required skills and a knowledge sharing platform.

Contained in the Siyenza Manje Programme Agreement<sup>24</sup>, are the following specific programme objectives:

- Objective 1: To provide short term specialist skills to implement infrastructure projects
- Objective 2: To facilitate the development of policies, systems and processes to enhance infrastructure delivery and financial management
- Objective 3: To support the development of municipal in-house capacity through training and mentoring of relevant staff

<sup>20</sup> Ibid.

<sup>21</sup> Ibid.

<sup>22</sup> Genesis Analytics, "Evaluation of the Siyenza Manje Programme: Lessons from the First Three Years of Operation."

<sup>23</sup> Ibid.

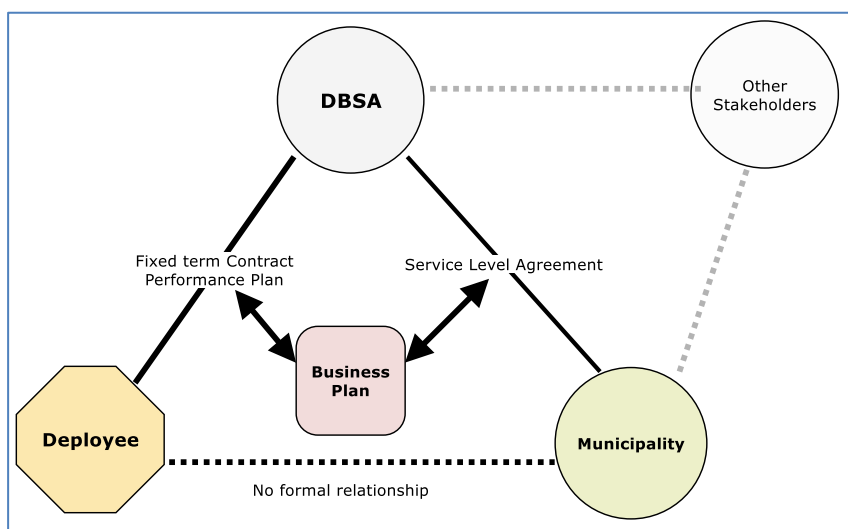
<sup>24</sup> Ibid.

- Objective 4: To contribute to the development of skills by providing opportunities for young professionals and internships
- Objective 5: To contribute to the further refinement of a framework for capacity building and the associated tools to be used in providing support to municipalities

### Programme Implementation

National Treasury acts as the primary stakeholder and funder of the Siyenza Manje Programme and is the main sponsor and DBSA's client. The DBSA manages the support programme and acts as the implementing agent, deploying experts to different spheres of Government. The beneficiaries of the programme are the municipalities, who receive support through the programme<sup>25</sup>. These relationships are governed by a Memorandum of Understanding (MOU) between the DBSA and National Treasury, a Service Level Agreement entered into between DBSA and the municipalities and a Fixed Term Contract between the DBSA and the deployed experts.<sup>26</sup>

**Figure 24: Institutional Arrangement of Siyenza Manje programme (Genesis Analytics, 2010)**



Initially Technical experts comprising engineers were deployed to municipalities to implement projects. It was recognized that projects could not be implemented if procurement could not be undertaken, hence the need to deploy financial experts was recognized. Projects could not always be identified from the Integrated Development Plans (IDPs) that signaled a need for planners to be deployed, to improve municipal integrated development planning.

The programme was centered around individual experts. These experts prepared individual business plans for their intervention in the municipalities. These business plans were often based on the experts' own assessment of the municipality as it relates to their own expert role.

### Funding Arrangements

The National Treasury had allocated funding for this programme until 2013. The Memorandum of Understanding requires the DBSA to contribute 30% of the annual programme budget with National Treasury contributing 70%. By 2011 R1.7 billion had been injected into the programme<sup>27</sup>.

### Outcomes and Impact

<sup>25</sup> Ibid.

<sup>26</sup> Ibid.

<sup>27</sup> Parliamentary Monitoring Group, "Capacity Building at Municipalities: National Treasury, DBSA, Department Cooperative Governance & Traditional Affairs & SALGA Briefings."

Siyenza Manje aimed to work with municipalities experiencing high vacancy rates and low technical capacity. Approximately 5000 projects were undertaken in 200 municipalities. Siyenza Manje also worked with the COGTA in Operation Clean Audit that aimed at improving financial management to achieve operational efficiency and encouraging accountability within municipalities and provincial departments<sup>28</sup>

To meet the issue of the high vacancy rates of technical staff and a concern about sustainability, a Young Professionals Programme (YPP) was introduced. The Programme recruited young professionals from targeted municipalities who are qualified in each of the three disciplines in which experts had been deployed. The Young Professionals were assigned mentors who assisted and sponsored them to final certification and registration in their elected professions.<sup>29</sup> The programme was structured in a manner to ensure that participants were given the opportunity to work in all the required aspects required for certification.

These young professionals were provided with the opportunity to gain practical experience and on-the-job training. They also provided an additional resource to the municipality. It was hoped that they would remain in the municipality. They were obligated in terms of the contracts with DBSA to remain employed in the local government sphere of government for a period of 2 years<sup>30</sup>.

### *Lessons Learned*

DBSA commissioned a three-year review of the support programme, where it was identified that the majority of the issues were structural in nature. The review found that the Siyenza Manje programme was not able to strictly adhere to its set of rules and standards with regard to the deployment of experts in municipalities and government departments. This was in part due to the fact that the support programme grew at a radical rate that put pressure on a range of other activities. Requests sometimes came from high political sources which made it difficult to counter such requests with strict technical criteria<sup>31</sup>.

The original MOU signed by the National Treasury and DBSA contained plans for the design and ongoing management of the programme. The review noted that performing a consistent application of assessments and diagnostic was difficult due to the rapid mobilisation of the programme<sup>32</sup>.

Despite Siyenza Manje being commended for the extensive reach of the programme, this made it difficult to consistently keep track of all the strategic deployment of resources. The three-year review of this programme suggested that the highly-centralised programme management approach was inadequate to meet the demands of the increasing scale of the programme<sup>33</sup>.

#### **8.5.4 Framework for Municipal Hands-on Support**

In 2006, PDG undertook a study to develop a Framework for Municipal Hands-on Support. Some of the key lessons emerging from the study are captured in the table below.

<sup>28</sup> Ibid.

<sup>29</sup> Genesis Analytics, "Evaluation of the Siyenza Manje Programme: Lessons from the First Three Years of Operation."

<sup>30</sup> Ibid.

<sup>31</sup> Ibid.

<sup>32</sup> Ibid.

<sup>33</sup> Ibid.

**Table 34: Framework for Municipal Hands-on Support - Key Learnings**

Aspect	Lesson
<b>Conceptualisation</b>	Programmes need to combine both supply (what should be in terms of national policy) and demand (what is in terms of municipal capacity) side approaches.
	Programmes should move beyond a focus on outputs to sustainable outcomes of improved municipal capacity.
	The focus should be on establishing structures where these do not exist, filling positions and then building capacity of people once they have been appointed.
	Support programmes need to be longer than two years, with a more realistic time frame being between five and ten years. Time frames should be dependent on sustainably addressing problems.
	Programmes should set clear targets to be achieved.
	Implementing sophisticated programmes or interventions on a weak institutional base almost invariably leads to a return to original problems. This highlights the need to focus on the basics.
	Municipalities should be selected based on a set of simple indicators that define whether a municipality requires hands on support or not.
	Programmes need to reinforce intergovernmental relations, in particular the role of provinces and district municipalities.
<b>Initiation</b>	Deployees should be recruited both on the basis of their technical qualifications as well as the qualities of the individuals themselves.
	Recruitment panels should be established which include representation from the municipality to be supported as well as the programmes providing such support. This should include an assessment of the “fit” between the deployee and the municipality’s particular context.
	Deployees should first be inducted through programmes which familiarise them with developmental local government and change management processes.
<b>Deployment</b>	The first step in deployment should be an assessment phase. This should preferably be contextualised within a clear framework with associated targets. This should culminate in a plan into which all role-players buy and which includes adoption by the Council of the municipality concerned.
	Implementation involves a combination of ensuring that the necessary incumbents are in place, showing by doing, then focussing on assisting those to be capacitated and then a gradual withdrawal of direct assistance in favour of monitoring.
	Deployees should report both to the municipality where they are deployed and to their employees.
	Care should be taken to integrate and co-ordinate different programmes so that there is not a large increase in the administrative burden on the municipality being supported.
<b>Exit</b>	Exit should only be considered once an evaluation indicates that the issues have been resolved. The approach to exit needs to be included in the initial plan and not at the end as an afterthought. In addition, a phase of after care needs to be included to ensure that the municipality maintains its improved capabilities.

Aspect	Lesson
<b>Programme Management</b>	Support programmes must be co-ordinated and this is best undertaken within the context of a framework with clear targets. In the absence of this, co-ordination can become an end in itself and ineffective.
	Formal contracts or MOUs must regulate the relationships between the various role-players involved in hands-on support.
	Programmes can be financed through the MSIG, with consideration being given to municipalities also contributing to the costs to ensure buy-in.
	Provincial institutional vehicles which are seen to be “outside” of government have not been as acceptable as those that are integrated within the department of local government.
	Support programmes require back office support to handle the administrative issues associated with deployment.
	Support programmes require technical support to ensure that those deployed have access to specialist advice.
	Programme management manuals are useful tools to ensure the smooth implementation of programmes.
	Monitoring and evaluation systems must be implemented. Evaluation is particularly important as this identifies the effectiveness of programmes and also indicates when it is possible to exit from a municipality.
	Incentives should be considered for those deployees whose performance exceeds targets and expectations.
	Knowledge management strategies should be developed to ensure that lessons learnt are shared within the programme and more generally in the sector.
<b>Impact</b>	While there has been significant progress in mobilising various role-players to provide hands-on support, it is still too early to evaluate the overall effectiveness of such programmes. Outputs have been achieved, but it is too early to ascertain whether they have resulted in sustainable outcomes.
<b>Perspectives of those providing support</b>	Municipalities are facing constraints based on an inadequate understanding of powers and functions, vacancies, inappropriate appointments, a poor work ethic, inadequate or absent systems, poor management and poor leadership.
	Those providing support require authority to ensure that recommended changes are effected.
<b>Perspectives of provinces</b>	A differentiated approach is required which takes into account the fact that municipalities are different.
	Provinces need to have some authority in terms of minimum standards and broad targets.
	Roles and responsibilities of the different spheres of government and tiers of local government need to be clearly defined and the intergovernmental system built.
	Conditional grants should be considered to implement capacity building innovations.
	It is important to have established relationships with municipalities and these can only be built up over time.

Aspect	Lesson
<b>Perspectives of a district municipality</b>	Some DMs are ideally placed to understand and articulate local municipality needs and as such should be involved in the conceptualisation of support programmes. They are also well placed to co-ordinate various support initiatives within the district.
	Districts municipalities don't have legislative "teeth" which limits the extent to which they can "enforce" recommendations.
	DMs are better able to attract skills than local municipalities.
	Shared services for certain functions are a useful way in which to address chronic skills shortages at the local municipalities (this point arises from Central Karoo DM).
	It would be useful if there was a benchmark which could define what an "ideal" local and district municipality is and what it should be doing.
	Political instability is often a big problem which cannot be solved by technical means only.
	Hands-on support is least effective where basic systems are missing.
<b>Perspectives of a municipalities receiving support</b>	The IGR system needs to be strengthened in terms of resources provided to provinces and districts to fulfil their support functions.
	Municipalities need to be involved in capacity assessments.
	Municipalities are different and support programmes need to be sensitive to this.
	Support should not be "parachuted" in and then withdrawn outside of an evaluation of whether the problems have been resolved or not.
	Sustained programmes of support that focus on building the institution as a whole are favoured.
	Many separate programmes, each with their own reporting requirements, create an administrative burden for municipalities.
	National programmes should clearly define the outputs and outcomes of such support programmes, rather than sending the inputs that they think would be required to achieve outputs and outcomes which are not clearly communicated to them.
	Support should come about as a result of a pact or a mutual agreement between the municipality and the supporter which responds to the unique needs of the municipality.

### 8.5.5 Expanded Public Works Support Programme

A learning series produced by the Business Trust sets out some key lessons learnt from the Expanded Public Works Support Programme as follows:<sup>34</sup>

- **Learning first hand:** At the start of the support programme a lot of effort was put into understanding first-hand the challenges experienced by municipalities with respect to the implementation of the EPWP. On the basis of this understanding the Support Programme was able to develop strategies, systems and tools that could be tested, revised and developed on the basis of experience. This was perceived to be vital in enabling the programme to engage on the basis of actual experience that could meaningfully contribute to the implementation of the overall programme. This was coupled with a willingness by the Support Programme to try out an approach, really learn what the challenges were at a municipal level and then engage with ways in which to address these. There was an ability to learn from mistakes made and an openness to adapt and change the approach where the circumstances required this.
- **Plumbers not magicians:** The Support Programme recognised that it had to focus on specific problems that emerged in the context of the implementation of the overall programme rather than trying to transform the municipal system as a whole. The approach adopted was opportunity-driven i.e. find the opportunity, capitalize and make it work. It was not about resolving the areas that were irresolvable but making a difference where it was possible.
- **Maintaining a focus on targets:** From the outset, the Support Programme had agreed on a set of targets. The Support Programme was managed rigorously through quarterly reports and reviews of delivery against contractual targets. In addition, at the end of each financial year, a considerable amount of time was spent on a strategic review process that resulted in the development of a business and operational plan for the following year. The targets were therefore carefully monitored and, where necessary, changes were made to ensure that these targets would be met.
- **Understanding support as an evolving construct:** The support model adopted evolved over the five-year implementation period and demonstrates that the provision of meaningful support depends on the government department itself being clear about its objectives and what it wishes to achieve. At the same time there must be a willingness on the side of the support programme to test its methodologies and for these to evolve over time. Therefore, while targets were maintained by the Support Programme, there was a willingness to explore different approaches and to consider how impact could be maximised. Had the Support Programme taken the viewpoint that it had all the answers, it would not have been able to build trust with its principal in government over time. Further, its willingness to evolve the model continually and respond in a focused way to changing requirements was also regarded as critical to its success.

From the outset, the Support Programme's stance was that the government department is the principal and that, regardless of roles played, the Support Programme's role remained a supportive one. The Programme's five-year lifespan enabled the partners to watch and learn from each other, and to play different roles at different times. Integral to the points mentioned above is that a high degree of flexibility is beneficial.

- **The concept of partnership:** It is important that a partnership is built between the government department and the support agency. Key to this is that the partners must

<sup>34</sup> Business Trust. 2008. A Case Study of the Expanded Public Works Support Programme (EPWSP).

be willing and open to learn from each other and engage with each other. Respect for different types of expertise and recognition of the challenges associated with the varied institutional contexts is critical.

- **Determining responsibilities within the partnership:** A support programme can only assist in accelerating programme delivery if it is being undertaken in partnership with the government department that is actually responsible for the implementation of the programme. The government department must be motivated to deliver on its responsibilities and the officials who receive support should be under pressure to achieve results in the areas in which support is being offered. This suggests that direct engagement can only be effective if the support is offered directly to the entity that has the mandate to deliver the specific service or product.
- Further it is critical that the responsible department understands and agrees with the support measures being put in place. This is important in that it allows the Support Programme to enter the municipality with sufficient credibility to begin its engagement; it creates a platform for shared learning; and, critically, it lays the basis for the responsible department being willing to take responsibility for enabling other municipalities to benefit from the systems and tools developed.

## 8.6 Appendix 6: Evolution of the CSP

### 8.6.1 Concept stage

This phase was undertaken between 2008 and 2010 and was the period during which the concept for the CSP was defined. This included proposals for a Large Cities Support Programme (LCSP) and a more nuanced understanding of the role of cities in driving economic growth and employment. This led to a letter of request from the Director General of National Treasury to the World Bank to support the LCSP. This period also saw the establishment of the City Budget Forum.

These proposals arose in part as a response to key discussions initiated through the first *Local Government Budgets and Expenditure Review: 2003/04 -2009/10* (National Treasury, 2008). The central themes of the 2008 review was the growing pressure on municipalities as result of a growing economy and rapid urbanisation. Specifically, the report noted that:

“... the local government system does not, at present appear to be responding to these challenges [economic infrastructure, basic services backlogs, infrastructure upgrading and rehabilitation etc.] very effectively. The evidence suggests that in aggregate, the demands of a growing economy are no longer being met by the levels of municipal investment. ... Governance and spatial planning responses tend to be both fragmented and delayed”. (National Treasury, 2008: 1)

The review however acknowledges the considerable financial management reforms and enhanced citizen accountability in local government since 2004. In summary, the report identified the following areas of concern:

- Inadequate / limiter leveraging of private sector finance to fund infrastructure whether through debt, PPP's or development charges.
- Increasing reliance on transfers from national government reflecting both the pressure to provide basic services but equally the limited ability / effort in raising own revenues.

The review proposed three broad interventions to address these concerns:

- i. Free up additional local resources through better revenue management, leveraging private finance and expanding the use of development charges.
- ii. Reconceptualise programmes to better ensure universal access to basic infrastructure and services. In particular the review notes the need to improve the access of the poor to the urban economy through better spatial planning and land use regulation. In addition, it is proposed that municipalities explore opportunities for employment generation through public employment programmes.
- iii. Stabilise senior management and secure appropriate skills (National Treasury, 2008: 5-6).

Concluding the review, the report notes the need for enhanced – more coordinated and effective – support for municipal capacity, as well as better coordination between policy instruments. Such support should occur within a fiscal regime that acknowledges different types of municipalities and enables greater discretion for more capable municipalities.

In 2010 a team of consultants (currently part of the Strategic Support Team) undertook a study tour of a number of countries to review international models of city management and their lessons for South Africa. This study tour informed the initial diagnostic (though very limited) for the programme. The report of the visit to Brazil, Canada, China and India (Savage, 2010) identified a number of key lessons:

- ***Sustainable infrastructure investment requires strong institutions of city management***, not just resources. The focus in other countries is on building a strong institutional base at city level to manage an expanding stock of assets. Past approaches that focused purely on creating additional assets have delivered suboptimal returns, as these assets are not managed effectively or maintained adequately
- Effective city management is both a result of the enabling environment (functions, discretion, fiscal framework and accountability) and the institutional form of cities. This requires an adequate functional scope for cities together with a clear separation of national and local government roles. At the local level it requires a clear separation of policy-maker and service provider roles, and – perhaps most importantly – it requires strong mechanisms of citizen accountability that is complemented (not replaced) by central government rules, monitoring and oversight.
- ***New approaches at central government level are required to support cities***. Close coordination of national government activities strengthens the centre in setting policy, implementing priorities and monitoring. Policies and strategies align better by dealing directly with the cities. Creating or formalising forums for direct engagement with cities provides scope for deeper understanding of city level priorities (and vice versa) within a constructive partnership.
- ***Properly incentivised fiscal transfers can play an important role in encouraging increased effectiveness in city management***. They should be specifically designed to avoid replacing local revenue effort or borrowing. Although cities must ultimately strive to be self-financing (and thus must have access to adequate revenue instruments), incentive programmes can play a role in preparing them for self-reliance through enhancing efficiencies and improving their revenue effort.
- ***Partnerships with the private sector must be encouraged***. The scale of investments needed cannot be met by the public sector alone. Private participation can be mobilised both through firms and lenders, as well as directly from households (citizens), and brings with it important incentives for efficiency improvements in city governments. National fiscal instruments should be designed to specifically encourage these forms of participation in housing and infrastructure sectors.
- ***Citizen's voices can be an important driver of change***. The India experience is instructive for South Africa. Citizen led innovations in instruments of accountability – particularly in Bangalore – have played a key role in invigorating city governments through forcing them to respond to actual needs. Mechanisms can be both participatory (as is also the case in Brazil) and focussed on performance measurement and oversight by citizens. (Savage, 2010: 9 -10)

The report further identifies a number of **key policy implications for South Africa** – the themes of which are evident in the design and ultimate framework of the CSP:

- Enhancing the status of cities, specifically through:
  - Expanded functional assignments, particularly in housing, transport, infrastructure and land use planning as the core functions of urban management.

- Strengthened intergovernmental forums for national interaction with city governments.
  - Expanded scope of city discretion in administrative decision-making.
- Clarifying national objectives – using policy statements and clear fiscal measures to set the terms of future urban policy and investment programmes (noting that capacity is largely a function of the incentives and should not be an impediment).
- Financing of cities – developing a more sophisticated set of instruments to fully finance municipal investment needs and leverage private finance through mechanisms such as borrowing, PPPs and off-balance sheet financing (such as through Development Charges). This needs to be supported by an adequate regulatory environment and national policy (and particularly transfers) that actively encourages their use. It is noted that cities may require incentives to begin to use existing or proposed instruments effectively.
- Building structures of accountability -
  - Redefining central – local relations through (i) clearly allocating housing, transport, infrastructure and land use management powers and functions to cities, with adequate discretion, so that they become the primary point of accountability for the performance of these functions; (ii) assigning associated financing to cities, particularly subsidy programmes; (iii) strengthening forums for national to local interaction, such as the City Budget Forum; and (iv) strengthening capacity for central government oversight and facilitation.
  - Building effective local service delivery systems, particularly through a clear separation between local policy-making and service provision functions. This step is critical to ensuring clear performance requirements are clearly specified, and that political interference in day to day delivery operations is minimised.
  - Strengthening citizen power and voice, through strengthening avenues for civil society participation in local planning and budgeting, creating channels for citizen oversight of local government performance (such as community scorecards), strengthening citizen incentives for participation (through strengthening the link between participation and payment for services) and ensuring that national policies support citizen involvement (such as through incentives for the use of citizen oversight tools).

The paper concludes with a **clear set of recommendations** – most which are to be found in the design of the CSP:

“In dealing with the recommendations, it is realised that with the amount of reforms that need to be undertaken, the different recommendations will be grouped in themes in order to register the specific work streams that need to be undertaken within each recommendation. Some of the recommendations and their work streams are the competence of other departments, and being a collaborative effort, these will be listed in this report for actioning by the respective departments. The following recommendations and their proposed work streams are listed:

## 1. Shifting government’s role to human settlements development and housing provision

### 1.1 Government to shift from (freebies) direct provider to enabling environment

- Municipalities to facilitate serviced sites with tenure and individual households facilitated to provide their own housing. Access to finance for housing

provision to be facilitated through the proposed housing bank.

