



REQUEST FOR PROPOSAL

MARKET STUDY: FINANCIAL SUSTAINABILITY OF THE SACN

NOVEMBER 2021

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1. Introduction

The South African Cities Network (SACN) is an established network of South African cities and partners that encourages the exchange of information, experience and best practice on urban development and city management. Working together with South African cities and partners through research, knowledge sharing, peer learning and innovation, the SACN is at the forefront of efforts to achieve the urban futures vision outlined in the Integrated Urban Development Framework and the National Development Plan. The mandate of the SACN is to:

- Promote good governance and management in South African cities;
- Analyse strategic challenges facing South African cities, particularly in the context of global economic integration and national development challenges;
- Collect, collate, analyse, assess, disseminate and apply the experience of large city government in a South African context; and
- Promote shared-learning partnerships between different spheres of government and all of society to support the management of South African cities.

The South African Cities Network (SACN) is embarking on a new five-year strategic business cycle 2021–26, having completed its fourth 5-year strategic business cycle for 2016–2021. The new strategy is conceived within a 10-year strategic outlook that aligns with the Integrated Urban Development Framework (IUDF), the National Development Plan (NDP) 2030 Vision, the New Urban Agenda (NUA), UN Sustainable Development Goals (SDGs) 2030 Agenda (In particular, SDG 11: Make cities inclusive, safe, resilient, and sustainable), the Paris Climate Agreement, and the African Union's Agenda 2063.

The strategy is underpinned by the IUDF, South Africa's national policy framework that is intended to guide the future growth and management of urban areas. It aims to create a shared vision across all of society of how best to manage urbanisation and achieve spatial transformation, and includes the strategic goals of spatial integration, inclusion and access, economic vitality, and effective governance. Effective and integrated management will enable cities to translate urbanisation into greater productivity and higher rates of growth, transforming them into engines of growth. The SACN's strategy aims to support cities in implementing the IUDF within their unique contexts.

To ensure the realization of the 5-year strategic business plan, the SACN has determined four strategic objectives to be pursued over the period, and these are:

- To support cities become learning and adapting institutions through knowledge co-creation, dissemination, and application;
- To advocate for the urban agenda by enabling cities to have a voice;
- To strengthen partnerships with cities and existing partners; form new strategic partnerships; and
- To secure a well-governed Network and secure the financial sustainability of the organisation.

Given the scope of the agenda, it becomes imperative that the SACN secures the financial position of the Network to deliver organisational sustainability and viability to be able to provide an anchor for the successful realization of our vision of promoting high performing cities that are well-governed, productive, inclusive, resilient and sustainable. To do this, the SACN intend on do a Financial Sustainability Study through a qualified service provider to be appointed for a period of 2 months..

2. Objectives

The objective of this market study is to inform a new funding mix for the SACN. Currently, a significant portion of SACN's current revenue comes from core funding, in the form of subscription fees from participating cities and grants from other national government departments who are council organisations, In addition, variable project grants from participating cities and other partners provide a small portion of annual revenue. This funding mechanism lacks sustainability, and its uncertainty has a negative impact on the stability of the organisation's budget and performance.

The market study will be reviewed and approved by:

- SACN Council
- SACN Board of Directors
- SACN Audit & Risk Committee
- SACN Secretariat

3. Scope of Work

For the 2021–26 cycle, the SACN's imperative is to secure financial sustainability, by diversifying its funding sources. To this end, four areas have been identified as being catalytic to securing financial sustainability, namely:

- Maintaining core funding from participating cities and other Council Organisations.
- Ensuring a steady growth of grants from local and international and philanthropic donors.
- Securing funding through corporate partnerships and individual donations.
- Exploring income generation from its own services and assets.

The focus of the study, therefore, is to explore how the SACN can:

- Potentially generate income from its own services (i.e., research work, facilitation, advisory services, etc.)
- Invest in income-generating assets that can yield returns to finance the organisation's programmatic work.

4. Deliverables

The following series of deliverables are expected:

1. Agreement with the project manager(s) on delivery timeframes, and intermediate milestones within 1 week of confirmation of contract.
2. Benchmarking on how similar organisations are funded.
3. Aa gap analysis and opportunities for the SACN.
4. Specific funding interventions for the SACN to explore.
5. A draft report to be submitted by 15 January 2022 including key study findings, analysis, core alternatives and recommendations in the form of a PowerPoint presentation accompanied by a complete first draft submission.
6. A final submission with an executive summary to be submitted by 31 January 2022.

5. Expertise Required

The successful bidder/s should display relevant experience, technical expertise or capabilities concerning the following:

- Experience in developing comprehensive funding and income-generating models for companies
- Understanding of the financing of non-profit organisations.
- A track-record of delivery.
- Ability to work to timeframes and specified outputs.

6. Resources & Costing

The fee for the project will be negotiated with the preferred bidder. Any disbursements such as travel and subsistence for the successful bidder (in the execution of the project) will be covered separately by the SACN.

7. Criteria for Selection

The selection will be based on the strength and relevance to the SACN's financial sustainability endeavours. Proposals should be practical and be applicable to a non-profit company.

8. Submissions and Enquiries

Interested bidders should provide the SACN with:

1. A comprehensive proposal addressing requirements specified in the request for proposals document.
2. A company profile and portfolio of evidence indicating past work and its applicability.
3. A valid tax clearance certificate

Proposals should be sent by email to sadhna@sacities.net by close of business on 30 November 2021.

For any technical enquiries please contact Luncedo Njezula at luncedo@sacities.net or Yolisa Dambuza at yolisa@sacities.net