



#SACN

20



2002 - 2022

YEARS

OF CUTTING-EDGE RESEARCH

QUARTERLY NEWSLETTER

2022 - 2023





South African Cities Network

Quarter Two Newsletter | 2022 - 2023





Urban
Festival
26-28 October 2022
Transforming Cities through
Research & Innovation

#SACN

AFRICA
OUR TIME
TO MOVE

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EDITOR'S NOTE



Dear Stakeholder

**Welcome to our quarterly
online stakeholder newsletter.**

With COP 27 global climate change conference topics on everyone's lips, a warning has been sounded that South African cities do not have the luxury of sitting and waiting for sustainability funding – such as the R400bn promised by Europe at COP26 – to fall into their laps. Cities need to realign their thinking, budgets and management to ensure they are attractive destinations for such investments.

That was a key message to emerge from our three-day Urban Festival hosted in October. Cities and metropolitans need to act now if they want to be ahead of the development curve in two decades. Among the issues identified at the Urban Festival that need to be resolved is governance, as cities still need clean audits.

Also related to governance is the coalition chaos that is currently ragging service delivery as political parties focus instead on leadership changes and gaining power at a local government level. Resolving the coalition dilemma, particularly now that coalitions are part of South Africa's political fabric, would contribute positively towards good governance.

Equally important is efficient and comprehensive data collection – down to the minutest detail – so that cities and metros can plan and efficiently implement initiatives on an informed basis rather than one of supposition. This has long been one of SACN's objectives, having first mooted the establishment of a data almanack in 2004 as a living resource of city data covering about five indicators, including urban population, productive city, inclusive city, sustainable city and well-governed city indicators.

Although uptake has been slow, cities are coming on board with eThekweni municipality, most recently launching its “one truth” strategic hub platform aimed at creating a central data hub that enables the city through the process of accumulating and analysing all data collected to gain a fundamental understanding of what is happening within their jurisdiction so that trends – right down to accurate information on how long, for example, it might take a waste collection truck to do its rounds. The accumulation of such information can be used to improve service delivery.

Our message to the cities is that all these issues need to be mainstreamed and addressed as a priority. The reality is that along with climate change; there are a host of challenges confronting hard-pressed metros and their communities that will manifest in the next 20 years as the country's population swells by around twenty million people and urbanisation continues apace. At the same time, some cynics may argue that the city should focus on meeting current targets and balancing the books rather than on issues such as becoming green cities. These two do not need to exist in parallel universes, and they are both essential.

In this edition of our quarterly newsletter, we take a look at our 20th-anniversary feature and the 20-year celebrations at the Urban Festival 2022. The Inclusive Cities highlights the Good Hood Stories season 2, showcasing four very remarkable stories, Productive cities features the EPWP Exit Strategy for SA Cities, as well the (Re) Skilling Tomorrow's workforce. The Sustainable and Resilient Cities looks at "Can the Transition to Electric Vehicles in South Africa be Just? Well Governed Cities highlights The State of City Finances session from the Urban Festival 2022 and much more.

Best Wishes,

Sithole Mbanga, SACN CEO

We hope you will enjoy this latest edition of our quarterly online stakeholder newsletter. Thank you for being our loyal reader.



CHAIRPERSON'S NOTE



This Q2 newsletter trails the SACN's successful hosting of the 2022 Urban Festival, which lasted from October 26th to the 28th. The Urban Festival is a flagship event on the SACN's calendar since it commemorates Urban October, which is 31 days dedicated to global conversations about bettering urban places. What made this event even more special to the organisation, its network of cities and all its partners is that it coincided with the SACN's 20th anniversary. This momentous milestone in the organisation's existence was perfectly captured in the festival's "Transforming Cities through research and practice" theme.

The 2022 Urban Festival sought to ignite conversations and actions around the desired future state of South Africa's cities. It also offered a chance for SACN to showcase its contribution to South Africa's urban development agenda while celebrating the role of cities in the country's transformation journey. The event achieved this through a well-curated programme that brought together diverse voices, from whole-of-government and all-of-society, while covering a wide range of issues from city governance, finance, and urban economies to sustainability and resilience, as well as inclusion and innovation. The format of the festival varied from conversational panel discussions that were collaborative and action-oriented to masterclasses in which speakers shared real-world experiences on a host of urban development topics.

Since its founding in 2002, the SACN has always placed urban development at the heart of its work through its rich catalogue of urban research knowledge products and its countless peer learning forums. In commemorating its 20 years of existence, the SACN, its participating cities and its partners felt it befitting to use the Urban Festival to reflect on the story of the past two decades of urban development in South Africa. The festival was also an occasion for the multitude of urban stakeholders' voices to reflect on the future of urban spaces and, most importantly, to resolve how to achieve the Integrated Urban Development Framework (IUDF) vision. This urban vision of "liveable, safe, economically inclusive and globally competitive cities, where residents actively participate in urban life", as articulated in the IUDF, remains relevant to all urban stakeholders amid the economic, social and environmental challenges our cities find themselves in.

The festival culminated in adopting a set of pledges by event participants who joined physically and virtually. These pledges ranged from commitments to ensure equality in the spatial transformation to continuous efforts to strive for good governance in our cities and embedding sustainability in all facets of urban development. In conclusion, let me take this opportunity to thank all the participants of the 2022 Urban Festival for their enriching contributions to the event and the more meaningful discourse of urban development.