- Department of Human Settlements to work on a policy shift document that will facilitate engagements on modalities

## 2. Focus on social housing stock production

2.1 Department of Human Settlements to create space for private sector to play a role in housing stock creation for the gap market

2.2 Funding instruments to respond directly on this objective

## 3. Positioning cities as engines of economic growth and platforms for addressing poverty

3.1 Appropriate scope of powers and functions for cities: Coordination of all built environment functions to LG

- Develop a policy framework to outline outcomes, measurable objectives and roles and function in relation to the built environment
- Shift the housing and public transport function with subsidies to LG
- Allow for both transit (corridor) and localized (backlog) development
- Greater emphasis for cities to explore more social housing

## 4. Appropriate Fiscal & Financing Framework

4.1 Rationalization/consolidation/Alignment of built environment funding over the immediate to medium term

4.2 Establishment of public housing bank to respond to individual households for housing provision to support social housing for individual households

4.3 Allow own revenue sources such as local business tax

4.4 Provide greater flexibility on housing contributions from households

## 5. Roles of other spheres of government

5.1 Monitoring and evaluation on achievements of policy objectives and alignment to long term plans

5.2 Create enabling environment (fiscally, legally etc.) for private sector, and local government to play their specific roles

5.3 Provinces to strengthen their monitoring roles on outcomes

## 6. Institutional arrangements

6.1 PPP to be encouraged and possibly driven from National Perspective

6.2 Review institutional support for local government

6.3 Emphasize on inter-sector collaboration to allow local government to deliver

## 7. Others

7.1 Explore the differentiation between municipalities (e.g. based on capacity)

7.2 Introduce a culture of payment for services received – eliminate freebies and even if people pay in non-monetary means

7.3 Strengthen accountability of service providers (including national, provincial and local government agencies) to citizens

*Source: Savage, 2010: 11-13*

The lessons from this study tour were incorporated into the 2011 *Local Governments Budgets and Expenditure Review: 2006/07-2012/13* (National Treasury, 2011).

The 2011 Review argued that large cities should be encouraged (noting that – at least in comparison to smaller municipalities they have significant capacity) to address the key challenges in respect of planning, income generation and capital investment.

The Review (National Treasury, 2011: 226 – 230), also noted government's intent to review the fiscal framework for large cities. Specifically, the Review highlights three areas where differentiation is required between large cities and other municipalities. As the report notes:

“.... Cities need to play a far larger role in economic growth, dealing with urban poverty and facilitating improved built environment outcomes, across land management, transport and human settlement sectors.” (National Treasury, 2011: 226).

The Review recommends four areas of intervention and support to cities:

- 1) Review land use management legislation
- 2) Devolution of the housing function
- 3) Devolution of public transport regulatory functions
- 4) Reviewing the local government fiscal framework

Evident in these documents are the key building blocks of the Large Cities Support Programme which became the CSP.

### **8.6.2 Definition stage**

This was undertaken between 2011 and 2012. During this stage negotiations were undertaken with the World Bank mission and the first draft of the CSP framework document was prepared.

It was anticipated that the CSP would be funded through a large loan from the World Bank with associated technical assistance. However, towards the end of 2011, a decision was taken not to allow borrowing from the World Bank. This had major implications for the CSP and it was decided that the CSP would be implemented with the resources that it had available. These resources comprised the remainder of the Siyenza Manje funds (Municipal Capacitation Account) located with the Development Bank of Southern Africa (DBSA). Given the limited resources, the focus therefore shifted to ad hoc implementation (Timm, 2014).

In the first quarter of 2011, the team was augmented with the arrival of Yasmin Coovadia and Samantha Naidu. Yasmin was initially seconded to the Department of Human Settlements and this resulted in progress in this area with the establishment of the Urban Settlement Development Grant (USDG) and the first Built Environment Performance Plans (BEPPs) being developed (Timm, 2014).

### **8.6.3 Planning stage**

Planning was undertaken between 2012 and mid-2014. During this stage, the CSP Framework was finalised in January 2012. While Minister Gordhan included the CSP in his Budget Speech, memos on the CSP were not taken through Cabinet.<sup>35</sup> A key insight during the year was that the focus should be on cities rather than relying on national departments. A draft results and governance framework was prepared and negotiations were undertaken on the World Bank Reimbursable Advisory Services (RAS) mechanism (Timm, 2014).

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<sup>35</sup> Specifically the 2012 Budget Speech noted the following: “A new Cities Support Programme will get under way this year, initially in eight metropolitan authorities, focused on improved spatial planning, public transport systems and management of infrastructure utilities.” (2012 Budget Speech: 12)

For the CSP team, more structure was introduced with the assignment of team members to theme areas (see further below) and metropolitan cities and the “appointment” of city officials as city coordinators within each metro.

The second half of 2012 saw the initiation of the process to develop the Integrated Urban Development Framework (IUDF) and an alliance between National Treasury (NT), the Department of Cooperative Governance and Traditional Affairs (DCoG), the South African Cities Network (SACN) and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). (Timm, 2014)

Various milestones were achieved in the areas of Human Settlements (collaboration on the National Upgrading Support Programme (NUSP)), Climate Resilience (establishment of Green Fund) and Public Transport (diagnostic study). There was also the first City Leadership Course which proved to be a key moment in the establishment of the brand of the CSP – combining leadership with technical abilities (Timm, 2014).

**During 2013** there was greater city participation in the CSP. There were a number of key events in the broader context which further emphasized the importance of cities,<sup>36</sup> changes in personnel in NT and significantly, the first allocation of funding to the CSP in the Medium-Term Budget Policy Statement (MTBPS). (Timm, 2014, and National Treasury Estimates of National Expenditure 2014/15).

There were also further developments in the institutional space with a closer relationship being established with the SACN, an “alliance” with the Neighbourhood Development Partnership Programme (NDPP) and a draft agreement between NT and the Department of Human Settlements (DOHS) being prepared. (Timm, 2014, p8).

Guidelines were developed for the BEPPs and the Integrated City Development Grant (ICDG) was launched (DORA, 2014).<sup>37</sup>

A Capacity Needs Assessment process was initiated within the metropolitan municipalities which comprised an assessment to identify gaps in the municipality that hinder the process of urban transformation and to agree activities/projects to address these gaps. (Cities Support Programme 2014). These projects/activities were later to be defined as “demand projects” which were approved per metro and were informed by the specific needs of the metro at that time. This was documented in the Capacity Support Implementation Plan (CSIP) which has been iterated annually. Acceptance and approval of the CSIP by the metro is required to trigger the disbursement of the ICDG (where cities have met the BEPP requirements and criteria).

Alongside these projects, CSP had identified a number of projects that were to address a universal need across all metros. These projects are categorised as “supply projects” which are provided to all metros and are initiated and driven by the CSP at a national level. Lastly, the second leadership course, on public transport for spatial transformation, was held (Timm, 2014: 8).

<sup>36</sup> President Zuma’s State of the Nation Address (SONA) 2013, noted that, “We should also remain mindful of rapid urbanisation that is taking place. The Census Statistics reveal that 63% of the population are living in urban areas. This is likely to increase to over 70% by 2030. Apartheid spatial patterns still persist in our towns and cities. Municipalities alone cannot deal with the challenges. We need a national approach. While rural development remains a priority of government, it is crucial that we also develop a national integrated urban development framework to assist municipalities to effectively manage rapid urbanisation. As part of implementing the National Development Plan, all three spheres of government need to manage the new wave of urbanisation in ways that also contribute to rural development.”

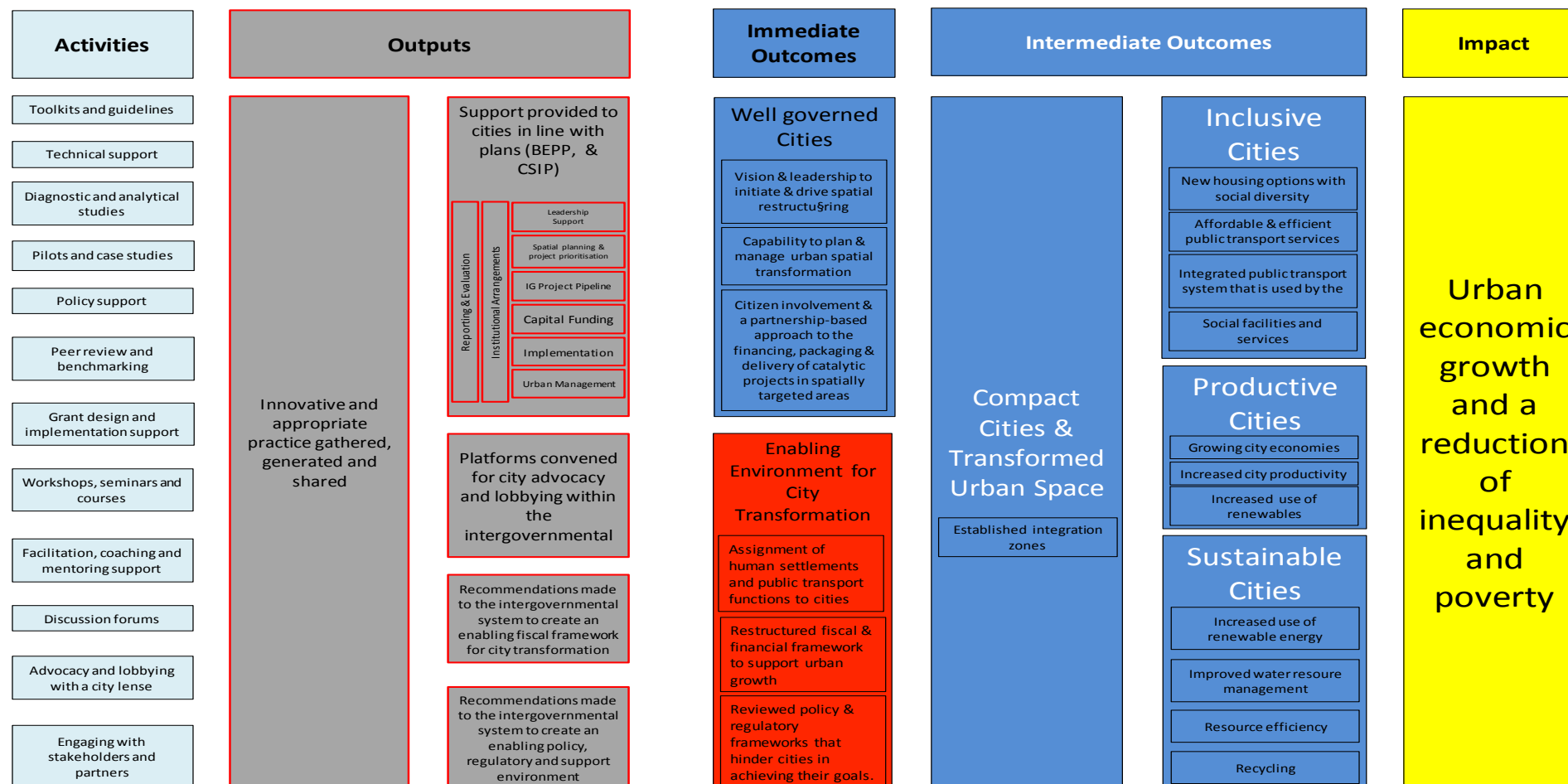
<sup>37</sup> Schedule 5(b) to the DORA indicates provision for an Integrated City Development Grant (ICDG), “To provide a financial incentive for metropolitan municipalities to integrate and focus their use of available infrastructure investment and regulatory instruments to achieve a more compact urban spatial form.” (NT, DORA 2013: 47). Initial allocation comprised: R40m in 2013/14; R150m in 2014/15 and R150m in 2015/16 (NT, DORA 2013: 47, 90, 105, 188-189).

The **end of 2013 and the first half of 2014** involved ongoing implementation and the review of progress to date and detailed planning to guide the formal implementation phase of the CSP. (Timm, 2014: 8)

#### **8.6.4 Implementation Stage**

The full implementation activities commenced in mid-2014 and are ongoing at the time of this evaluation. Specifically, this period saw the implementation of the demand projects identified through the Capacity Needs Assessment process, documented in the CSIP per metro and refined on an ongoing basis and the pre-determined set of supply projects implemented by the CSP. These projects are the subject of the detailed evaluation further below.

## 8.7 Appendix 7: CSP Theory of Change (Original)



Source: CSP, 2017

## 8.8 Appendix 8: Overview of Components

### 8.8.1 Core City Governance

#### *Objectives*

The objective of the Core Governance component is to support city governments to design and implement a programme of urban spatial transformation based on the UNS.<sup>38</sup> The objectives of the Core Governance component thus stem from and align with the objectives of the overall CSP. The specific emphasis of the component is on **cross-cutting programmes** that support and leverage outputs in the other components.<sup>39</sup> The term “governance” is interpreted broadly, which reflects the immense ambition of the component.

Originally the Core Governance component comprised four sub-components. However, this has been expanded to five with the integration of the of the Planning, Monitoring and Incentivising Sub-Component from Project Management (PM) and the subsequent splitting of the Planning and Reporting Sub-component into two, namely Planning Reforms and Monitoring, Reporting and Incentives. A brief description of each sub-component follows below.

- **Leadership and Governance:** The Leadership and Governance sub-component seeks to address key assumptions and risks to the overall spatial transformation programme i.e. that the leadership and management vision and behaviours exist to govern and manage city administration well, in order to transform South Africa’s cities spaces so that they become inclusive, productive and sustainable. More specifically, the component focuses on strengthening the agency of senior officials and politicians to lead a programme of spatial transformation; expanding modalities of citizen engagement; and strengthening integrity frameworks.
- **Planning Reforms:** The Planning Reforms sub-component seeks to address the need for medium to longer term reform to the planning and reporting systems in order to enable the achievement of integrated outcomes. It further addresses the need for the appropriate spatial planning tools and the development of the capabilities required in order to assist cities to adopt a spatial investment framework.
- **Monitoring, Reporting and Incentives:** The Monitoring, Reporting and Incentives sub-component seeks to develop ways of measuring city progress and incentivising city performance. More specifically it seeks to address the need to reform the built environment reporting environment through rationalizing indicators and their reporting at the city functional output and functional outcomes levels and consolidating work at the city integrated outcomes levels.  
 It further seeks to incentivise city behaviour through the ICDG. This in turn requires monitoring the quality of the BEPPs, registering and tracking catalytic projects at the city level, and using performance against these indicators as an input to allocations of the ICDG.
- **Infrastructure Finance Reform:** The Infrastructure Finance Reform sub-component seeks to assist cities to prepare catalytic urban development projects for effective implementation, through reforming the national policy environment, providing incentives and support, and providing technical and financial assistance to cities. The projects included under this sub-component deal with policy and regulation, long-term financial strategy, fiscal reform and incentives, and financing and preparation support.

<sup>38</sup> Cities Support Programme. (2017). Cities Support Programme – Plan for the Period January 2017 to June 2018.

<sup>39</sup> Core City Governance. (2017). Presentation to Home Week.

- **Infrastructure Delivery:** The Infrastructure Delivery sub-component focuses on the planning for, delivery of, and maintenance of infrastructure that transforms South Africa's city spaces into more compact, inclusive, productive and sustainable cities.

It is a significant component, which seeks to improve the capability of cities to deliver efficiently and effectively on infrastructure needs, ensuring full life cycle management of assets.

### *Institutional Arrangements*

David Savage was appointed as the Core Governance Lead at the start of the programme and played a key role in designing the Core Governance Component. The role of Core Governance Lead was handed over to Nishendra Moodley in 2015.

While Nishendra manages and oversees the Core Governance component as a whole, the five sub-components of the Core Governance component are managed by various CSP team members. The management structure of the Core Governance sub-components is outlined below:

- Leadership and Governance – Nishendra Moodley;
- Planning Reforms – Yasmin Coovadia;
- Monitoring, Reporting and Incentives – Jeremy Timm;
- Infrastructure Finance Reform – David Savage; and
- Infrastructure Delivery – Nishendra Moodley.

The Core Governance component operates both at the city level and at the departmental level with various enabling institutions. It has implemented projects in all eight of the metros and has been particularly active in Nelson Mandela Bay Metro, the City of Cape Town, the City of Tshwane, EThekweni Metro, and the City of Johannesburg.

At the national level, the CSP initially faced significant challenges with respect to securing the cooperation of certain key government departments. Indeed, only recently has the CSP succeeded in gaining significant traction with regards to its engagement with the Department of Cooperative Governance and Traditional Affairs (COGTA).

COGTA is included on many of the Core Component projects' steering committees. It has recently become involved in the CSP's executive leadership courses, and in the CSP's transversal management projects. COGTA is also seeking to play a more active role in the InTact projects. Together with COGTA, the CSP is currently in the process of developing a programme for secondary cities which will include similar areas of work to that included in CSP (in its current form).

Other key institutions that interact with the Core Governance component include the South African Cities Network (SACN), and the South African Local Government Association (SALGA). Both of these entities have been involved in the CSP's executive leadership courses and sit on the steering committee of the InTact initiative.

The SACN has further engaged with the CSP's Infrastructure Finance workshops, while its urban indicators reference group constitutes an important forum through which the CSP engages with the national departments.

The Core Governance component also engages with sector departments such as the Department of Environmental Affairs and the Department of Water Affairs, as well as with the built environment professional industry. At a formal level, such engagements usually take place in the form of steering committee structures.

### *Projects*

The projects undertaken in respect of each sub- component are shown in the table below.

**Table 35: Core Governance Component: Planned and undertaken projects by sub-component**

Sub-component	Projects
<b>Leadership and Governance</b>	<ul style="list-style-type: none"> <li>• Executive Leadership Programme (CG1)</li> <li>• Leadership Coaching &amp; Support (CG2)</li> <li>• Citizen Engagement (CG3)</li> <li>• Integrity Strategies (CG5)</li> </ul>
<b>Planning reforms</b>	<ul style="list-style-type: none"> <li>• Reform of the planning system (CG6)</li> <li>• Tools for Spatial Planning (CG9)</li> <li>• Built Environment Performance Plan Cycle (CG27)</li> <li>• Longer term strategies for city growth and development (CG25)</li> </ul>
<b>Monitoring, Reporting and Incentives</b>	<ul style="list-style-type: none"> <li>• Reporting Reforms (CG21)</li> <li>• City Data Reforms (CG26)</li> <li>• Built Environment Outcome Indicators Monitoring (CG28, previously PM10)</li> <li>• Catalytic Project Registration and Tracking (CG30, previously PM23)</li> <li>• Integrated City Development Grant (ICDG) (CG29, previously PM21)</li> </ul>
<b>Infrastructure Finance Reform</b>	<ul style="list-style-type: none"> <li>• Infrastructure Finance Reform (CG11)</li> <li>• MTEF and Fiscal Framework (CG16)</li> <li>• Revenue Policy Support (CG13)</li> <li>• Innovations in Infrastructure Finance (CG18)</li> <li>• Land Development Transaction Support (CG10)</li> <li>• Cities PPF (CG15)</li> </ul>
<b>Infrastructure Delivery</b>	<ul style="list-style-type: none"> <li>• Social Environment Management Programme (SEM) (CG19)</li> <li>• City Infrastructure Delivery and Management System (CIDMS) (CG20)</li> </ul>

Source: CSP Quarterly and annual reports and project sheets

Further details on the implementation of the projects to date is provided in the table below.

Table 36: Core Governance project review

Project code	Project name	Project description	Implemented processes and deliverables to date	Planned processes and deliverables going forward	Current status of project
CG1	Executive Leadership Programme	This project focuses on facilitating annual engagement between the administrative and political administrations of cities, and between the various metros. The annual leadership workshops seek to facilitate leadership development, personal development, and the strengthening of the skills and knowledge required to manage spatial transformation. The annual leadership workshops further serve to provide an on-going diagnostic of the cities, and an opportunity for the cities to work on an on-going project.	<ul style="list-style-type: none"> <li>• 2013 leadership workshop (Spatial transformation)</li> <li>• 2014 leadership workshop (Public transport)</li> <li>• 2015 leadership workshop (Economic Development)</li> <li>• 2017 leadership workshop (Accelerating spatial transformation)</li> </ul>	<ul style="list-style-type: none"> <li>• Annual leadership workshops</li> <li>• Production and dissemination of knowledge products (e.g. web-media and videos)</li> <li>• Institutionalisation of a leadership programme partnership</li> </ul>	On-going
CG2	Leadership Coaching & Support	<p>This project has evolved into a number of work streams which deal with different levels of the system.</p> <ul style="list-style-type: none"> <li>– Work stream 1 provides for coaching support at the individual level and the team level;</li> <li>– Work stream 2 focuses on transversal management at the organisational level;</li> <li>– Work stream 3 oversees research for improved support programme design, and specifically explores (1) the factors that shape city leadership; and (2) the response of intergovernmental system to municipalities that require intense support or intervention;</li> <li>– Work stream 4: Consolidates the various work streams stemming from the project by identifying the main lessons learnt and implications thereof.</li> </ul>	<ul style="list-style-type: none"> <li>• Coaching to NMB</li> <li>• Coaching to CSP team</li> <li>• Transversal management support to Cape Town (informal settlement upgrading)</li> <li>• Transversal management support to Ekurhuleni (knowledge management)</li> <li>• Intergovernmental system research.</li> </ul>	<ul style="list-style-type: none"> <li>• Coaching to new managers and executive teams in BCM, Tshwane, Mangaung and Ekurhuleni. (CG2-CBM1; CG2-TSH22; CG2-MAN14; CG2-EKU15).</li> <li>• Transversal management support in Johannesburg, Ekurhuleni, Ethekewini and Cape Town. (CG2-COJ1; CG2-EKU12; CG2-ETK19; CG2-CPT17).</li> <li>• Institutionalisation of intergovernmental system research.</li> <li>• City leadership research in NMB, Ethekewini and BCM.</li> <li>• Institutionalisation of city leadership research (seminar).</li> <li>• Consolidated work stream report and conference.</li> </ul>	On-going

Project code	Project name	Project description	Implemented processes and deliverables to date	Planned processes and deliverables going forward	Current status of project
CG3	Citizen Engagement	This project seeks to develop the social accountability systems critical to the transformation work. It focuses on building stronger citizen accountability systems by identifying the spaces with which citizens can engage.	<ul style="list-style-type: none"> <li>• Cape Town community scorecard project</li> <li>• Generic assessment framework</li> </ul>	<ul style="list-style-type: none"> <li>• CE practices assessment tool in Ethekwini and Tshwane (CG3-ETK; CG3-TSH).</li> <li>• Collaborative social audit (with IBP)</li> </ul>	On-going
CG5	Integrity Strategies	<p>This project is divided into three work streams:</p> <ul style="list-style-type: none"> <li>– Work stream 1 (Integrity Assessment Framework and Tools) focuses on issues relating to integrity, strategies, ethics and transparency.</li> <li>– Work stream 2 (Open budget index for Cities) focuses on strengthening the transparency agenda through the packaging and opening of local government financial data held by treasury.</li> <li>– Work stream 3 (Municipal money phase 2 development) focuses on understanding how the data is being used and how it could be better used.</li> </ul>	<ul style="list-style-type: none"> <li>• Municipal financial data has been packaged and made publically available</li> <li>• Municipal Money analysis tool</li> </ul>	<ul style="list-style-type: none"> <li>• Packaging performance, procurement, and spatial data.</li> <li>• InTact assessment framework and tool.</li> </ul>	On-going
CG6	Reform of the Planning System	This project seeks to achieve broad based consensus on a phased, medium term strategy to align and reform spatial planning systems in large urban areas, and on a model for collaborative planning and integrated delivery of outcomes.		<ul style="list-style-type: none"> <li>• Support to COGTA on IUDF Cabinet Memorandum</li> <li>• Technical note on proposed revisions to the SDF guidelines.</li> <li>• Inter-governmental planning support.</li> <li>• Outcomes-led planning and spatial targeting approach technical note.</li> <li>• Intergovernmental planning co-ordination technical note.</li> <li>• Strategic planning tools strategic note.</li> <li>• Planning seminar</li> </ul>	On-going

Project code	Project name	Project description	Implemented processes and deliverables to date	Planned processes and deliverables going forward	Current status of project
CG9	Tools for Spatial Planning	This project focuses on the development of spatial tools that help to provide a more objective focus to highly politicised development issues that municipalities have to consider and decide upon.	<ul style="list-style-type: none"> <li>Design of the Fiscal Impacts Model</li> </ul>	<ul style="list-style-type: none"> <li>Investigation into how the Fiscal Impact Model can be best applied in metros (including exploration of project data challenges and CPT's customised model)</li> <li>Training of officials</li> <li>Knowledge product – new spatial planning tools and practises</li> </ul>	On-going
CG27 (PM20)	Built Environment Performance Plan Cycle	This project focuses on the development of the BEPP Guidelines, the evaluation of the cities' BEPPs and the provision of support to cities in the context of the BEPP.	<ul style="list-style-type: none"> <li>Formulation and approval of the metros' BEPPs over the past 4 years.</li> </ul>	<ul style="list-style-type: none"> <li>Evaluation and support of the 2017/18 BEPPs</li> <li>Consolidation of BEPP Guidelines</li> </ul>	On-going
CG25	Longer term strategies for city growth and development	This project seeks to support metros to develop credible longer term growth and development strategy, which provide a framework within which medium term plans and budgets and political terms can be contextualised.		<ul style="list-style-type: none"> <li>Technical support to Tshwane, NMB and Mangaung (CG25-TSH18; CG25-NMB5; CG25-MAN4).</li> </ul>	On-going
CG21	Reporting Reforms	This project focuses on rationalising the burden of reporting, introducing outcome indicators, ensuring intergovernmental agreement between sectors and cities, and establishing institutional arrangements and platforms	<ul style="list-style-type: none"> <li>Workshops with sector departments</li> </ul>	<ul style="list-style-type: none"> <li>Finalisation of indicators per sector at the functional output and functional outcome level.</li> <li>Reporting model and platform.</li> </ul>	On-going
CG26	City Data Reforms	The objective of this project is to document, share knowledge and incentivise innovations in the sharing and use of data for the built environment value chain. In particular, the project seeks to foster good practise in how cities develop their data analytical capabilities.		<ul style="list-style-type: none"> <li>Knowledge products on data innovation and smart cities.</li> <li>CoCT data sharing capacity support</li> </ul>	On-going
CG28	BE Outcome Indicators Monitoring	This project focuses on measuring the integrated outcomes of spatial transformation		<ul style="list-style-type: none"> <li>Uploading baselines and targets on outcome indicator monitoring and reporting system.</li> <li>Review of potential additional</li> </ul>	On-going

Project code	Project name	Project description	Implemented processes and deliverables to date	Planned processes and deliverables going forward	Current status of project
				spatial transformation indicators	
CG30	Catalytic Project Registration and Tracking	This project registers and tracks the catalytic projects, in order to show progress in spatial transformation.		<ul style="list-style-type: none"> <li>Implementation of project registration, tracking and reporting system.</li> </ul>	On-going
CG29	Integrated City Development Grant	This project focuses on the review, revision and implementation of an incentive system for performance. The project seeks to support the implementation of a city grant that is responsive to the performance of cities as indicated by the quality of the BEPP, the progression of catalytic projects, and other outcome indicators.	<ul style="list-style-type: none"> <li>Establishment of rhythm for preparing annual strategy guidelines and allocating grant.</li> </ul>	<ul style="list-style-type: none"> <li>Annual grant strategy</li> <li>Guidelines</li> <li>Grant allocations</li> </ul>	On-going
CG11	Infrastructure Finance Reform	<p>This project supports cities to more effectively access and utilise available sources of infrastructure finance through two work streams:</p> <ul style="list-style-type: none"> <li>The policy and regulatory work stream, which reviews the policy framework for municipal borrowing and financial emergencies, improves disclosure of market information and institutionalises this through strengthening National Treasury capacity on municipal borrowing management.</li> <li>The long-term financial strategy work stream, which assists cities to develop a long term financial strategy and policy for infrastructure financing.</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly Municipal Borrowing Report developed.</li> </ul>	<ul style="list-style-type: none"> <li>Municipal Borrowing Policy Framework review.</li> <li>Quarterly publication of the Quarterly Municipal Borrowing Report.</li> <li>Programme to improve the administration of municipal notification of intention to borrow.</li> <li>Seminars on Infrastructure Finance, Long Term Financing Model, and LT Financing Strategies.</li> <li>NMB Financial Planning Support (CG11 – NMB6)</li> <li>EThekweni Financial Modelling Support (CG11-ETK5)</li> <li>Tshwane Revenue Strategy and Management Support (CG11-TSH19)</li> <li>Urban Investment Partnership Conference.</li> </ul>	On-going

Project code	Project name	Project description	Implemented processes and deliverables to date	Planned processes and deliverables going forward	Current status of project
CG16	MTEF and Fiscal Framework	This project focuses on providing inputs into the annual national budget cycle and on the reform of the grant framework for metros, towards a more performance orientated, outcome-based system.	<ul style="list-style-type: none"> <li>Inputs into the annual national budget cycle.</li> </ul>	<ul style="list-style-type: none"> <li>Inputs into the annual national budget cycle.</li> <li>Proposal paper on the reform of the grant framework. Support to IPP in the review of municipal revenue resources.</li> </ul>	On-going
CG13	Revenue Policy Support	This project supports cities to review and develop a better economic policy rational for the current own revenue sources, through reviewing and adjusting the incidence of taxes and tariff to ensure equity and efficiency.		<ul style="list-style-type: none"> <li>Revenue diagnostic report.</li> <li>NMB Revenue Strategy and Management Support (CG13-NMB7).</li> <li>COJ Revenue Generation in relation to Resource Efficiency and Substitution (CG13-COJ13).</li> </ul>	On-going
CG18	Innovation in Infrastructure Finance	This project consolidates and focuses various activities in the Infrastructure Finance Reform subcomponent on innovative mechanisms to expand sources of infrastructure finance for urban development. It seeks to provide national level policy and guidelines, as well as city specific support in their implementation.	<ul style="list-style-type: none"> <li>Toolkit of Land Value Capture Instruments.</li> </ul>	<ul style="list-style-type: none"> <li>Policy refinement and guidelines for the use of Municipal Development Charges.</li> <li>Project financial structuring support to JHB, CPT and NMB (CG18-COJ12; CG18-NMB8).</li> </ul>	On-going
CG10	Land Development Transaction Support	This project provides support to cities to prepare catalytic projects through (1) review of the regulatory framework for land development (including PPPs); (2) national guidelines and technical support to project preparation; and (3) direct technical assistance to selected projects.	<ul style="list-style-type: none"> <li>2013 workshop</li> <li>2016 workshop</li> <li>ULI Panel support in BCM, NMB, and CPT. (CG10-BCM15; CG10-NMB15; CG10CPT7; CG10-ETK13).</li> <li>Conradie Hospital peer review (CG10-CPT7)</li> <li>Direct TA to CPT, eThekweni, and Ekurhuleni (CG10-CPT7; CG10-EKU3B; CG10-EKU3B).</li> </ul>	<ul style="list-style-type: none"> <li>Guideline on project preparation</li> <li>N2 Corridor peer review (CG10-CPT7)</li> <li>Direct TA to BCM, NMB, and CPT (CG10-BCM15; CG10-NMB15; CG10-CPT7).</li> <li>Land development study</li> <li>Annual workshops</li> </ul>	On-going
CG15	Cities Project Preparation Facility (PPF)	<i>The Cities PPF has been de-funded. Consequently, this project requires fundamental redesign to align with IIPSA.</i>	<ul style="list-style-type: none"> <li>Quarterly Comprehensive Status Report</li> <li>Diagnostic paper on sustainability, internal governance and</li> </ul>	<ul style="list-style-type: none"> <li>On-going tracking of existing projects.</li> </ul>	On-going

Project code	Project name	Project description	Implemented processes and deliverables to date	Planned processes and deliverables going forward	Current status of project
			alignment of facilities <ul style="list-style-type: none"> <li>• Round table</li> <li>• Project support</li> </ul>		
CG19	Social Environment Management (SEM) Programme	This project aims to assess the social and environmental issues that impact on infrastructure delivery, with intention of reform.	<ul style="list-style-type: none"> <li>• Concept note on SEM in affordable housing delivery.</li> <li>• Research on regulatory constraints to urban infrastructure development.</li> <li>• SEM tools and practices.</li> <li>• A combined seminar for all 3 projects.</li> </ul>	<ul style="list-style-type: none"> <li>• Closure report.</li> </ul>	Complete
CG20	City Infrastructure Delivery and Management System (CIDMS)	The project focuses on the introduction of a toolkit based on systematized practice in assessing infrastructure and customer needs, planning for, delivering on and managing the full life-cycle of infrastructure assets.	<ul style="list-style-type: none"> <li>• CIDMS Toolkit (co-developed with JHB, eThekweni and CPT).</li> </ul>	<ul style="list-style-type: none"> <li>• Publication and awareness raising.</li> <li>• Institutionalisation and implementation.</li> </ul>	On-going

## 8.8.2 Human Settlements

### Objectives

The objective of this component is to support cities to ensure the availability of affordable accommodation at scale for all their residents, within more inclusionary, integrated and efficient human settlements. (National Treasury 2015b). The Human Settlements component comprises three sub-components:

- **Creating an enabling environment through property markets and land (later called Planning Support):** This sub-component focuses on improving the understanding of property markets as a driver of economic growth and facilitating the release of strategic public land and review of the regulatory environment for land use management.
- **Providing cities with implementation support for the upgrading of informal settlements:** This sub-component focuses on addressing city-level constraints to drastically scale-up the upgrading of informal settlements and support self-build housing.
- **Improving the performance of fiscal instruments (later called Human Settlements Finance):** The focus of this sub-component is on rental housing options, grants and subsidies, incentivising the private sector to increase participation in affordable housing in better-located areas, and piloting demand side subsidy instruments.

### Institutional Arrangements

Yasmin Coovadia was the Component Lead since the first quarter of 2011. Yasmin was initially seconded to the Department of Human Settlements to focus on the establishment of the Urban Settlement Development Grant (USDG) and the first Built Environment Performance Plans (BEPPs) being developed. In 2015 Yasmin shifted her role to focus on the BEPP. Seth Maqetuka was appointed as the Lead in late 2016. In the interim period before Seth Maqetuka was appointed, the component did not have a Lead.

### Projects

The projects undertaken in respect of each sub- component are shown in the table below.

**Table 37: Human Settlements Component: Projects by Sub-Component**

Sub-Component	Projects
Planning and Land Support	• Understanding property markets (HS3)
	• Supporting cities in strategic land availability (HS10)
	• Analysis of the regulatory and institutional framework for urban land use management (HS12)
	• City Housing Strategy Development and Planning Alignment Support (HS15)
Upgrading Support	• Scaling up upgrading of informal settlements (HS13)
	• Backyard Incremental Development Studies (HS14)
Human Settlement Finance	• Exploring options for rental housing finance (HS8)
	• Community based fund for upgrading informal settlements (HS16)

Source: CSP Quarterly and annual reports and project sheets

Further details on the implementation of the projects to date is provided in the table below.

Table 38: Human Settlements Component Project Review

Project code	Project name	Project description	Implemented processes and outputs to date	Planned processes and outputs going forward	Current status of project
HS3	Understanding property markets in metropolitan cities	Development and piloting of data driven biannual analysis of residential property market dynamics at city level to inform planning and project financing arrangements	<ul style="list-style-type: none"> <li>• Partner with CAHF &amp; bring in international technical advisor to compare to other cities in developing countries (and other cities)</li> <li>• Residential markets report for eThekweni</li> <li>• Residential markets report for Cape Town</li> <li>• Series of workshops in 3 selected cities</li> <li>• Residential markets report for Mangaung</li> <li>• Final deliverable residential markets report and understanding of residential markets</li> <li>• Engagements held with DoHS and the MMC for Human Settlements</li> </ul>	<ul style="list-style-type: none"> <li>• Peer learning event</li> <li>• Report on residential housing markets for Tshwane</li> </ul>	Open
HS4	Reviewing the UISP Subsidy Instrument	The objectives of the assignment were to review current practices, subsidy instruments and sources of non-state finance related to the promotion of, and planning for, the incremental provision of housing for in situ shack settlement upgrades, and to recommend practical actions for consideration under the National Upgrading Support Programme (NUSP).	<ul style="list-style-type: none"> <li>• There was also the work done on HS4 which looked at the USDG from the city perspective with a view to exploiting the reduced conditionality of the grant for more effective in-situ upgrading of informal settlements</li> <li>• The Close-Out Report for the Diagnostic on the Effectiveness of the Subsidy Instrument for the UISP (HS4) was completed in November 2015.</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>	Project closed
HS8	Exploring options for rental housing finance	This project explores the full range of tools and instrument for support affordable housing finance options for rental housing (Cities Support Programme 2017a)	<ul style="list-style-type: none"> <li>• Rental options inception report developed</li> <li>• Rental options study concept note developed and presented to SHRA</li> </ul>		Open

Project code	Project name	Project description	Implemented processes and outputs to date	Planned processes and outputs going forward	Current status of project
HS9	Piloting demand side subsidy instruments	Design and piloting of enhanced approaches to demand-side housing subsidy instruments, particularly in the gap market.	<ul style="list-style-type: none"> <li>A workshop was held to explore challenges with regard to the performance of FLISP</li> <li>Through the RAS agreement a World Bank mission was undertaken on the Pilot on Demand Side Instruments. At the national level meetings were held with Banks, DHS, NHFC, NT, FFC and developers. 4 City level meetings held. The 3 pilot metros for this project were Mangaung, Cape Town and Ekurhuleni (Cities Support Programme, 2015a).</li> <li>The draft report on demand side subsidy instruments (HS9) was circulated internally to the relevant officials in Treasury given that the issue spans IGR, Public Finance and Tax and Financial Sector Policy.</li> <li>A series of further consultations were held with the PSP and some key stakeholders (including the department of Human Settlements and the Banking Association) (Cities Support Programme 2016b).</li> <li>On the Demand side subsidy instruments, the CSP included DHS representatives since the start of the project and by the time of the workshop where the policy and regulatory issues had been investigated, DHS was ready and willing to play a more active role in the project, and they thus chaired the workshop and used the output of the project as a contribution to the</li> </ul>	<ul style="list-style-type: none"> <li>Review of the DHS revised policy for FLISP taking into consideration the policy and implementation arrangements including administrative issues raised at the workshop on 12 May 2016. (Cities Support Programme 2016c)</li> </ul>	Open (potentially closed)

Project code	Project name	Project description	Implemented processes and outputs to date	Planned processes and outputs going forward	Current status of project
			HS White Paper process.		
HS10	Supporting cities in strategic land availability	Cities will be supported to acquire strategic land through the appointment of a service provider who will assist with managing the city level projects (Cities Support Programme 2016a) The project involves producing a status and review report on strategic land parcels for human settlements development. These will lead to the production and workshopping of guidelines for the acquisition of and release of state owned land for integrated human settlements (Cities Support Programme 2017a)	<ul style="list-style-type: none"> <li>Consolidated report on the status of land parcels in metros compiled</li> <li>Production of final report study</li> </ul>	<ul style="list-style-type: none"> <li>Concept note on constraints and opportunities for releasing well located land for housing in cities</li> <li>Workshop with metros on the release and acquisition of state owned land</li> </ul>	Open
HS12	Analysis of the regulatory and institutional framework for urban land use management	SPLUMA provides the context for this project which will focus on how metros can use regulations enabled by this legislation to support human settlement development. A report will be developed that articulates how SPLUMA can be used as a regulatory mechanism for human settlement development. This will be shared through a number of workshops and seminars with cities and other interested stakeholders (Cities Support Programme 2017a)	<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>Develop knowledge products SPLUMA mechanisms and process to facilitate housing development</li> <li>Analysis of regulatory and institutional framework for urban land use management</li> <li>Investigate status quo on regulatory constraints and compile a report</li> <li>Seminar/workshop for the metros on SPLUMA regulatory mechanism for facilitating human settlements</li> </ul>	Open
HS13	Scaling up upgrading of informal settlements	NUSP has made great strides in assessing informal settlements and providing a strategy and settlement plans that support in -situ upgrading. Metros still have the function and responsibility to upgrade the informal settlements. Given that the upgrading process is by its very nature a medium to long term project, metros require	<ul style="list-style-type: none"> <li>In August 2015 a dedicated resource (informal settlements co-ordinator) was appointed to lead this sub component and engage with the NDHS, the metros and other key stakeholders such as NGOs.</li> <li>Scoping Report on Upgrading Good Practices</li> </ul>	<ul style="list-style-type: none"> <li>ISU Toolkit and piloting plan</li> </ul>	Open

Project code	Project name	Project description	Implemented processes and outputs to date	Planned processes and outputs going forward	Current status of project
		support to determine the best way to drastically scale up their upgrading programme and integrate these settlements as part of the urban form and accept an incremental approach to development. The objective of this project is to provide metros with support to scale up efforts to upgrade informal settlements. (Cities Support Programme 2016a)	<ul style="list-style-type: none"> <li>• Workshops with metros in reaching consensus on the Good Practices and Barriers to Scaling Up upgrading</li> <li>• Identification of pilots in Ekurhuleni</li> <li>• ISU toolkit launch and piloting plan</li> <li>• Concept note on technical support developed</li> <li>• Collaboration with NUSP and DHS</li> </ul>		
HS14	Backyard Incremental Development Studies (HS14)	This project explores the backyard rental market. It will be doing this through reviewing current practices to support, encourage and manage the development of backyard rental markets with a particular focus on the City of Cape Town and sharing the recommendation and lessons learnt. (Cities Support Programme 2017a)	<ul style="list-style-type: none"> <li>• Peer learning note developed</li> <li>• Backyard Incremental Housing Project City of Cape Town</li> </ul>	<ul style="list-style-type: none"> <li>• Framework design report completed</li> <li>• Public participation report completed</li> </ul>	Open
HS15	City Housing Strategy Development and Planning Alignment Support	The objective is to provide technical support to the metros to formulate housing strategies as part of the process of developing their annual BEPP. A tool will be developed as support to the metros to achieve this objective. There is a particular emphasis on NMB which is developing an Integrated Human Settlements Plan using the tool above (Cities Support Programme 2017a)	<ul style="list-style-type: none"> <li>• Human Settlements Planning: Workshop on the Human Settlements Strategy Modelling and Understating Residential of Markets and Demand Side Financial Instruments was successfully held on 21 and 22 November 2016 and all Metros were represented including Department of Planning, Monitoring and Evaluation (Presidency) and National Department of Human Settlements. (Cities Support Programme 2017b)</li> <li>• Human Settlement Strategy for Nelson Mandela Metro developed</li> </ul>	<ul style="list-style-type: none"> <li>• Human Settlements plan frameworks developed for selected metros by March 2018</li> <li>• Revised housing delivery model for Nelson Mandela Bay metro ready for stakeholder consultation</li> </ul>	Open
HS16	Community based fund for upgrading informal	The current provision of subsidies and grants to informal settlements is more shelter based and not geared towards city scaling up upgrading of informal	<ul style="list-style-type: none"> <li>• Project definition completed on community-based City Fund for Upgrading Informal Settlements</li> </ul>	<ul style="list-style-type: none"> <li>• Final City Upgrading Fund</li> </ul>	Open

Project code	Project name	Project description	Implemented processes and outputs to date	Planned processes and outputs going forward	Current status of project
	settlements	settlements. The objective of the project is to identify financial constraints in relation to the scaling up of demand side subsidy options for scaling up upgrading informal settlements and then to respond to these with appropriate funding mechanisms. The output will be a concept note for a community based fund which will then be discussed and lead to a change of the grant structure for upgrading (Cities Support Programme 2017a)			

### 8.8.3 Public Transport

#### Objectives

The objective of this component is to assist cities to enhance urban mobility, boost public transport ridership volumes and alter land use patterns to support sustainable and pro-poor public transport systems. (National Treasury, 2015a)

Public Transport comprises of three sub-components:

- **Transport leadership and planning:** This sub-component seeks to support the development of a national legislative, institutional and policy environment conducive to the development of favourable city public transport systems.
- **Transport capacity support:** This sub-component supports the efficient and effective planning, construction and operation of city public transport systems in order to provide value for money and offer transport services to the most deserving citizens. Incentivising public transport systems to reflect the genuine user-demand at a city level and based on fiscal realities at national and local level is a key programme objective.
- **Transport financing (Finance):** Finance, policy and legal instruments need to be sharpened to allow for greater leveraging of private sector investment, more innovation in financing instruments to share the benefits of increased land values that result from public infrastructure investment, and measures to drive the inclusion of previously disadvantaged communities.

#### Institutional Arrangements

The Component Lead is Michael Kihato. The National Department of Transport plays several key roles including:

- Being the custodian department of PRASA, which operates Metrorail services in cities.
- Rolling out Integrated Public Transport Network services, mainly BRT, through the Public Transport Network Grant (PTNG).
- Governing the minibus taxi industry through a policy framework and legislation.

Public transport at metro level is currently highly fragmented. Rail is a National competency operated by PRASA under the Metrorail brand. Conventional buses are typically operated privately, under contract by Provinces. Likewise, the monitoring and control of the Minibus Taxi industry is governed by Provincial Operating Licensing Boards, while the planning of routes form part of Municipal transport plans.

Municipalities are responsible for the infrastructure used by road-based public transport services. This infrastructure is also used by private vehicles, freight, as well as walking and cycling, which the CSP does not deal with directly.

#### Projects

The projects undertaken in respect of each sub- component are shown in the table below

**Table 39: Public Transport: Projects by Sub-Component**

Sub-component	Projects undertaken
<b>Leadership &amp; Planning</b>	<ul style="list-style-type: none"> <li>• Development of Transport Devolution Strategy &amp; Programme (Provincial) (PT2)</li> <li>• National Capacity Building Strategy (PT3)</li> <li>• Development of Transport Devolution Strategy &amp; Programme for Metrorail (PT7)</li> </ul>

Sub-component	Projects undertaken
<b>Capacity Support</b>	<ul style="list-style-type: none"> <li>• Review of IPTNs (PT4)</li> <li>• Study on MBT Innovation and Integration (PT5)</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>• Innovative Ways of Financing Public Transport Infrastructure and Operations (PT9)</li> <li>• Reform to the Fiscal Architecture of Public Transport Finance (PT10)</li> <li>• Annual PTNG Support (PT14)</li> </ul>

Source: CSP Quarterly and annual reports and project sheets

Further details on the implementation of the projects to date is provided in the table below.

Table 40: Public Transport Component Project Review

Project code	Project name	Project description	Planned processes and deliverables	Implemented processes and deliverables	Current status of project
PT2	Development of Transport Devolution Strategy & Programme for Provinces	The project provides technical support to cities to assist them in acquiring the provincial public transport function	(i) The programme awaits the opening of a political window of opportunity. (ii) Note on Devolution will be tabled for discussion at IGR department	A technical report describes the interventions required to devolve this function. The majority of cities do not want the function, but the City of Cape Town obtained the function after a lengthy process.	Dormant
PT3	National Capacity Building Strategy	The project seeks to strengthen the capacity of the DOT to ensure it is capable of fulfilling its legislated mandate in the public transport sectors, but particularly with regard to the city specific areas.	Support include: (i) Technical capacity hinged upon IPTN; (ii) Continue with phase 2 of data project; (iii) Continue with production of knowledge products (iv) Refine need for and define long-term capacity building assistance	Phase 1 of data project resulted in a status quo report	Active
PT4	Review of City IPTs and IPTNs	Assist cities to relook and rethink their IPTN strategies	Workshops to assess various modules of IPTN formulation Will result in guideline for IPTN formulation and practice in SA Include an assessment toolkit for city budget applications	Three cities have been prioritised: (i) Joburg (PT4 – COJ10) (ii) Tshwane (PT4 – TSH20) (iii) NMB (PT4 – NMB13)	Active
PT5	Study on MBT Industry Innovation and Integration	Rethink the role of MBT in the IPTN	Well aligned to reform and change agenda of cities, and hence important to pursue.		Procurement required
PT7	Development of Transport Devolution Strategy & Programme for Metrorail	The project provides technical support to cities to assist them in acquiring the rail function	No technical work is planned, but an opportunity will be sought to influence the opening of a “political window” for the devolution of the function. A decision was taken by City of Cape Town, in October 2017, to pursue the devolution of the rail planning function to the City.		Dormant except for City of Cape Town

Project code	Project name	Project description	Planned processes and deliverables	Implemented processes and deliverables	Current status of project
PT9	Innovative ways of funding PT infrastructure and operations		Project is not prioritised due to time limitations		Dormant
PT10	Review of the Fiscal Architecture of Public Transport Financing	This project supports the creation of a system for allocation of public transport finance, that allows for greater efficiency, accountability, transparency Single workstream dealing with longer term reform to public transport financing regime	Priority to produce broader fiscal architecture work, with detailed analysis of provincial bus system and passenger rail  Need to procure service provider for work on provincial bus analysis.	PTNG technical work influenced a more rigorous budget processes and assisted with reform to the grant framework.	Active
PT14	Annual PTNG support	Support for annual cycle of PTNG hearings	Priorities for: (i) Finalise reforms of PTNG, incl 20% incentive (ii) Report on PTNG hearings (iii) Provide pre-hearing technical briefs	Continued support for hearings dealing with financial sustainability of PT systems	Active

### 8.8.4 Climate Resilience and Sustainability

#### Objectives

The objective of this component is to assist cities to scale up their climate adaptation and mitigation interventions through leveraging available global funds and accessing global experience and expertise. It focuses on approaches to mainstream climate resilience and sustainability issues across the major infrastructure sectors managed at city level (National Treasury 2015b).

This is a transversal component that also serves to convey national government's expectation of cities to play a key role in a national climate change response. In developing the "green city" agenda in South Africa, this component complements on-going discussions on renewable energy and climate funds. It provides a clear, global commitment to addressing climate change issues at city level and aims to leverage available global climate finance.

This component strengthens the implementation capabilities of cities with regards to environmental management and climate change resilience. It also provides support to national departments to play a facilitatory and support role to cities. To date, CSP has not undertaken extensive work in this component with metros at the project level. The work done to date has engaged the Department of Environmental Affairs and relates to national level activities.

#### Institutional Arrangements

This component is managed by Anthea Stephens who was appointed in December 2016.

CSP is working with DEA with a specific focus on climate finance and securing grant reforms. Within DEA, CSP is engaging with officials located in the Climate Mitigation and Adaptation field. These officials are located within the special programmes unit that is concerned with socio-economic sectors. DEA is trying to incorporate CSP into other collaborative government committees that are focussed on addressing similar issues though this is still in the early stages.

There has been some work underway to try and refocus the climate resilience agenda so that it places greater emphasis on issues related to creating a low-carbon economy – one of the major changes that is crucial to creating a sustainable city and reducing environmental impact.

This has come about through engagements with DEA on the initial proposed programme of work, and how CSP can fit into activities that are currently underway, particularly those that relate to international obligations and commitments. CSP has also had engagements with ICLEI, GIZ.

At the time of undertaking the evaluation, the CR component lead has not initiated any CR projects at the metro level as yet, though has identified possible projects.

#### Projects

The projects undertaken are shown in the table below

**Table 41: Climate Resilience: Projects by Sub-Component**

Sub-component	Projects undertaken
Enabling Environment	<ul style="list-style-type: none"> <li>Diagnostic on CSP Approach to Environmental Sustainability &amp; Climate Resilience (CR1)</li> <li>Aligning Climate Resilience with Pro-Poor Urban Economic Growth (CR10)</li> <li>Climate-Resilient City Plans and Budgets (CR11)</li> </ul>

Sub-component	Projects undertaken
	<ul style="list-style-type: none"> <li>Regulatory Streamlining (CR14)</li> </ul>
Climate Finance	<ul style="list-style-type: none"> <li>Review of Intergovernmental Grants (CR12)</li> <li>Climate Finance Support (CR13)</li> <li>Finance Solutions for Improving Water and Sanitation (CR15)</li> </ul>
City Support	<ul style="list-style-type: none"> <li>City Support for Climate-Proof City Plans and Budget (CR15)</li> </ul>

Source: CSP Quarterly and annual reports and project sheets

Further details on the implementation of the projects to date is provided in the table below.

Table 42: Climate Resilience Component Project Review

Project code	Project name	Project description	Planned processes and deliverables	Implemented processes and deliverables	Current status of project
CR1	Diagnostic on CSP Approach to Environmental Sustainability	To develop a coherent component plan for the CR component of the CSP that reflects the transversal nature of climate resilience in an urban economic growth context.	Diagnostic Report Workplans and project sheets	Environmental Sustainability and Climate Resilience Diagnostic Report by Linda Manyuchi (2015)	Complete
CR10	Aligning climate resilience with pro-poor economic growth	This project will seek to identify climate risks facing key urban infrastructure and service delivery sectors and provide a framework of analysis for the planning, policy and fiscal reform as well as investment priorities to address these risks.	1. Report on the cities climate resilience analysis that includes: (a) city climate resilience indicators, (b) inputs/framework of analysis for BEPPs, (c) inputs/framework of analysis for grant reform, (d) policy brief 2. Report on the high-level expenditure review and finance needs analysis		
CR11	Climate-resilient city plans and budgets	This project will focus on mainstreaming climate resilience in local government by supporting the development of climate-proof city plans such as BEPPs, IDPs and associated spatial tools and budgets	Guideline/toolkit for "climate-proofing" city plans (e.g. BEPPs and IDPs)		
CR12	Review of intergovernmental grants	This project will identify and promote reforms to the intergovernmental grant framework that strengthen the sustainability, resilience and investment returns of infrastructure development and service delivery.			
CR13	Climate finance support	This project will aim to improve the clarity, coordination and capacity in accessing climate finance, particularly to enable cities to scale up their			

Project code	Project name	Project description	Planned processes and deliverables	Implemented processes and deliverables	Current status of project
		efforts towards greater resilience, economic growth and a reduction in poverty and inequality.			
CR14	Regulatory streamlining	This project will support processes to achieve the necessary regulatory clarity, and where necessary, regulatory reform.	Report and inputs (e.g. memo) into the annual budget process		
CR15 (link to ED10)	Finance solutions for improving water and sanitation	This project will take forward the recommendations from ED10 that identify opportunities for innovative finance solutions to help improve the resilience of cities and the livelihoods of urban residents most at risk from service delivery failure. This includes exploring private finance options to address non-revenue water losses and informal settlement sanitation.			
CR15	City support for climate-proof city plans and budgets	City-level projects linked to foundational projects will be developed.			

### 8.8.5 Economic Development

#### Objectives

The objective of this component is to provide transversal support to city governments to refocus their economic development activities on increased formal economic activity and the facilitation of livelihood opportunities. The purpose of city activities to promote economic development should be to provide effective platforms for local economic activity. (National Treasury 2015b)

This component did not form part of CSP at its inception. At the inception of CSP, economic development underpinned work across the other four components. It has subsequently been structured into a distinct component of work with specific sub-components.

Economic Development comprises the following three sub-components:

- **Leadership, Strategy and Planning**, which supports metro leadership in their Economic Development orientation.
- **City Support**, which provides tools that metros can use to become more Economic Development- friendly.
- **Enabling Environment**, which supports national policies and frameworks to support Economic Development.

#### Institutional Arrangements

The ED component is managed by Roland Hunter. He is listed as the project manager for most of the ED projects – although this is not always a reflection of his direct responsibility to the project because there are appointed contractors who have assumed primary project management responsibilities for some of the projects. ,

Other institutions that participate in this component varies by project and includes for example City EDs for Planning, Infrastructure and Finance; SACN, dti, CIPC, Compensation Commission, Deeds Office, SARS and the World Bank

Many of the projects seek to involve selected metros in sub-projects and applications of projects that can serve as case studies and learning experiences. In some instances, metro-level uptake of offered projects has been too slow.

#### Projects

The projects undertaken in respect of each sub- component are shown in the table below

**Table 43: Economic Development: Projects by Sub-Component**

Sub-component	Projects undertaken
<b>Leadership &amp; Planning</b>	<ul style="list-style-type: none"> <li>• City economic strategy, planning and partnering (ED9)</li> </ul>
<b>City Support</b>	<ul style="list-style-type: none"> <li>• Subnational Cost of Doing Business (ED1)</li> <li>• Informal and Township Economies (ED8)</li> <li>• City Investment Promotion (ED15)</li> <li>• City Public Employment Innovation (ED16)</li> </ul>
<b>City Economic Strategies</b>	<ul style="list-style-type: none"> <li>• Asset Management &amp; Service Delivery Support (ED10)</li> <li>• Urbanisation Review (ED11)</li> <li>• Data Working Group (ED14)</li> </ul>

Source: CSP Quarterly and annual reports and project sheets

Further details on the implementation of the projects to date is provided in the table below.

Table 44: Economic Development Component Project Review

Project code	Project name	Project value	Project description	Planned processes and deliverables	Implemented processes and deliverables	Current status of project
ED1	Sub-national cost of doing business	R34,459,680	To ensure that city regulatory and administrative performance in respect of economic activities is improved by regular benchmarking of the cost and efficiency of city services and processes.	For each of the components of the sub-national Doing Business (Construction Permits, Getting Electricity, Registering Property), the following activities are planned: (a) Peer learning event (b) Joint programme of “as is” and “to be” process mapping in 5 cities (c) Per-city work in complementary additional reforms to improve the process; (d) development of proposal for common national platform for all cities and appropriate reform initiatives. Second survey (a) manage survey process (b) launch second Doing Business report.	Peer learning events have been hosted for Getting Electricity, Construction Permits and Registering Property. First draft action plans have been developed for all three activities. Implementation of action plans has commenced in respect of Construction Permits and Getting Electricity.	In process
ED8	Informal and township economic activities	R800,000 (plus R1,395,200 from ED12?)	Review existing research into the informal sector, review international experience of supporting informal economic activities, generate report, host workshop for city governments, generate and distribute learning product. The township economy element will have three aspects (i) working with ERLN and city governments on process which should increase the two-way flow of economic development-related data between city governments and national departments; (ii) contracted analysis of the spatial dimensions (intra-city) of city	Appointment of contractor, design workshop, household survey, draft report, workshop, report finalisation.	Contractor was appointed and design workshop was held. Household survey has been completed	In process

Project code	Project name	Project value	Project description	Planned processes and deliverables	Implemented processes and deliverables	Current status of project
			economic development. The special focus here will be how to promote the development of township economies.			
ED9	City economic strategy, planning and partnering	R2,354,000 (plus R7,168,000 from ED13?)	Four elements: (a) research into and definition of appropriate ways of including and/or re-enforcing inclusive economic growth strategies in city IDPs, BEPPs and budgets; (b) detailed work with four selected city governments on creating a transversal ED function, based on international experiences and best practises, adapted as appropriate for local circumstances; (c) workshops and knowledge products to spread the knowledge and experience more widely, and (d) establish partnering as a standard approach to city government economic development initiatives .	(a) Literature review and think pieces on ED planning, IDP & BEPP; (b) Detailed engagements by international experts on transversal ED management with 4 cities (the four should be selected on the basis of willingness and ability to absorb the engagement); (c) Short think pieces, plus one-day workshop on transversal management and ED planning; (d) Knowledge dissemination consolidating ED experiences Developing effective partnerships: 1. Select appropriate city governments. . Visit city to select appropriate challenge or opportunity to be addressed. 3. Conduct background research into challenge or opportunity and interview relevant stakeholders. 4. Design and prepare partnering workshop. 5. Conduct partnering workshop, which should generate a work programme. 6. Support work programme so that partnering approach is nurtured.	Detailed engagement with two selected cities. Think pieces on ED planning, IDP & BEPP  Partnering workshops held and initiatives launched in first two cities.	In process
ED10	Asset management and service delivery support	R1,760,000	Will develop recommendations for greater coordination between policy priorities and investment programmes in major municipal infrastructure and services sectors, including water,	Reviews of water sector, electricity, solid waste. Development and finalisation of reports on each sector	Reviews, reports and recommendations finalised	In process

Project code	Project name	Project value	Project description	Planned processes and deliverables	Implemented processes and deliverables	Current status of project
			sanitation, energy and solid waste. It will proceed on a sector basis, using city level case studies to complement sectoral reviews.			
ED11	Urbanisation review	R11,840,000	Research, analysis and policy engagements on urbanisation	(a) drivers of household decisions of where to live (including proximity to jobs, better amenities and access to services). (b) drivers of firm / business location decisions; (c) evolution of spatial organization within cities and the cost associated with spatial distortion in the urban economy; (d) land market; ( e ) output market; (f) city -specific calculation of welfare cost of job-housing-transport disconnects; (g) bigger picture view of urban finances; (h) special economic zones; (i) housing policies (j) metro-scale integration of transportation and logistics, land use, housing, and economic policy; (k) revenue and expenditure patterns and the long-term fiscal sustainability of urban services and finances.	Five research missions completed, 6 reference groups sessions convened.	In process
ED14	Data Working Group	R14,199,680	To improve the availability of reliable data to support city decision-making on economic development, and also outcome assessments of city economic performance; and to improve data- and information-sharing between city governments and national departments and agencies	Generate costed project proposals (to establish systems to regularly collect and collate (on a standardised basis) data on valuation rolls, building plans, income and other economic data held by city governments and national departments and agencies); present to CSP management; procure capacity to implement;	3 projects planned and budgeted and three procurements completed	In process

Project code	Project name	Project value	Project description	Planned processes and deliverables	Implemented processes and deliverables	Current status of project
				implement; test results. The DWG can act as a steering committee for the projects		
ED15	City investment promotion	R3,568,000	To establish professional investment promotion capacity in four metros and to spread knowledge of how such capacity should work to other metros and municipalities in general; to link to and support national investment promotion efforts; and to link to and support ED1: SNDB	Conduct an intensive scoping visit to develop proposals for specific support programmes which could include (a) structured workshops with key stakeholders to generate common city focus on specific sectors, prioritization and operational approach to investors; (b) sharing international best practise investment promotion agency experiences and lessons, to extract relevant learning and knowledge to apply locally; (c) collaborative / participatory development of a comprehensive investment strategy; (d) if appropriate, assistance to establish and resource a professional, focused, and well-resourced investment promotion entity; (e) investment process mapping and review of existing investors, to improve the investor experience; (f) assistance to establish a structured aftercare program. Once progress has been achieved on the individual metro investment promotion activities, multi-city workshops will be held to share the experiences gained. Learning products will also be produced.	Scoping visits to first two cities, development and implementation of support programmes	In process

Project code	Project name	Project value	Project description	Planned processes and deliverables	Implemented processes and deliverables	Current status of project
ED16	City public employment innovation	R900,000	To prompt greater and more innovative use of public employment schemes by city governments	<p>Review the way that current incentive grants and other funding sources are being used to support public employment by city governments; review the scale and scope of public employment schemes that city governments are implementing; workshop for city governments to present this data and suggest ways in which cities could make greater and more productive use of the funds available.</p> <p>Support four city governments who seek to make greater and more innovative use of the funds available; host workshop to review the results of the innovations applied; produce a learning product for use by other city governments and municipalities generally.</p>	Draft report completed and a work shop held to address innovation	In process

### 8.8.6 Summary of Outputs by Component

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 (captured in the tables in the previous sub-sections). 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 45: 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"> <li>Four executive development workshops</li> </ul>		<ul style="list-style-type: none"> <li>Public transport leadership workshop (2014)</li> </ul>	<ul style="list-style-type: none"> <li>Economic Development leadership workshop (2015)</li> </ul>	
Knowledge outputs	<ul style="list-style-type: none"> <li>Citizen engagement assessment scorecard</li> <li>Packaging of municipal financial data</li> <li>Municipal money analysis tool</li> <li>Fiscal impacts model</li> <li>Quarterly Municipal Borrowing report</li> <li>Quarterly PPF Status Report</li> <li>Diagnostic paper on PPF sustainability, internal governance and alignment of facilities</li> <li>Land Value Capture Instruments Toolkit</li> <li>Social Environment Management (SEM) SEM tools and practices</li> <li>City Infrastructure Delivery and</li> </ul>	<ul style="list-style-type: none"> <li>Residential market reports for eThekweni, Cape Town and Mangaung.</li> <li>Final residential markets report on understanding of residential markets</li> <li>Draft report on demand side subsidy instruments</li> <li>Report on the status of land parcels in metros</li> <li>Urban land use management work (linked to SPLUMA)</li> <li>Scoping Report on Informal Settlements Upgrading Good Practices</li> <li>Draft Informal Settlements Upgrading toolkit</li> <li>Backyard incremental development peer learning notes</li> </ul>	<ul style="list-style-type: none"> <li>Status quo report for the National Capacity Building Strategy</li> </ul>	<ul style="list-style-type: none"> <li>Sub-National Doing Business review and action plans</li> <li>Informal and township activities survey</li> <li>Think pieces on ED planning, IDP &amp; BEPP</li> <li>Asset management and service delivery reviews and reports</li> <li>Draft report on city public employment innovation</li> <li>(Five urbanisation research missions completed, and 6 reference group sessions convened)</li> </ul>	<ul style="list-style-type: none"> <li>Environmental Sustainability and Climate Resilience diagnostic report</li> </ul>

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

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

## 8.9 Appendix 9: Operational Guideline Extract – PMU Overview

### Purpose and Strategic Objectives of the PMU

The **purpose** of the Programme Management Unit (PMU) is to provide the strategic leadership, technical management, coordination of CSP implementation programme and ensure coordination with the activities of the IGR Division and the National Treasury more broadly. The **strategic objectives** of the PMU are to align, coordinate, manage and evaluate CSP activities towards the achievement of programme results, including:

- Supporting the IGR division with development of the enabling regulatory and fiscal environment for cities to facilitate faster and more inclusive urban economic growth, with a particular focus on infrastructure financing and delivery frameworks, human settlements development and public transport services;
- Managing implementation support to cities;
- Fostering clear governance and accountability lines between the National Treasury and its strategic partners pertaining to programme oversight and the strategic direction of the programme;
- Maintaining and expanding stakeholder networks with strategic partners and framework service providers (the DBSA and World Bank) in achieving programme objectives;
- Providing strategic support to the DDG: IGR and other chief directorates in the division by providing a programmatic approach that aligns fiscal instruments, policy reforms and technical support for metropolitan municipalities;
- Reinforcing the CSP's capacity and organisational strength to meet challenges of the programme as a mechanism for change.

### Core PMU Functions

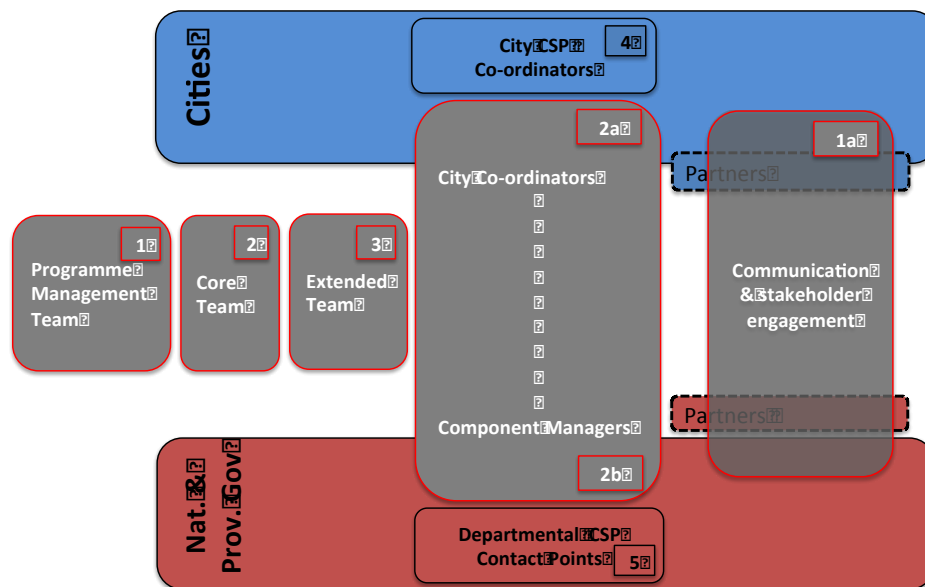
Following from the purpose and strategic objectives of the CSP PMU, the core functions of the unit are:

- The planning, coordination and oversight of the overall work programme at component and city levels, including:
- Managing critical operational aspects of the CSP programme, and ensuring regular reporting on progress with programme implementation, linked to measurable results;
- Support the planning and managing of partnerships with public and private sector stakeholders to address the technical support requirements in cities and relevant national sector departments;
- Managing technical partnerships with institutions such as the World Bank, the DBSA, other international DFI's, development and donor agencies to deliver on the programme objectives and outcomes;
- Monitoring and evaluation of the performance of the programme in achieving the desired outcomes and impacts identified within the CSP results framework.
- The coordination, design, implementation, oversight and evaluation of projects executed within individual programme components, including:
- The establishment and maintenance of partnerships with key sector stakeholders;
- The conceptualisation, design and execution of specific projects within components;
- Oversight of the appointment of technical specialists to undertake diagnostic studies and provide technical support to identified sectors.

- The coordination, design, implementation, oversight and evaluation of projects executed within individual participating municipalities
- The establishment and maintenance of relationships with key city-level partners
- The conceptualisation, design and execution of specific projects within participating cities
- Oversight of the appointment of technical specialists to undertake diagnostic studies and provide technical support to participating cities

### Programme Functions

The responsible people and teams to implement the CSP outputs are reflected in the diagram below.



The **Programme Management Team** (see 1 on the diagram) comprises the Programme Manager, Programme Administrator, Strategic Support Manager, Operations Manager, Programme Coordinator, Stakeholder Engagement and Communications Manager. This team is responsible for the overall management of the programme which includes strategic leadership, planning, monitoring and evaluation, reporting, financial and contract management, administration, stakeholder engagement and communication and knowledge management (1a).

The **Core Team** (see 2 on the diagram) comprises a group of contracted individuals which is responsible for three functions: leading the five components of the CSP and managing specific projects that fall within the components (2a); and co-ordinating the activities of the CSP within the cities themselves (2b). It is by design that, in most cases, the service providers that fulfil these roles have both component and city responsibilities which illustrates the skills and experience relating to the national and city spheres of government which are required by this team.

The Programme Management Team and Core Team are reflected in an organogram format below.

The **Extended Team** (3) comprises service providers (companies and individuals) who are contracted for their specific expertise to deliver products or processes at the component and city levels. The method includes both medium term contracts and “just in time” (i.e. immediate to short-term) contracts. These experts are contracted through panels of service

providers which are administered by the NT through various framework service provision agreements.

Within the cities themselves, there are officials designated as **CSP Co-ordinators** (4). These officials are responsible for co-ordinating the activities of the CSP in their cities and in managing certain projects identified within the CSIPs.

The national departments will also identify **Departmental Contact Points** (5) who will function as the interface between the component managers and the relevant national departments. They will be responsible for co-ordinating the support of the CSP within their departments.

### CSP Organisational Structure

The proposed organizational structure endeavours to institutionalize core capabilities required for programme management, while remaining sufficiently flexible to respond to future needs until the end of the programme life (March 2018). The PMU will report strategically to the DDG: Intergovernmental Relations and operationally to the Chief Director: Provincial and Local Government Infrastructure, within the IGR Division. The proposed organizational structure consists of core programme management, component leadership for the 5 components of the programme and city coordination functions for the eight participating metropolitan municipalities in the programme.

The human resourcing strategy for the programme is based on an assessment of required level of effort associated with these functions, as well as the importance of effectiveness of personnel in the programme. This results in the combination of functions of component leadership with city coordination in individual task assignments, significantly reducing overall human resource requirements for the programme (and by association the transaction costs), but raises the level of seniority required to effectively perform both component and city function. It results in a proposed total human resource requirement of 13 full-time equivalent positions.

The proposed organisational structure distinguishes between four broad functions required for the effective execution of the programme:

- A Programme Manager (1 position), responsible for the overall direction and delivery of the CSP, and the management of all programme personnel).
- A Programme Management Team (programme manager plus the following 6 positions), including:
- An Operations Manager, Programme Coordinator and Administrator (3 positions) responsible for internal management, supply chain management, financial management and reporting requirements for the programme.
- A Strategic Support Manager and Monitoring and Evaluation Officer (2 positions) responsible for the programme results framework, programme and project planning, monthly and quarterly monitoring and annual evaluations. The Strategic Support Manager function also includes the role of city coordinator in one participating municipality.
- A Stakeholder & Communications Manager (1 position), responsible for stakeholder management, programme communications and knowledge management functions. Based on level of effort, this function includes the role of city coordinator in one participating municipality.
- Component Leaders and City Coordinators (5 positions), responsible for the strategic management and implementation of a programme component, the design and

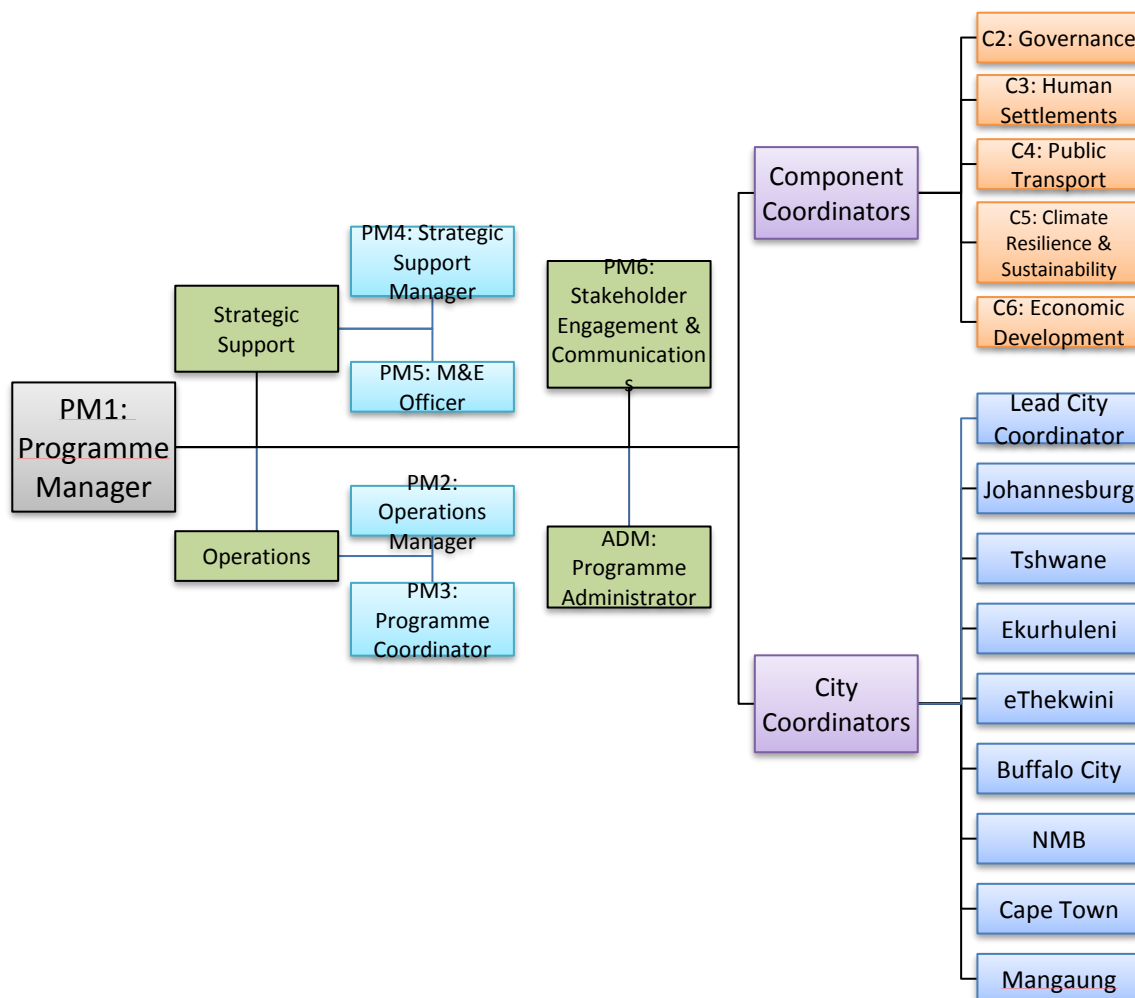
management of individual projects and consulting teams within a component as well as the City Coordination function in one participating municipality.

- Lead City Coordinator (1 position), responsible for strategic management and coordination of the programme operations across participating municipalities, as well as the coordination functions in one participating municipality.
- Project Manager (1 position)

It is envisaged that the proposed PMU structure will support the National Treasury and government more broadly to assist the metropolitan municipalities with the transformation of their cities (spatially, operationally and at a leadership level) so as to bring about more inclusive economic development in the country. The PMU will provide strategic foresight under the guidance of the Intergovernmental Relations Division and will establish a platform for a sustainable short and medium term integrated approach to supporting cities to ensure financial sustainability and facilitate economic growth.

The CSP has been designed to operate until 31 March 2018 in its present form, and will be subject to an evaluation of its effectiveness in the latter stages of the current programme duration

#### CSP Organogram



Source: CSP (2010) Operational Guideline Version 1, May 2010

## 8.10 Appendix 10: RAS Deliverables Agreed

	Activity	Notes
Competitive Cities	RSA Subnational Doing Business Exercise	Project prep, management and final report. Data collection, analyses, production of report; communications strategy (including website development) and final national conference.
	Business and economic activity mapping exercise at city level as a tool for feeding into land use planning and management processes	Includes 3 lead advisors; a series of missions to SA; diagnostics, prep and planning. Establishing 'brains trust' for on-going M&E
	International workshop or seminar on state-of-the-art thinking in LED.	2/3 international experts on LED who will plan, present and make recommendations. All other logistical planning and inclusion of local experts (from local government, DTI, NT, etc)
Enviro & Social Management	Analysis of current practices for social and environmental management of investment projects at the city level	2x Global experts in <i>social</i> and <i>environmental</i> management of investment projects to visit including: (i) Contribution to and review of work of local service provider; (ii) Visits to two cities; (iii) Design and facilitation of national workshop (See below); (iv) Summary high level report covering issues, relevant global experience, policy and implementation (operational) options and specific recommendations
	International seminar/workshop on implementation challenges in environmental and social management	2 international experts who will plan, present and make recommendations. All other logistical planning and inclusion of local expertise. Regional initiatives like BRICS included as appropriate. Likely to include Brazil and Bogota as a follow on from expert visit
Infrastructure Finance	City-level infrastructure finance review: drill down on infrastructure needs, finance options, and structuring, including: (i) assessment and evaluation of current practice in selected cities; (ii) Report and recommendations for city; (iii) City Workshop	Includes project prep, management and final report. Assumes several senior, multisectoral missions doing data collections, analysis and engagements with relevant teams at city level. Will map to Pedro Ortiz' high level planning work as well as analysis of options for municipal finance instruments which could be used to support infrastructure development.
	Workshop on risk financing / insurance / risk transfer approaches	Includes data review of risk transfer approaches, financing. Financial viability of cities assessed, comparative city-specific approaches led by senior experts. Workshop to assist with benchmarking and final report on findings with implementation recommendations.
	National workshop on global review of urban infrastructure finance instruments (project and program specific)	Expertise and comparative review of LAC, possibly Australian, other relevant local work done. Workshop logistics and planning.
	City level project finance review: Expert panel "thesis defense" of two urban regeneration project proposals	A team of 3-4 senior people, mostly private sector and outside Bank. Critical review of projects, analyses, proposal for improvement, etc. final report capturing the findings and recommendations.
PFM and Governance	Analysis of social accountability mechanisms for municipal governance	1x Global experts in <i>social</i> accountability and citizen engagement in urban contexts to visit including: (i) Contribution to and review of work of local service provider (esp conceptual framework and instruments); (ii) Visits to two cities; (iii) Design and facilitation of national workshop (See below); (iv) Summary high level report covering issues, relevant global experience, policy and implementation (operational) options and specific recommendations
	International seminar/workshop on implementation challenges	2/3 international experts who will plan, present and make recommendations. All other logistical planning and inclusion of local expertise. Regional initiatives like BRICS included as appropriate.
	Support to SACN quarterly leadership interventions (specialist inputs)	Includes WBI team travel, materials production, UCT partnership costs. Does not include participant costs.
Land and Housing Markets	Quality assurance for the bi-annual human settlement reviews in two cities per year	Includes establishment of informal peer-review team to assess two cities' HSRs per year. Final seminar in RSA to share findings and integrate recommendations into report. Includes (i) expert contribution to study design / scope; (ii) desktop review and comments on HSRs; (iii) annual visit to reviewed cities (including seminars and

	Activity	Notes
		newspaper articles)
	Human settlements funding performance review	To undertake (i) performance review of financing arrangements for human settlements, including report, workshop and recommendations; and (ii) fiscal performance assessment for the NUSP
	Analysis of regulatory and institutional framework for urban land use management	Regulatory impact assessment of urban land use management (environmental, heritage, housing, building and development control, engineering, land acquisition and land use regulations, norms, standards and practices), including: (i) visits, reviews and reports in three cities; (ii) national summary report and recommendations; (iii) national workshop
	Customize WBI Urban Land-Use Planning e-Course for RSA and roll-out	Develop in line with current MoU with NDHS. Partnership with appropriate entity locally to deliver e-course.
Integrated Urban Transport Planning	Evaluation of institutional arrangements for transport and land use planning in 2 metros and to engage in operational and finance reviews (joint WB/NT/DOT activity)	Includes a series of missions to assess current institutional arrangements with a view to developing an integrated, multi-modal strategic urban transport plan in two cities. Build on improving understanding of linkages, processes and issues impeding effective implementation. Identify and concretize alternative strategies to address these in line with current legislation (PTS).
	Workshop on specific city-level plans for TOD and linking transport to economic development.	Intensive drill down and analysis of Johannesburg's TOD. Includes 3 senior level experts, using cross-city comparisons as appropriate to focus on improving strategy for links of transport to effective economic development. Includes logistics support and planning.
Integrated Urban Transport Planning	Design of a multi-year capacity building strategy for Integrated Urban Transport	Partnership with local educational institution(s) to anchor a broad-based capacity building program. Could be done in conjunction with international university (e.g. UC Berkeley) or Bank established school in Singapore to adapt curriculum it to specific SA requirements. 150k covers strategy design, not full rollout.
	International workshop on financing issues in urban transport (PPP models, contingent liability assessment, risk allocation, etc.)	Workshop to draw on urban transport financing mechanisms and models with city-specific examples and participation. Includes the planning, presentation and final workshop report with recommendations.
	Delivery of Leaders in Urban Transport Planning training, focused on / participation limited to SA metropolitan municipalities, DOT, NT.	Includes customization of course for RSA of Singapore course (eg, modules on managing conflict, taxi sector). Possibly delivered in partnership to be established with local training institutions/ Leadership Academy.
	Analysis and Report on Methodological Issues and Institutional/Legal Issues related to Tariffs	For 2014; details to be determined during first year work program.
	Review of fiscal issues and options for financing PT in terms of NLTA	Includes assessment of existing grant mechanisms, subsidies, and financing instruments. Senior consultant on transport to ensure continuity.
Program Mgmt	Overall support for program management, policy analysis, and quality enhancement (including inception visit to Washington)	Includes support by the Bank team on an ongoing and periodic manner. For example, (a) review by Bank staff of technical inputs developed under the framework contracts; (b) review of terms of reference; (c) a quarterly or semi-annual high-level peer review of the ongoing program; (d) just-in-time policy and analytical work that might arise during the course of the year

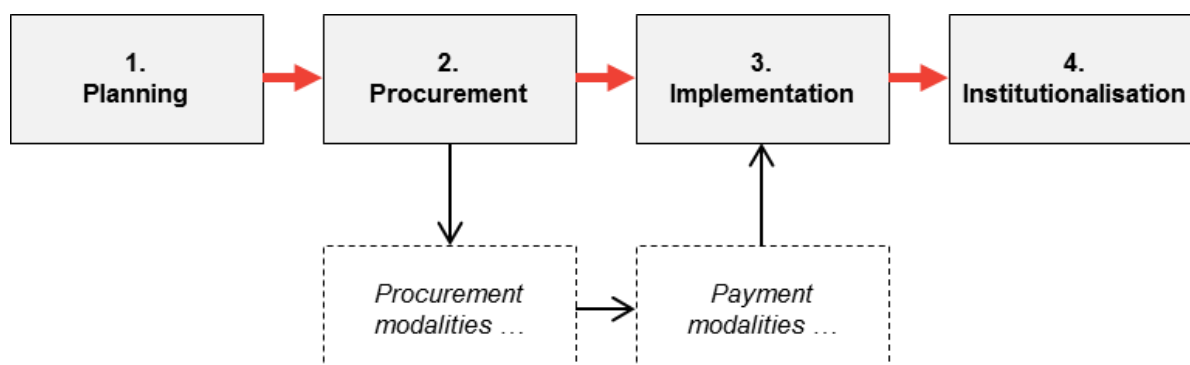
Source: CSP, 2012

## 8.11 Appendix 11: Project Process

### 8.11.1 High-Level Process Overview

Broadly the **project process** comprises 4 key phases.

Figure 25: High-level Project Process Overview



- 1) **Planning Phase:** Project identification starts with a project request. This process is formal, for instance through a City Needs Assessment (CNA). The CNA is intended to: a) Identify gaps in the metros to achieving urban transformation, b) Develop recommendations to address these gaps and c) Inform a Capacity Support Implementation Plan (CSIP) to address the gaps with appropriate interventions that will make a difference to conditions on the ground. The CNA in each Metro culminates in a City Support Implementation Plan (CSIP). These plans are developed in close consultation with each Metro and are signed-off by the Metro Leadership. This effectively forms the “project charter” for the CSP’s engagement in each Metro.

Alternatively, project identification may occur through the development of Component Plans (often informed by the larger CSP and partners’ agenda’s, for instance the National Treasury local government policy and fiscal reform agenda, specifically through the City Budget Forum).

Once a project is identified these are scoped and budgeted. This is captured initially in a Summary Sheet and then into a Project Sheet. This is undertaken by the Component or City Lead. In essence each Project Sheet sets out the purpose / objectives of the project, the client, its strategic alignment (outcomes supported) the key activities and sub-deliverables, the budget, timelines as well a proposed procurement (if required, for instance for specialist service providers). The Project Sheet includes a check list that covers Monitoring and Evaluation, Components Leads, Operations Management, and Programme Manager reviews and approvals. The project is required to be reviewed by these team members and approved in order to proceed. At the planning stage the project manager (whether City or Component Lead) is also required to prepare any terms of reference that may be necessary to implement the project. If agreed to by these team members, the project is formally recognised and included in the CSP’s plans and project tracker system. Projects Sheets are submitted to the Chief Director: PLGI for final approval.

Projects Sheets are reviewed on a regular basis. Specifically, if there has been no movement on a project for a year the Project Sheet is revised. The primary tool for the tracking of projects is the Project Sheet system. This is an Excel-based database (now in its 48<sup>th</sup> version) that captures all agreed projects. Additionally, since 2016, the CSP has prepared a comprehensive Annual Plan which captures all the projects planned for delivery in that year.

- 2) **Procurement Phase:** The first element of the procurement phase is a Terms of Reference for the project (see above). Once the Terms of Reference has been developed it needs to be approved in line with a specified process which indicates who needs to approve the project and the time frame within which this must occur. A procurement tracking tool enables the CSP to monitor progress of procurements against key milestones as set out in the Operational Guideline.

The CSP procures through four main channels – National Treasury SCM; the DBSA, GTAC and the World Bank which enable the CSP to access professionals service providers and resources from their respective databases and panels. Procurements are directed mostly in accordance with the specific theme areas and projects identified. Specific Framework Contracts exist with the World Bank and the DBSA to procure specialist skills and service providers.

- 3) **Implementation Phase:** Implementation occurs against the agreed Annual CSP Plan as well as individual project plans (as set out in the Project Sheets). The management of the implementation is the responsibility of the Component leads and City coordinators.

Typically, implementation comprises an inception phase, implementation activities and close-out. Close-out occurs at two levels – the first is contractual in respect of the client and service provider; the second is administrative closure. The latter is signified by the completion and filing of a Closure Report from the respective Lead. In some instances, projects will also be managed in line with its own project charter – for instance where projects are large and complex and include multiple sub-projects.

During implementation the primary role of the PMU is to support and monitor project delivery. This is closely tied into the reporting process. At minimum project managers are required to report monthly on their activities and on a quarterly basis will review annual plans against progress and undertake any revisions required.

A key element of the implementation process is the payment of PSPs as well as monthly billing on the part of the CSP core team. In respect of invoice processing and payment the CSP has set out an agreed process and performance timeframes (see **Appendix 11**). These are modified depending on the source of the contract.

- 4) **Institutionalisation Phase:** The final phase of the project cycle comprises institutionalisation. This has been elevated in the current Annual Plan as a priority. In summary this comprises the effective dissemination of learning and knowledge outputs from the CSP and consolidation of the CSP's activities. This is closely wound-up with the CSP knowledge management and stakeholder communications efforts. A key component of this phase is the production, approval and filing of a final project Close-out report which signal formal project closure. The current data indicates that only 11 projects are formally closed.

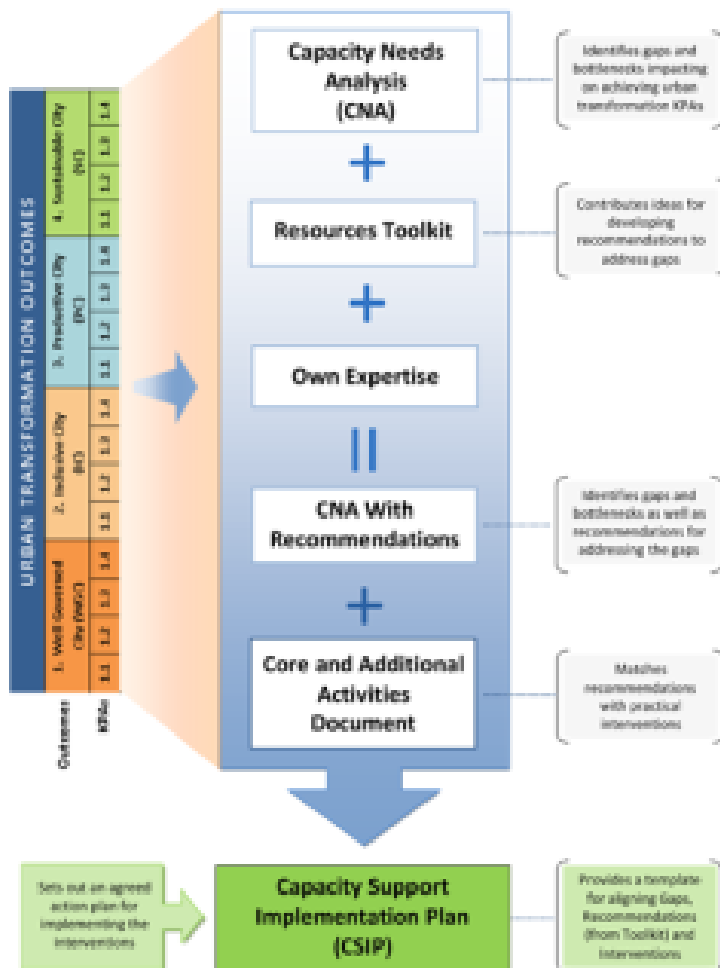
Set out below is further detail on each phase.

### 8.11.2 Detailed Process Overview

#### 1) Planning Phase

The broad process from CNA to CSIP is illustrated below.

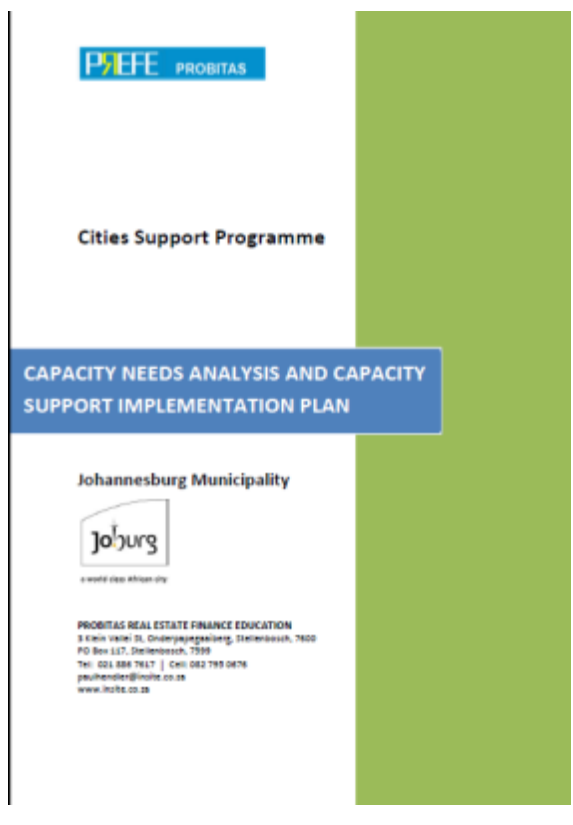
Figure 26: CSP Needs Assessment & Support Planning Approach



Source: CSP, 2014

Project identification starts with a project request. This process is both formal, for instance through a City Needs Assessment (CNA). The CNA is intended to: a) Identify gaps in the metros to achieving urban transformation, b) Develop recommendations to address these gaps and c) Inform a Capacity Support Implementation Plan (CSIP) to address the gaps with appropriate interventions that will make a difference to conditions on the ground.

Figure 27: Example of a City Needs Assessment



Capacity Needs Analysis & Capacity Support Implementation Plan		Page 1
1. Prioritized Constraints to achieving a Well Governed City	Recommendations <sup>1</sup>	
<b>1.1 Unfunded Mandates and lack of funding</b> <ul style="list-style-type: none"> <li>Close to a billion rand is being expended on unfunded mandates that are Provincial functions.</li> <li>Lack earmarked funding for Corridors of Freedom (CoF) project.</li> <li>Government funding grants are not keeping pace with the levels and extent of migrants on experience in CoF (funds to urban and foreign migrants).</li> <li>Procedures exist for assessing and consolidating master plans of land, but no clear procedure in the future for investing public funds to service private land that has been consolidated with municipal land.</li> </ul>	<b>1.1.1</b> Balance of accountability and responsibility between Local and Provincial govt (the unfunded mandates) needs to be addressed by National Govt. <b>1.1.2</b> Explore mechanisms for reviewing the size and speed of grant funding that takes account of significant increases in migrancy.	
<b>1.2 Fragmented approach to planning: Lack of planning skills and ability to implement plans</b> <ul style="list-style-type: none"> <li>Fragmented, sectoral approach to planning: City Planning not taking control of norms and standards against which all the other services should be benchmarked against the spatial plan of the city.</li> <li>Lack capacity and systems to work back from end-state planning (zoo-vision) in a deliberate, scientific and phased way to focus on implementation of plans.</li> <li>Need to resist the pressure for short-term delivery.</li> </ul>	<b>1.2.1</b> City Planning to develop norms and standards for planning against which all the other sectoral plans are benchmarked. <b>1.2.2</b> Skills and technical assistance on how to translate long term vision into implementable, actionable plans. <b>1.2.3</b> Technical assistance with how to plan the Corridors of Freedom (CoF) in a deliberate, scientific, phased planning approach.	
<b>1.3 Lack of financial skill</b> <ul style="list-style-type: none"> <li>Overall shortage of financial skills which points to an endemic problem in the Municipality with regard to skills acquisition and skills retention.</li> <li>Lack financial costing knowledge: how to cost the service, not the infrastructure? how to cost service development versus "outsource development"?</li> </ul>	<b>1.3.1</b> Assistance with how to cost the service, not the infrastructure. How to sequence different interventions to ensure a sustainable, sustained impact – what should be part of the package and in what order?	
<b>1.4 Lack of management and leadership knowledge and skills</b> <ul style="list-style-type: none"> <li>Policy of 3 year contract system for City Managers, heads of department, CEOs of entities and direct reports, results in loss of institutional knowledge and memory, lack of job security, insufficient time for senior staff to mentor others and transfer skills. All of this impacts on the City's ability to deliver services and retain knowledge of systems and processes.</li> <li>Lack of leadership and management skills.</li> <li>No one delegated to oversee, monitor and implementation of policies.</li> <li>Disc leaders, Senior and Middle managers are complacent about managing poor performance. They are intimidated by organized labour and so accept poor performance.</li> </ul>	<b>1.4.1</b> Investigate possibility of re-evaluating policy of 3 year contract system in relation to top executives' contracts, and employing to permanent staff. <b>1.4.2</b> Ensure that Performance Management systems clearly define performance requirements, and what measures will be taken for non-delivery, rather than on serving out a contract. Discourage coaching for Disc Directors and Senior Managers on how to be effective leaders.	

Source: CSP, City of Johannesburg Capacity Needs Analysis, 2014

The CNA in each Metro culminates in a City Support Implementation Plan (CSIP). These plans are developed in close consultation with each Metro and are signed-off by the Metro Leadership. This effectively forms the “project charter” for the CSP’s engagement in each Metro.


Alternatively, project identification may occur through the development of Component Plans (often informed by the larger CSP and partners’ agenda’s, for instance the National Treasury local government policy and fiscal reform agenda, specifically through the City Budget Forum).

Once a project is identified these are scoped and budgeted. This is captured initially in a Summary Sheet and then into a Project Sheet. This is undertaken by the Component or City Lead. The Project Sheet is based on the TAU (now GTAC) PMCoE Project and Programme Management Toolkit and captures the function of the Concept Note, Project Plan and Project Charter documentation.<sup>40</sup>

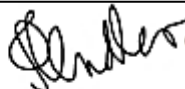
In essence each Project Sheet sets out the purpose / objectives of the project, the client, its strategic alignment (outcomes supported) the key activities and sub-deliverables, the budget, timelines as well a proposed procurement (if required, for instance for specialist service providers).

<sup>40</sup> In the early 2000s the then Technical Assistance Unit (TAU) in the National Treasury (now part of the Government Technical Advisory Centre), developed a Project and programme Management Toolkit for the South African Public Sector. This Toolkit was developed under agreement from the Canadian Government Project Management Centre of Excellence (PMCoE). The project management approach is based on the PMI PMBok model.


Figure 28: Example of a City Support Implementation Plan



national treasury  
Department of National Treasury  
REPUBLIC OF SOUTH AFRICA



CAPACITY SUPPORT IMPLEMENTATION PLAN



nelson mandela bay  
MUNICIPALITY  
PORT ELIZABETH | UPTOWN | DESPENTH

- External review of Municipality's SDF to assess its credibility, recommend how shortfalls (if any) should be addressed, and specify arrangements to communicate and mainstream its spatial logic and strategies across all Departments.
- External specialist review of ITPS in context of LTDS, specifically SDF component, and its implications.

These recommended activities are tabulated below in CSIP log frame format.

PROJECT / ACTIVITY	OBJECTIVE	GAP	CSP RESULTS CHAIN			IMPLEMENTATION ARRANGEMENTS		CSP FOCUS AREA <sup>3</sup>	TIME FRAME
			PRODUCTS	PROCESSES	POLICY OUTPUT	ACTION STEPS	RESPONSIBILITY		
CLUSTER (CREDIBLE PLANS FOR URBAN TRANSFORMATION)									
A3.2 Review of Strategic Development Challenges faced by a Municipality (CSP BE work stream) and A3.3 Specialist review and support to long term urban transformation planning (CSP BE work stream)	To develop, adopt and implement credible long term strategy that contributes to achieving the Vision of urban transformation.	There is no NMB long term development strategy that integrates the metro's social, economic, environmental, spatial and organizational dimensions coherently and logically.	<ul style="list-style-type: none"> <li>• Peer learning Facilitation</li> <li>• Analytical Papers</li> <li>• Technical Assistance</li> </ul>	<ul style="list-style-type: none"> <li>• City Manager to convene a meeting of key municipal departments to the functions of which the vision of urban transformation applies, to complete the already-initiated long-term development strategy process</li> <li>• Based on the current strategic development review (SDR), the official urban transformation Vision (see above) as well as the official business process for urban transformation (see above):               <ul style="list-style-type: none"> <li>o Facilitate a sufficient</li> </ul> </li> </ul>	Council-approved long-term development strategy			1	

<sup>3</sup> CSP Framework Focus Areas:

Well-Governed City (core city governance implementation support) = 1

Inclusive City (integrated public transport and the development and management of human settlements) = 2

Productive City (integrated public transport and resource efficiency) = 3

Sustainable City (climate resilience / resource efficiency) = 4

18

Source: CSP, Nelson Mandela Bay CSIP, 2014

The Project Sheet includes a check list that covers Monitoring and Evaluation, Components Leads, Operations Management, and Programme Manager reviews and approvals. The project is required to be reviewed by these team members and approved in order to proceed. **Appendix 11** sets out two examples of typical Project Sheets – one in respect of a Metro project the other a Component project.

At the planning stage the project manager (whether City or Component Lead) is also required to prepare any terms of reference that may be necessary to implement the project.

If agreed to by these team members, the project is formally recognised and included in the CSP's plans and project tracker system. At present there is no other governance process in respect of project approval and changes. Projects Sheets are submitted to the Chief Director: PLGI for final approval.

Projects Sheets are reviewed on a regular basis. Specifically, if there has been no movement on a project for a year the Project Sheet is revised. The reasons for this are numerous but most often projects are discontinued either because of a lack of traction with the partners (often this is itself a consequence of the need no longer being obvious or personnel changes) or the fact that the requisite technical skills to supply the project could not be secured. Additionally – as result of implementation activities – projects are consolidated or revised into broader / larger projects.

The primary tool for the tracking of projects is the Project Sheet system. This is an Excel-based database (now in its 48<sup>th</sup> version) that captures all agreed projects. Additionally, since 2016, the CSP has prepared a comprehensive Annual Plan which captures all the projects planned for delivery in that year.

A key challenge identified by the CSP itself is the highly fluid nature of projects. The project sheets initially were modified on a regular basis to accommodate changes such as the termination of projects or the consolidation of projects. In the last two years this process has been normalised and regularised, limiting such updates, and ensuring that traceability is put in place. However, a consequence of the less formalised approach previously adopted is that often projects – including total number, status etc. – cannot easily be reconciled. More critically much of the history of specific projects is not formally documented in a consistent manner and resides with individual Component or City Leads. This is compounded by the fact that while each project has a unique project Code (identifier), at times codes have been modified. While this has now been addressed, it does contribute to challenges in being able to track and monitor projects.

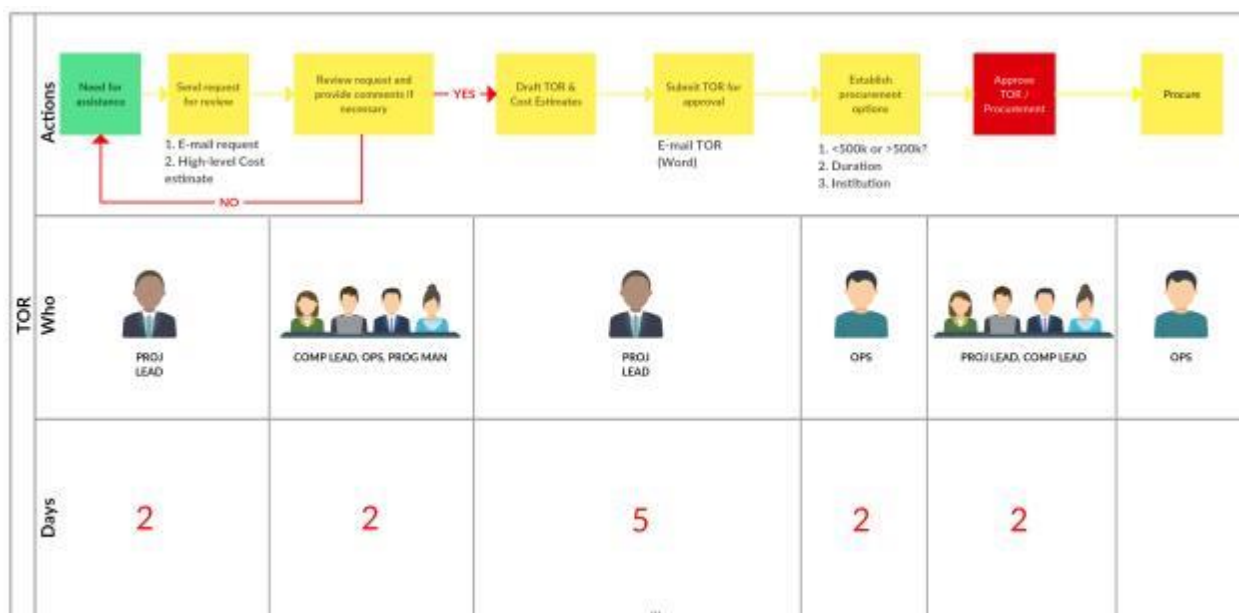
## 2) Procurement Phase

As part of the planning process, as noted above, any procurement requirements need to be identified by the respective CSP Lead. Terms of Reference for these procurements are required, while the actual procurement – together with its approved budget – is recorded in a procurement tracking tool (Excel based) – see example below.

Once Terms of Reference have been developed these need to be approved in line with the process set out below.

The procurement tracking tool enables the CSP to monitor progress of procurements against key milestones as set out in the Operational Guideline. The purpose of this procurement practice is twofold: (1) to ensure that procurements – which are critical to the delivery of the CSP's programme, are completely in a timely manner so that the resources can be deployed and, secondly that budgets can be tracked and assessed against actual costs.

Figure 29: ToR Approval process



Source: CSP Operational Guideline Version 1, May 2016

Figure 30: Extract from CSP Procurement Tracker

ProjID	Project Manager	Project Code	Project	Type	Partner	PSP	RFP No	Municipality	Request Sent	Memo	Signed Memo / Sent to DBSA	Bid / RFP	BEC	BAC	Approve	Contract Signed	Current Step	Notes	Value
1	David Savage	CG11	Municipal Infrastructure Finance Support	New	DBSA	CG 11 Borrowing proceeds - PDG	RFP 247/2016		09/09/2016	09/09/2016	09/09/2016	17/10/2016	05/12/2016	06/02/2017	09/02/2017	05/03/2017	Contract Signed		2,480,000
2	David Savage	CG18	Innovations in Infrastructure Finance	New	DBSA	CG18 Development charges - PDG	RFP 113-2016		02/06/2016			16/08/2016	26/09/2016	04/10/2016	22/11/2016	15/01/2017	Contract Signed		1,798,000
3	David Savage	CG10	Land Development Transaction Support (catalytic projects)	New	DBSA	Project Coordinator - CP2C	RFP 139-2016		01/07/2016	01/07/2016	01/07/2016	16/08/2016	26/09/2016	04/10/2016	26/10/2016	01/11/2016	To be initiated	Contract Signed	1,559,520
4	David Savage	CG10	Land Development Transaction Support (catalytic projects)	New	DBSA	Panel Review	RFP 033/2017		07/09/2016	07/09/2016	07/09/2016	10/02/2017		13/04/2017	05/05/2017	20/05/2017	To be initiated	LOA sent	2,455,200
5	Jeremy Trimm	PM18	CSP Evaluation	New	NT	DPME - Evaluation			01/08/2016	01/08/2016	01/08/2016	01/08/2016	01/08/2016	01/08/2016	01/08/2016	15/08/2016	To be initiated	Implement aiotn	1,500,000
6	Jeremy Trimm	PM24	Core Team Coaching Support	Cancelled	DBSA	Coaching	RFQ 64/2016		27/06/2016	27/06/2016	27/06/2016	14/07/2016	26/07/2016				To be initiated	Procurement has been c	
7	Michael Khato	PT4-COI10	Joburg Review of IPT/PTN - Station Management	Cancelled	DBSA	PT4 : COI	RFP 140-2016		02/06/2016	02/06/2016	02/06/2016	29/06/2016					To be initiated	Tender cancelled due to poor response	
8	Michael Khato	PT4-NMB13	Review of NMB IPT/PTN	Cancelled	NT	PT4 NMB13	24		18/05/2016								To be initiated	could not extent contract	
34	Seth Maqetuka	HS14	Backyard Incremental Housing Project	New	GTAC	Backyard Rental Market Development			15/04/2017			16/07/2017					To be initiated		

The CSP procures through four main channels – National Treasury SCM; the DBSA, GTAC and the World Bank which enable the CSP to access professionals service providers and resources from their respective databases and panels. Procurements are directed mostly in accordance with the specific theme areas and projects identified. Specific Framework Contracts exist with the World Bank and the DBSA to procure specialist skills and service providers.

During the initial CSP set-up and early implementation phases a service provider – Probitas – also operated a framework contract which enabled the CSP to secure and deploy individual specialists as required.<sup>41</sup>

### 3) Implementation Phase

Implementation occurs against the agreed Annual CSP Plan as well as individual project plans (as set out in the Project Sheets). The management of the implementation is the responsibility of the Component leads and City coordinators.

Typically, implementation comprises an inception phase, implementation activities and close-out. Close-out occurs at two levels – the first is contractual in respect of the client and service provider; the second is administrative closure. The latter is signified by the completion and filing of a Closure Report from the respective Lead. In some instances, projects will also be managed in line with its own project charter – for instance where projects are large and complex and include multiple sub-projects.

During implementation the primary role of the PMU is to support and monitor project delivery. This is closely tied into the reporting process. This is discussed further below. At minimum project managers are required to report monthly on their activities and on a quarterly basis will review annual plans against progress and undertake any revisions required. The effectiveness of the implementation is dealt with in Section 5.3. In respect of efficiency the CSP has set up a number of monitoring systems – mostly Excel and Power BI (software) tools.

A key element of the implementation process is the payment of PSPs as well as monthly billing on the part of the CSP core team. In respect of invoice processing and payment the CSP has set out an agreed process and performance timeframes (see **Appendix 8**). These

<sup>41</sup> Probitas were appointed under a Framework Contract through an open tender in 2013 to mobilize the specialist skills to undertake the CNA's and develop the CSIPs.

are modified depending on the source of the contract. For instance, NT invoice payment processes are different from DBSA payment processes with differing timelines. No data was available to assess the efficiency of payment processes, but anecdotal evidence from respondents suggests that this is well managed and efficient. The one detracting concern noted was the complex internal Treasury process which requires both the CSP Programme Manager as well as the CD: PLGI to sign off. This is a consequence of the fact that the Programme Manager does not enjoy the status of an official and a duly delegated official is required to act on behalf of the accounting authority (DDG and DG).

In respect of implementation efficiency, key measures to be assessed include the overall efficiency of spending, project completion and time utilisation by the CSP team.

Set out in the table overleaf is the overall CSP operational expenditure to date. This is based on a reconstruction from various data sources.

#### **4) Institutionalisation Phase**

The final phase of the project cycle comprises institutionalisation. This has been elevated in the current Annual Plan as a priority. In summary this comprises the effective dissemination of learning and knowledge outputs from the CSP and consolidation of the CSP's activities. This is closely wound-up with the CSP knowledge management and stakeholder communications efforts.

A key component of this phase is the production, approval and filing of a final project

## 8.12 Appendix 12: Project Sheet Examples

Figure 31: Example of a Project Sheet – Component

Executive Leadership Courses		
Component summary	Orientation	
Overview	Project Number	CG1
	Project Name	Executive Leadership Courses
	Status	Ongoing
	WB RAS Category	PPM and governance
	IUDF Reference	Effective urban governance
	Background	Senior administrative and political leadership in cities are tasked with conceiving, designing and executing large and complex programmes to transform the built environment. This requires leadership to blend technical expertise with sound management practices and personal mastery, applied in the context of transformative public sector programmes. City leadership have expressed demand for specialised, in-service learning opportunities on strategic themes in built environment management and spatial transformation, applied in the context of their own cities but allowing opportunities from peer learning.
	Project Summary	Annual executive leadership course for political and administrative leadership of participating municipalities
	Project Objectives	Strengthen capacity of senior city leadership to provide strategic leadership in key built environment functions
	Project Description	An annual, week long learning event that builds technical knowledge on a selected topic relevant to the CSP. Each annual course blends technical learning on the selected subject matter, with management training and personal mastery techniques. Participants apply learnings to specific projects or programmes underway in their city, with peer learning across cities. Participants are drawn from all metros, with city teams comprising of both senior managers (city Managers and relevant EDs) and political leaders (mayors and relevant MMCs). Courses are preceded by a mobilisation phase and followed by an exit review. Substantive focus for each year is: 2013 - Spatial Transformation; 2014 - Urban Mobility; 2015 Economic Development; 2016 - postponed; 2017 - accelerating city transformation; 2018 tba
	CSP Component	Core City Governance
	CSP Sub-Component	Leadership and Governance
Results	CSP Intermediate outcome	Well governed city
	CSP Immediate outcome	Revised city plans or programmes
	CSP Theme	City Implementation Support Parent
	Project Products	
	Final project deliverable	5 annual leadership courses - 2013 - Spatial Transformation; 2014 - Urban Mobility; 2015 Economic Development; 2016 - postponed; 2017 - accelerating city transformation; 2018 tba
	Project Processes	Pilots & case studies (demonstration)
	Institutionalisation process	The course itself constitutes dissemination and elevation. Institutionalisation will involve developing a concept for a leadership academy for cities, as a partnership with academia and cities
Project Outline (Activities)	Activity description	A new course is designed each year, within the same framework outlined in the project description. Course content and focus will vary by selected topic, but in all cases will (i) blend technical learning with management development and personal mastery; (ii) include a focus on actual projects or programmes underway in each city, to which learnings can be applied; and (iii) enable cross-city learning, to deliver a course in each annual cycle, the following phases are required: Phase 1 - Concept development & mobilisation: A concept note outlining the selected topic, key issues to be explored and delivery modalities, and the selection and appointment of organisations and individuals who will deliver the course; Phase 2 - (a) Curriculum Design: the development of a detailed course curriculum, learning materials and specialist speakers; (b) Participant mobilisation: securing participation of targeted leadership in each city; Phase 3 - Delivery of the course; and Phase 4 - Exit review. Past courses include Spatial Transformation (2012) and Urban Mobility (2014)
	Research methods and/or Instruments	Participant mobilisation must include the selection of specific projects or programmes relevant to the annual topic by cities. Curriculum design includes the securing of global content specialists and the selection of relevant management and personal mastery tools, as recommended by the facilitation team.
	Interim and final delivery dates	<b>Deliverable</b> <b>Date</b>
		Project Open 01-Jan-12
		Concept & Mobilisation 01-Jun-11
		Curriculum development & participant mobilisation 01-Jan-12
		Delivery 01-Mar-12
		Exit 01-Jun-12
		Concept & Mobilisation 01-Jan-13
		Curriculum development & participant mobilisation 01-Jun-13
		Delivery 01-Mar-14
		Exit 01-Jun-14
		Concept & Mobilisation 01-Apr-15
		Curriculum development & participant mobilisation 01-Aug-15
		Delivery 09-Nov-15
		Exit 31-Dec-15
		Concept & Mobilisation 01-Aug-15
		ELC Concept 30-Apr-16
		Knowledge products 30-Jun-16
		ELC Marketing Programme 31-Jul-16
		Executive Leadership Course 15-Mar-17
		Closure and reflection 30-Mar-17
		Knowledge products 15-Mar-17
		Concept & Mobilisation 01-Jul-17
		Curriculum development & participant mobilisation 01-Jun-17
		Knowledge products 01-Mar-18
		Delivery 10-Mar-18
		Exit 30-Apr-18
		Concept Note for institutionalisation 01-Nov-17
		Project Closure Report 01-Apr-18
		Project Close 30-Jun-18

Stakeholder	Participating city	All cities	
	IGR Chief Director 1	Wendy Fance	
	IGR Chief Director 2		
	Stakeholders	SACN; SALGA; relevant national departments; DTI; EDO; DSBD; COGTA;	
Project Admin (Inputs)		Item	Est cost
	Estimated professional fees & disbursements	Specialised inputs	R 500,000
		Contingency	R 1,200,000
	Total cost estimate	Total	R1,700,000
	Source of finance	DBSA	
		Contract	Est Cost
		Annual course preparation, delivery and wrap up (4 courses - see child sheets)	R 4,000,000
	Anticipated procurements	Total	R4,000,000
	CSP Component Manager	Nishendra Moodley	
Business Process	CSP Project Manager	Nishendra Moodley	
	Service Provider	Other / TBD	
	Service Provider Lead		
	M&E check	Complete	
	Date M&E approved		
	Component lead approval	Complete	
	Date component approved		
	Stakeholder Engagement & KM	Complete	
	Date SE & KM approved		
	City coordinator approval	Complete	
Notes	Date city coordinator approved	19-06-2017	
	Budget approved	Complete	
	Date budget approved	25/05/2017	
	PM approval		
	Date PM approved		
	Project manager		
	M&E		
	City Coordinator		
	Component lead		
	Stakeholder Engagement & KM		
	Finance Manager		
	Programme management		

Figure 32: Example of a Project Sheet – Metro

CT Human Settlements Review			
Component summary	Orientation	CPT	
Overview	Project Number	HS3-CPT9	
	Project Name	CT Human Settlements Review	
	Status	Ongoing	
	WB RAS Category	Land and housing markets	
	IUDF Reference	Integrated sustainable human settlements	
	Background	The main focus of this project is in improving the Functioning and understanding of Property Markets to Support Affordable Housing in the City of Cape Town. There is widespread evidence that Human Settlements in cities including Cape Town has been focused on the housing subsidy market at the expense of other sub markets. Studies on the Affordable Housing Market (under R500k) indicate that this market is growing faster than other housing sub markets overall and raises key issues on affordability and the Gap Market. Metros need to be aware of the the study and its implications, and work it into their Strategy and plans for Housing to reduce the dependency on the subsidy for all soltuions	
	Project Summary	The project will support the City of Cape Town with the development and piloting of data driven biannual analysis of residential property market dynamics at city level to inform planning and project financing arrangements. The data has been collected and data platform created for the Residential Markets Report( City Marks) to be formulated.	
	Project Objectives	To improve understading of residnetial markets in cities with the view to improving a holistic and integrated planning and development for low to middle income housing.	
	Project Description	Understanding residential housing markets	
	CSP Component	Human settlements	
	CSP Sub-Component	Planning Support	
Results	CSP Intermediate outcome	Inclusive city	
	CSP Immediate outcome	Revised city plans or programmes	
	CSP Theme	City Implementation Support Child	
	Project Products	Analytical & Diagnostic Studies	
	Final project deliverable	City report on residential markets	
	Project Processes	Technical assistance	
	Institutionalisation process	Dissimination: The report will be developed and disseminated to both political and admistrative levels. Escalation: The Metro will be trained and mentored to collect their residential markets data, analyse it and be able to develop their housing plans. Consolidation: Metros to develop and manage residential dashboards.	
Project Outline (Activities)	Activity description	Project under implementation and it experienced some delays regarding data collection. The project is now extended to end May 2017 . Individual city reports are currently being compiled.	
	Research methods and/or Instruments	Data search and analysis	
	Interim and final delivery dates	<b>Deliverable</b>	<b>Date</b>
		Project Open	01-Jan-15
		Final report on the understanding of residential markets	30-May-17
		Concept Plan Note on Launch of the Project in the metro	30-Jun-17
		Project close	30-Jul-17

<b>Stakeholders</b>	Participating city	City of Cape Town	
	IGR Chief Director 1		
	IGR Chief Director 2		
	Stakeholders	ED Human Settlements	
<b>Project Admin (Inputs)</b>		<b>Item</b>	<b>Est cost</b>
	Estimated professional fees & disbursements		
	Total cost estimate	<b>Total</b>	<b>R0</b>
	Source of finance	WB RAS	
		<b>Contract</b>	<b>Est Cost</b>
	Anticipated procurements	<b>Total</b>	<b>R0</b>
	CSP Component Manager	Seth Maqetuka	
	CSP Project Manager	Nishendra Moodley	
	Service Provider	World Bank	
	Service Provider Lead	Simon Walley	
<b>Business Process</b>	M&E check	Issues	
	Date M&E approved		
	Component lead approval	Complete	
	Date component approved		
	KM approval		
	Date SE & KM approved		
	City coordinator approval		
	Date city coordinator approved		
	Budget approved		
	Date budget approved		
	PM approval		
	Date PM approved		
<b>Notes</b>	Project manager		
	M&E	Deliverables need to be updated -check alignment with narrative. Discontinued - Integrated into parent	
	City Coordinator		
		It needs to be noted the HS3 was delayed in general due to problems with data collections and thus affecting the HS3 City specific projects. There were also performance and communication problems that were experienced with the service provide. They have now been resolved abd project is back on track to be completed( City Report) by end May. It is envisaged that after May there would be several workshops with stakeholders to communicate reports. WEB Ex meeting held with the WB to manage the project closely and to meet revised deadlines.	
	Component lead		
	Stakeholder Engagement & KM		
	Finance Manager		
	Programme management		

## 8.13 Appendix 13: Core CSP Processes

All projects follow a four-stage project management process, as illustrated below.

**Figure 33: Overall Project Process**

<b>1. Planning</b>	<b>1.1 Needs Identification</b>	The need for a particular project is identified from the Framework Document, City Needs Assessment or Component Diagnostic
	<b>1.2 Summary Sheet</b>	The need is developed into a project by completing the project summary sheet
	<b>1.3 Project Sheet</b>	The summary sheet is further developed into a full project sheet
	<b>1.4 ToR</b>	If the project requires a service provider, a terms of reference is then drafted
<b>2. Procuring</b>	<b>2.1 RFP</b>	A request for proposal is issued to potential service providers
	<b>2.2 Desktop Evaluation</b>	Desktop evaluation of submitted proposals
	<b>2.3 Interview</b>	If required, interviews with a short-listed group of service providers is convened.
	<b>2.4 Service Provider Identified</b>	Preferred service provider is identified
	<b>2.5 Contract Award</b>	Finalising and signing the contract between the client and the service provider.
<b>3. Implementing</b>	<b>3.1 Inception</b>	Detailed planning for the project by the service provider (in the context of the ToR).
	<b>3.2 Implementation</b>	Monitoring progress and quality, analyzing variances and taking corrective action and controlling scope, time, cost, quality and changes.
	<b>3.3 Contract Closure</b>	Ensuring that what the contract set out to do has been achieved and if not, why not.
	<b>3.4 Admin Closure and Archiving</b>	Closing the contract from an administrative point of view.
<b>4. Institutionalising</b>	<b>4.1 Project institutionalisation</b>	Institutionalising the project within the relevant client system.

Figure 34: TOR Approval Process

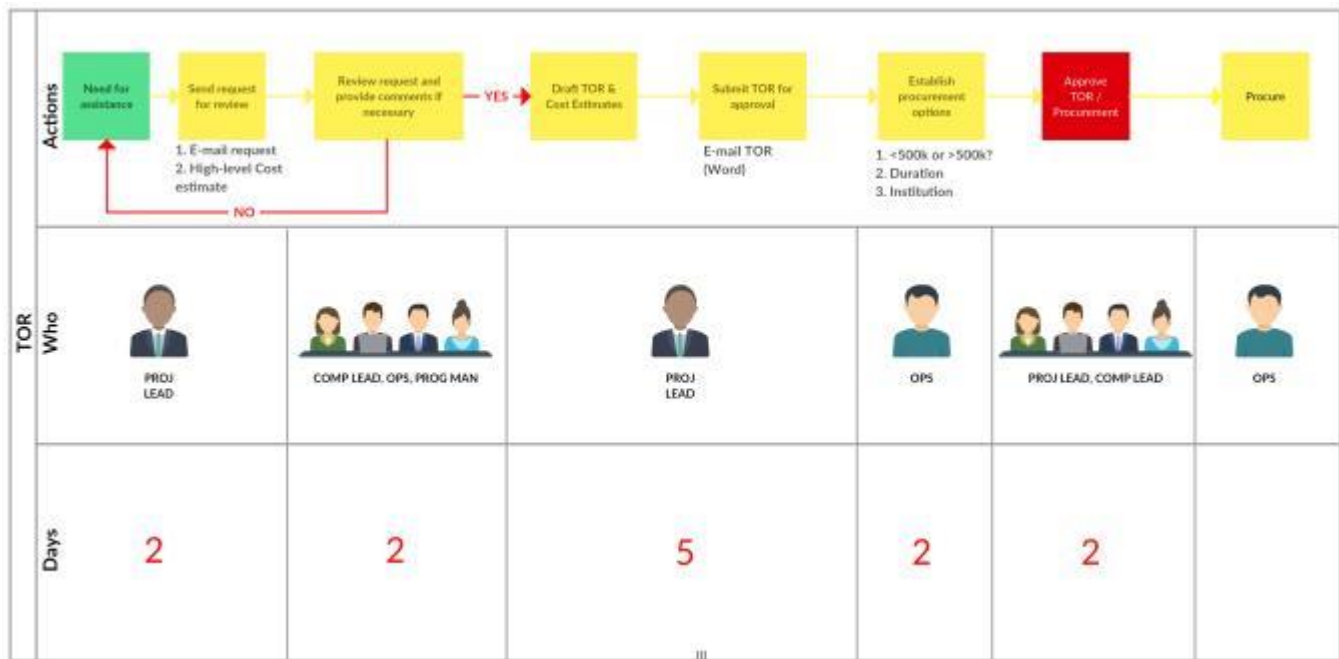


Figure 35: CSP Core Team Reporting Process

## CITIES SUPPORT CORE TEAM REPORTING PROCESS

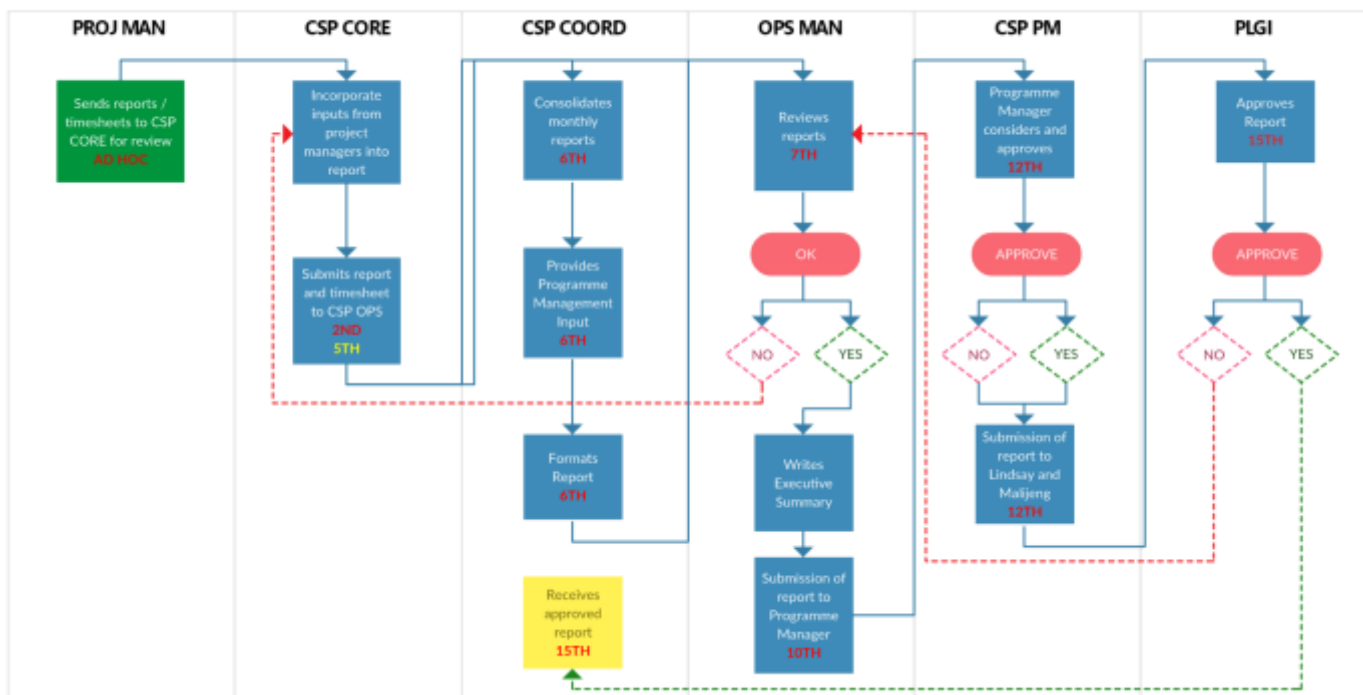


Figure 36: CSP Core Team Invoice Process

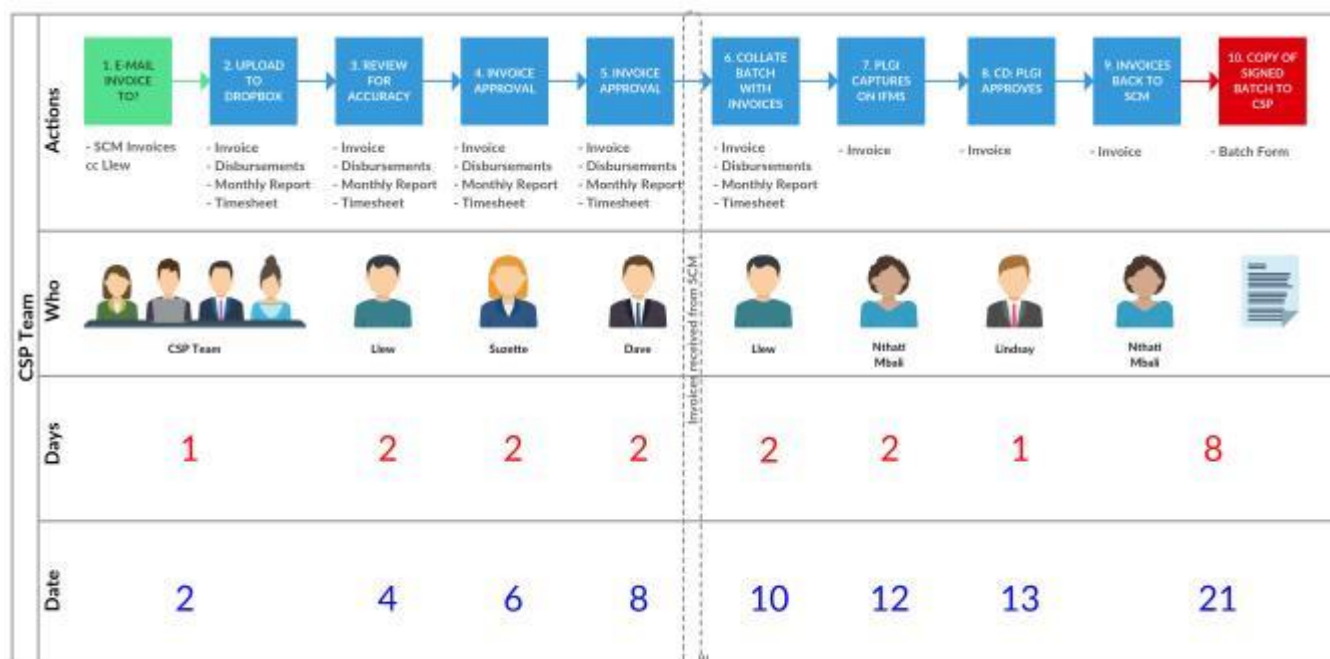


Figure 37: NT PSP Invoice Process

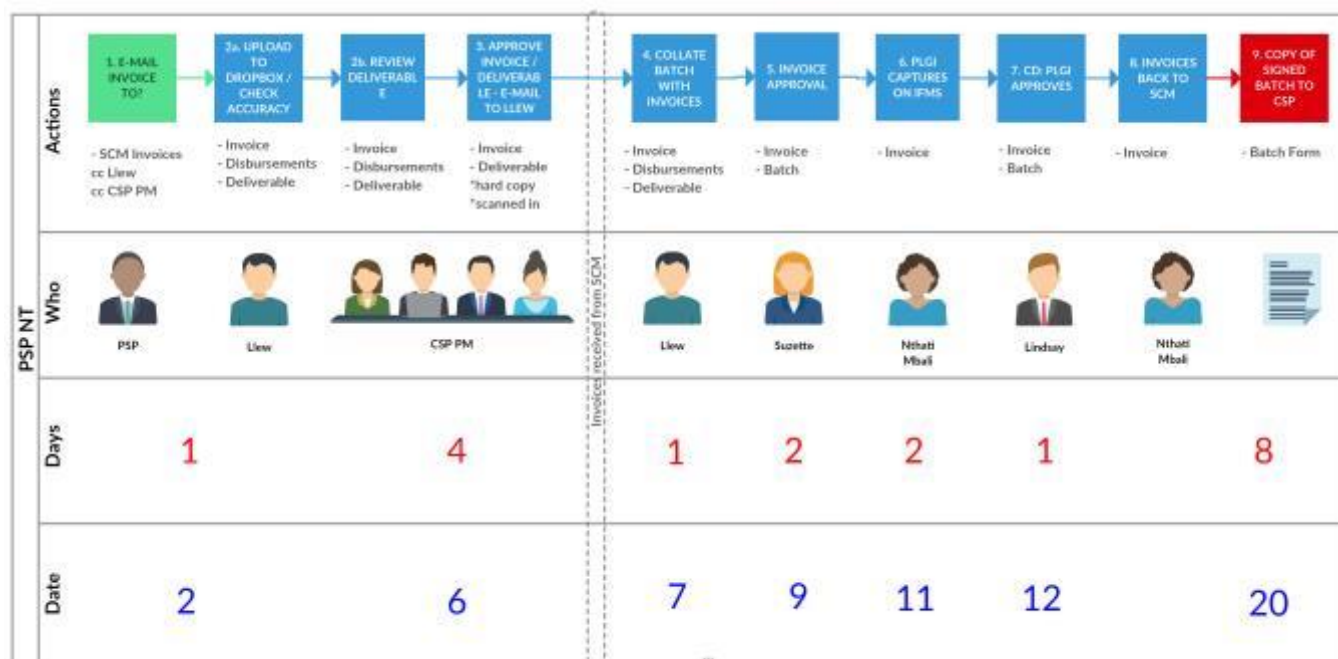
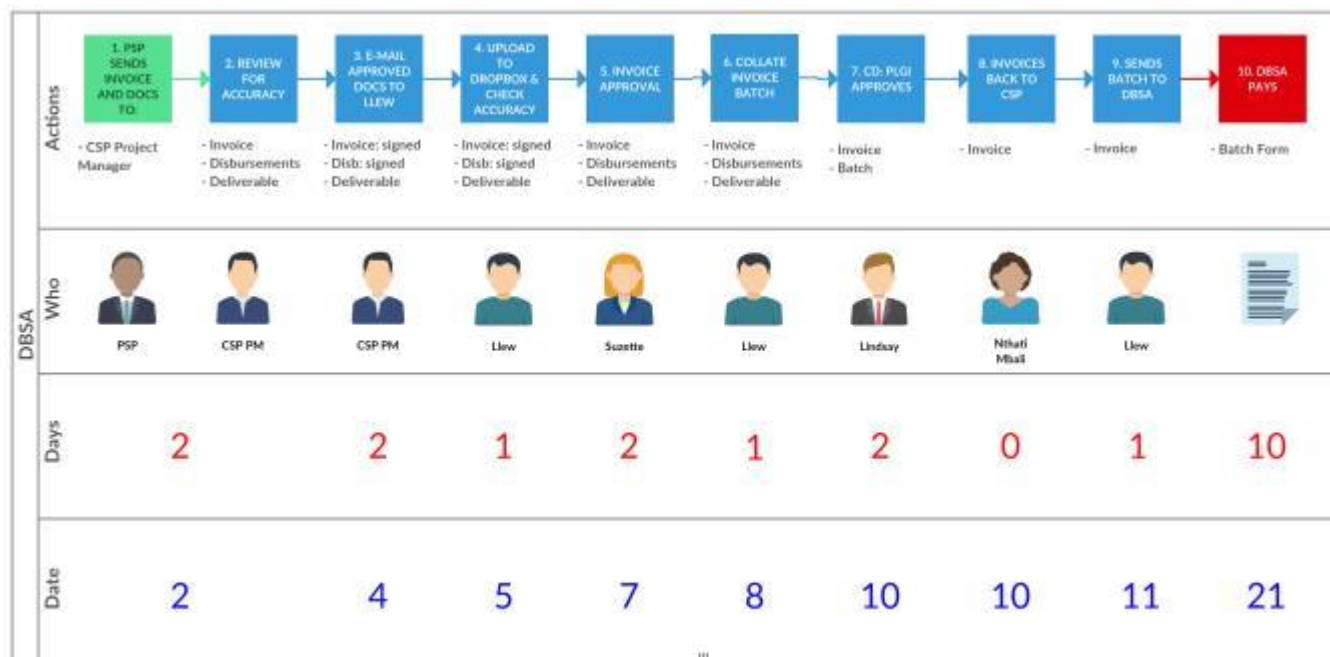


Figure 38: DBSA PSP Invoice Process



## 8.14 Appendix 14 – BEPP Benchmarking Analysis

The results of an independent BEPP benchmarking exercise undertaken by Aurecon are presented below.

The BEPP is a key output for CSP. It goes through an extensive preparation and review process, and the release of ICDG is contingent on the finalisation and approval of the BEPP. This process is supported by a comprehensive benchmarking exercise which compares metros against each other and provides feedback. In addition to this, CSP has introduced an independent BEPP assessment process which has tracked progress in the eight metros over the past three years.

This process uses eight weighted categories to track the quality and completeness of BEPPs. The most recent assessment developed by Aurecon has been able to track performance of participating metros over the past three years.

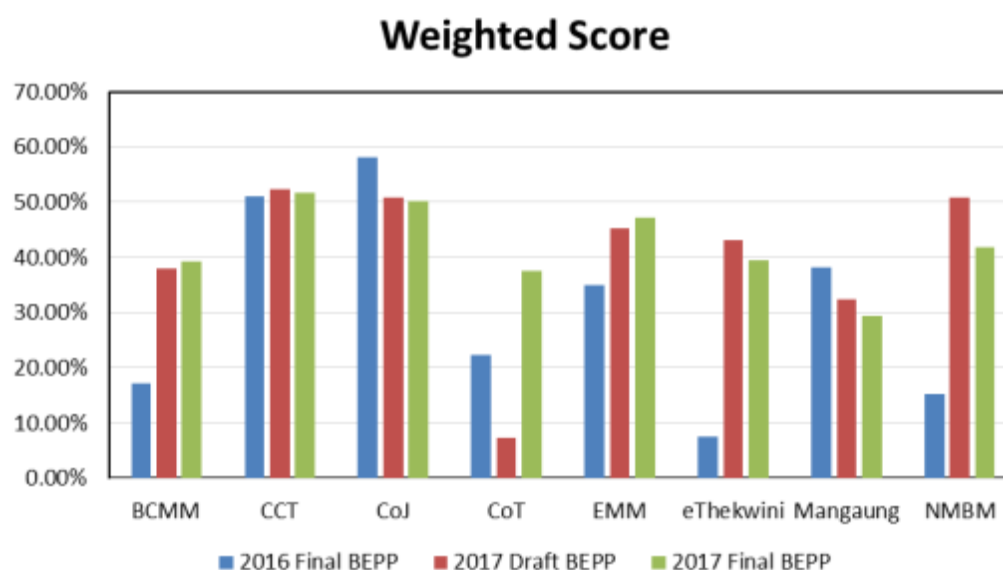
**Table 46: BEPP Evaluation Criteria (2017)**

BEPP Section	Weighting (Percentage)
A: Introduction	3
B: Spatial Targeting	25
C: Inter-governmental Project Pipeline	30
D: Capital Funding	8
E: Implementation	10
F: Urban Management	12
G: Institutional Arrangements and Operating Budget	7
H: Reporting and Evaluation	5

Source: Aurecon, 2017, own analysis

The assessment process finds the following overall performance across the eight categories.

**Figure 39: Overall performance in the independent BEPP evaluation process (2016-2017)**



**Table 47: BEPP Benchmarking Outcomes, 2016-2017**

Metro	Weighted Score			Progress Status 2016 – 2017 Final	Progress Status 2017 draft - final
	2016 Final BEPP	2017 Draft BEPP	2017 Final BEPP		
Buffalo City Metropolitan Municipality	11%	37%	38%	Improved	Improved
City of Cape Town	35%	50%	50%	Improved	Stable
City of Johannesburg	39%	49%	50%	Improved	Improved
City of Tshwane	15%	9%	37%	Improved	Improved
Ekurhuleni Metropolitan Municipality	25%	42%	44%	Improved	Improved
eThekweni	5%	44%	39%	Improved	Regressed
Mangaung	25%	33%	31%	Improved	Regressed
Nelson Mandela Bay Metropolitan Municipality	10%	48%	40%	Improved	Regressed

Source: Aurecon, 2017, own analysis

There are noticeable trends which show that with the exception of Tshwane and Nelson Mandela Bay, performance has been relatively stable in moving from the draft to final BEPP for 2017. The limited changes between draft and final submissions may be due to resources such as the BEPP guidelines being developed and shared with metros in the last twelve months.

When analysing the evaluation of the BEPP, there are two specific weighted criteria which provide a yardstick for assessing CSP progress. The first, spatial targeting, is indicative of the extent to which a metro has understood the importance of spatial targeting as an approach, and the second, the intergovernmental pipeline, the extent to which the BEPP articulates the commitment to collaboration and planning at different levels of government and the extent to which planning priorities are aligned. These are the two criteria with the greatest weight; and in turn inform the calculation of the ICDG disbursement to metros.

None of the eight metros achieved the necessary scoring to have met the required standards for this criteria, though Joburg, Ekurhuleni and Cape Town scored the best on this criteria. Each of these three metros have well-established planning practices, understand the principles of working with an IGR pipeline and have tried to implement a consultative process by working with state-owned enterprises, provincial and national government in developing the BEPP. With the exception of Mangaung, all of the eight metros have shown considerable progress in this criteria. This demonstrates a growing understanding of the importance of prioritising particular areas for development (integration zones), being able to provide the rationale for these choices and an ability to demonstrate alignment across strategic and planning frameworks such as the IDP and SDF.

In the period between the draft and final BEPP submission, there was some change in the CSP city coordinators in Tshwane, Nelson Mandela Bay and Mangaung. The considerable improvement in Tshwane may be due to this as the CSP city coordinator takes a particularly hands on approach to working with the metro being supported. Poor performance overall in Mangaung is explained by very poor levels of engagement across various CSP projects, exacerbated by the high level of political and administrative uncertainty which exists in the metro.

There would be value in undertaking analysis which looks at the particular areas where metros are not meeting the required standard, and to customise support accordingly. It is understood that CSP is in the process of identifying and procuring a service provider to provide support to the BEPP process.

## 8.15 Appendix 15 – ICDG DORA Conditions

The grant conditions are indicated in the Division of Revenue Act (DORA) Schedule. Highlighted are the key performance conditions which the CSP supports through its programme.

Table 48: ICDG Conditions

Integrated City Development Grant	
<b>Transferring Department</b>	<ul style="list-style-type: none"> <li>National Treasury (Vote 7)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 4, Part B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>The development of more inclusive, liveable, productive and sustainable urban built environments in metropolitan municipalities</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To provide a financial incentive for metropolitan municipalities to achieve a more compact urban spatial form through integrating and focusing their use of available infrastructure investment and regulatory instruments</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Improved spatial targeting and sequencing of public investments in the urban built environment to achieve a more compact, inclusive, productive and sustainable urban spatial form</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number of infrastructure projects including public transport, roads, water, energy, housing, land acquisition and development in implementation within identified integration zones</li> <li>Number of integrated strategic/catalytic projects planned within identified integration zones</li> <li>Number of authorised studies/strategies completed</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 6: An efficient, competitive and responsive economic infrastructure network</li> <li>Outcome 8: Sustainable human settlements and improved quality of household life</li> <li>Outcome 9: Responsive, accountable, effective and efficient developmental local government system</li> </ul>
...	
<b>Conditions</b>	<ul style="list-style-type: none"> <li><b>Eligibility is restricted to metropolitan municipalities which must have:</b> <ul style="list-style-type: none"> <li><b>obtained a financially unqualified audit opinion from the Auditor-General (AG) for the 2015/16 financial year, or finalised an audit action plan by 24 February 2017</b></li> <li><b>achieved acceptable levels of capital expenditure performance (reported a variance between adjusted budgeted and actual expenditures of 35 per cent or lower to the National Treasury for the 2015/16 financial year)</b></li> </ul> </li> <li>Municipalities have the authority to select preferred investments within their functional mandates and <b>within identified integration zones</b>. Eligible expenditures include:           <ul style="list-style-type: none"> <li>any capital expenditure within the functional mandate of the municipality within identified integration zones</li> <li>authorised direct operating expenditure to produce analytical or diagnostic studies, strategy development or transaction advisory assistance related to the development or implementation of strategies for identified integration zones</li> </ul> </li> </ul>

Integrated City Development Grant	
	<ul style="list-style-type: none"> <li>A municipality may apply to the transferring officer, by no later than 31 August 2017, to utilise a maximum of 15 per cent of the total annual allocation to <b>undertake specified planning activities within integration zones</b>, provided that these conform to the list of eligible activities identified by the transferring officer, including: <ul style="list-style-type: none"> <li>property market empirical and diagnostic studies</li> <li>integrated infrastructure and spatial planning for identified integration zones</li> <li>investment pipeline development (excluding direct project preparation)</li> <li>development of infrastructure financing strategies and instruments</li> <li>development of policies, bylaws and systems for the administration of development charges</li> <li>enhanced policies and procedures for environmental and social management in infrastructure delivery</li> <li>the municipality can demonstrate the ability to implement these activities within the financial year</li> </ul> </li> <li>The first transfer of the grant will only be released to a municipality that has <b>submitted a council approved Built Environment Performance Plan (BEPP) in the prescribed format</b> by 31 May 2017 that includes: <ul style="list-style-type: none"> <li>a pipeline of catalytic projects that has been compiled according to a prescribed format</li> <li>built environment outcome indicators and targets for 2017/18 that have been compiled according to a prescribed format</li> </ul> </li> <li>The second transfer will only be released to a municipality that has <b>submitted detailed information on the catalytic projects that are in the pipeline</b> in accordance with the standard format provided</li> </ul>
Allocation criteria	<ul style="list-style-type: none"> <li>Allocations will be made to eligible metropolitan municipalities on a population-weighted basis in order to account for the relatively greater planning complexity and investment needs in larger metropolitan municipalities. <b>Final allocations are adjusted by performance against the following weighted indicators:</b> <ul style="list-style-type: none"> <li><b>BEPP evaluation score for 2016/17 (30 per cent)</b></li> <li><b>no decrease in total debt to revenue ratio in 2015/16 (15 per cent)</b></li> <li><b>no Section 57 vacancies for longer than six months in 2016 (10 per cent)</b></li> <li><b>unqualified audit opinion by AG (with or without findings) for the last financial year (25 per cent)</b></li> <li><b>decrease in total value of irregular, fruitless and wasteful expenditure identified by AG (20 per cent)</b></li> </ul> </li> <li>For the outer years of the MTEF, allocations per metropolitan municipality have been provided without taking into account any performance adjustments. The allocation figures for the 2018 MTEF will be adjusted based on actual performance against the weighted indicators listed above as well as any new built</li> </ul>

Integrated City Development Grant	
	environment indicators agreed with the metros
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>The grant provides a specific financial incentive for metropolitan municipalities to enhance the performance of their urban built environment programmes. It reflects commitments contained in the National Development Plan to streamline funding for urban public investments to support the restructuring of the urban built environment</li> </ul>
...	
<b>Responsibilities of transferring officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>National Treasury will review eligibility criteria and assess compliance with grant conditions prior to the transfer of each grant instalment</li> <li><b>National Treasury in consultation with the Department of Cooperative Governance and the Department of Rural Development and Land Reform will facilitate engagements on the BEPPs with metropolitan municipalities and other sector departments</b></li> <li><b>National Treasury will provide operational guidelines, facilitate peer learning and provide capacity support through the Cities Support Programme</b></li> <li>National Treasury will authorise applications for the utilisation of grant funds for specified operating purposes</li> <li>National Treasury will review the credibility and measurability of audit plans</li> </ul>
	<b>Responsibilities of municipalities</b> <ul style="list-style-type: none"> <li>Submit BEPPs and in-year reports</li> <li>Ensure consistent planning in integration zones, including alignment of integrated development plans, social housing restructuring zones, priority housing development areas and urban development zones</li> <li>Strengthen and align their own capacity to support BEPP implementation</li> </ul>

Source: DORA, 2017

## 8.16 Appendix 16 – Discontinued CSP projects and Associated Costs

Table 49: Discontinued CSP projects and Associated Costs

Project Code	Project Name	1 - no longer demand	2 - integrated into parent project	3 - on hold	4 - resource constraints	5 - removed and re-planned	Grand Total
<b>CG10-MAN9</b>	Land Development Transaction Support for Mangaung (catalytic projects)		R30,800				R30,800
<b>CG10-TSH8</b>	Land Development Transaction Support for Tshwane (catalytic projects)	R11,050					R11,050
<b>CG11-COJ5</b>	COJ Review of Financial Development Plan (COJ Priority 5)					R850	R850
<b>CG11-COJ5c</b>	Operationalising Capital Funding (COJ Priority 5)		R850				R850
<b>CG15-TSH1</b>	Review of Tshwane IPTN - Implementing Light Rail	R59,675					R59,675
<b>CG18-MAN11</b>	Mangaung Water and Sanitation Project			R17,850			R17,850
<b>CG18-NMB8</b>	NMB Infrastructure Financing Support			R130,905			R130,905
<b>CG22</b>	3 Cities Project		R114,007				R114,007
<b>CG23</b>	Review of Municipal Support and Interventions		R47,668				R47,668
<b>CG24</b>	Tranversal Management Review		R17,361				R17,361
<b>CG4</b>	Strategic Development Reviews & Strategies		R9,350				R9,350
<b>CG5-ETK6</b>	eThekweni Anti-Corruption Measures	R4,250					R4,250
<b>CG6-CPT5</b>	CPT Strengthening Policy Delivery in Urban Growth Management		R131,100				R131,100
<b>CG6-NMB11</b>	NMB SDF Review		R3,306				R3,306
<b>CR2</b>	n/a					R5,100	R5,100
<b>CR2-ETK4</b>	eThekweni Natural Resource Strategy	R2,790					R2,790

Project Code	Project Name	1 - no longer demand	2 - integrated into parent project	3 - on hold	4 - resource constraints	5 - removed and re-planned	Grand Total
ED12	Township economies		R9,191				R9,191
ED13	City economic partnerships		R13,300				R13,300
ED15-EKU13	Ekurhuleni Investment Promotion		R2,394				R2,394
ED2	ED2 National Policies on Spatial Targeting		R27,010				R27,010
ED3	Developing City Economic Strategies		R68,425				R68,425
ED3-BCM9	BCM Economic Development Strategy Support		R1,700				R1,700
ED3-ETK7	eThekweni Economic Development Strategy Support		R3,400				R3,400
ED3-MAN12	Mangaung Economic Development Strategy Support		R95,663				R95,663
ED3-TSH11	Tshwane Economic Development Strategy Support		R3,528				R3,528
ED5	City Value Chains	R6,800					R6,800
ED7	City spatial economies		R132,272				R132,272
HS10-COJ3	Access to Land (CoJ Priority 3)		R3,400				R3,400
HS10-CPT10	CPT Strategy and Programme for Accelerating Land Availability within Integration Zones		R851,156				R851,156
HS10-TSH15	Development of mixed use catalytic programmes within the integration zones		R5,100				R5,100
HS2	HS2 HSDG/CMHSCG Grant Conceptualisation & Management Support		R6,761				R6,761
HS5	HS5 Strategies & Norms for Incremental Housing		R8,500				R8,500
HS6	HS6 USDG Grant Management Support		R7,454				R7,454

Project Code	Project Name	1 - no longer demand	2 - integrated into parent project	3 - on hold	4 - resource constraints	5 - removed and re-planned	Grand Total
<b>HS9-MAN3</b>	Pilot Demand Side Subsidy Instruments	R23,800					R23,800
<b>PM11</b>	PM11 Built Environment Indicators and Reporting Systems Reform					R1,031,903	R1,031,903
<b>PM2</b>	Procurement Plan					R7,869	R7,869
<b>PT12</b>	National Capacity Building Strategy - data project		R42,000				R42,000
<b>PT13</b>	National Capacity Building Strategy - public transport writer		R22,800				R22,800
<b>PT4-BCM14</b>	BCM Review of IPT/IPTN		R62,850				R62,850
<b>PT4-CPT12a</b>	Cape Town Review of IPT/IPTN		R42,500				R42,500
<b>PT4-EKU7</b>	Review of City IPTS Ekurhuleni		R31,184				R31,184
<b>PT4-ETK2</b>	eThekweni Review of IPT/IPTN		R52,275				R52,275
<b>PT4-MAN6</b>	Mangaung Review of IPT/IPTN		R33,150				R33,150
<b>PT5-NMB16</b>	Study on MBT Industry Innovation and Integration		R38,484				R38,484
<b>PT5-TSH17</b>	Study on MBT Industry Innovation and Integration - TSH	R850					R850
<b>PT6</b>	PT6 Precinct Planning for TOD		R1,700				R1,700
<b>PT8</b>	PT8 Research on Smart Technologies & Innovations in Public Transport				R4,000		R4,000
<b>PT9</b>	Innovative ways of financing public transport infrastructure and operations				R34,850		R34,850
<b>PT9-ETK17</b>	Innovative ways of financing public transport infrastructure and operations - Ethekeeni				R3,400		R3,400
<b>Grand Total</b>		<b>R109,215</b>	<b>R1,920,637</b>	<b>R148,755</b>	<b>R42,250</b>	<b>R1,045,722</b>	<b>R3,266,579</b>

## 9. Annexes: Review of Metros

See separate reports:

**9.1 Annex A - City of Cape Town Case Study**

**9.2 Annex B - City of Johannesburg Case Study**

**9.3 Annex C - Buffalo City Case Study**

**9.4 Annex D – Ekurhuleni Case Study**

**9.5 Annex E - Nelson Mandela Bay Case Study**

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## planning, monitoring and evaluation

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