I would like to also convey my best wishes to the SACN on its 20th anniversary. Lastly, I would like to express my token of appreciation to the Department of Cooperative Governance (DCOG), the South Africa Local Government Association (SALGA) and the Gauteng Partnership Fund (GPF) for their partnership in making the 2022 Urban Festival a resounding success.



CELEBRATING OUR 20TH ANNIVERSARY

Municipal Focus Article

Today, more people than ever live in cities. Cities are spaces where people come together to share experiences and ideas and shape new systems. They are places of social, economic, and political opportunities and intense social interactions. In South Africa, where two-thirds of the population live in urban areas, cities are central to the development and at the forefront of the country's economic, social, environmental, and cultural life. The Urban Festival 2022 hosted by the South African Cities Network (SACN) in Parktown Johannesburg, from 26 – 28 October addressed technocrats, policymakers, businesses, academia and civil society organisations on challenges facing cities. These discussions took place through several plenary sessions throughout the three days of the Urban Festival and were designed to trigger a conversation with a deliberate intention to collate valuable insights and solutions that will help us transform our cities to achieve inclusivity, sustainability, and productivity.



Urban October is an opportunity for people around the world to join the conversation about the challenges and opportunities created by the fast pace of change in our cities and towns. The challenges facing cities offer an opportunity for improved collaboration and cooperation and for finding a different way of doing things. Such an opportunity requires everyone to unite around a common progressive agenda that prioritises inclusive economic growth, a closer relationship between nature and humanity, and accountable governance, where no one is left behind. The activations during the Urban Festival aim to influence the political agenda within local government. Considering the new administration in our cities that has assumed leadership over the past few months, and is forging a new mandate committed to undoing the wrongs encountered in the last five terms of local government in South Africa. The key message they should convey in their work is the idea of local government as the true government of the people.



This idea draws from the constitutional status of local government as the government sphere closest to the people and whose mandate remains to provide a democratic government for local communities, ensure services, and promote social and economic development. To ensure the successful roll-out of this mandate, it is critical for our new local administration always to pledge their time, energies and their loyalties to the electorate that voted them into leadership, and for that to happen, they would need to navigate themselves outside the sometimes-narrow political priorities successfully and to take cognisance of the bigger picture of local development and service delivery.

The South African Cities Network (SACN) was established to assist cities in navigating complex challenges through knowledge generation, dissemination and facilitating shared learning

among cities and partners. We set out a bold vision for the next ten years and an actionable strategic plan for the next five years to support cities.

The new strategy aims to set clear and focused strategic objectives that enhance SACN's value offering to cities and make the organisation more effective, impactful, and relevant. Having reached its 20-year milestone, the SACN aims to continue a growth trajectory. We would like to thank our partners, DCOGTA, SALGA and GPF for helping make The Urban Festival possible. As the month of October is urban month, a period which concentrates on urban development programmes globally i.e., UN Habitat's World Cities Day, which hosts a series of events for the whole month, National Transport Month and World Urbanism / Town Planning Day, which was on the 8 November. The Urban Festival has enabled the extension of conversation to a wider audience, as we.



To view highlights of The Urban Festival 2022 please visit our website
<https://www.sacities.net/urban-festival-2022/>

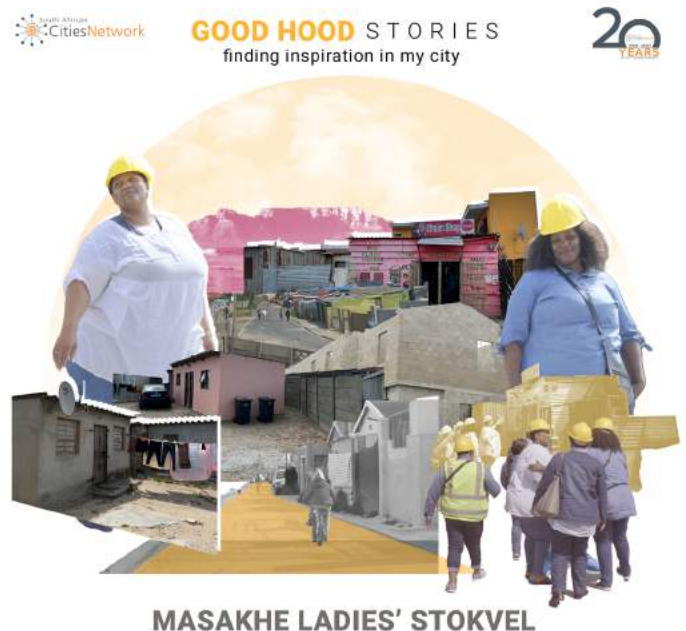
Good Hood Stories Season Two

In 2021, the South African Cities Network (SACN) developed the Good Hood Stories Films, with an emphasis on sharing good practices in a visual, exciting way to encourage City practitioners and civil society actors to take action in their cities. The four films were very well received with awards from The Better Cities Film Festival in Detroit, USA and were featured at the UN-Habitat World Urban Forum Urban Cinema. More importantly, the stories were shared widely in South Africa and, in some instances, assisted in growth initiatives like the Langa Bicycle Hub.

On the back of this success and as part of celebrating SACN's 20 years of cutting-edge research, Season Two was launched in 2022 showcasing four unique stories. The Good Hood Stories represents initiatives from a variety of cities in South Africa and pays particular attention to urban champions and the role they play in enhancing their cities. They include the following:

Masakhe Ladies: This phenomenal women-led stokvel established in Gugulethu in Cape Town has tackled the slow pace of affordable housing delivery through group savings for home improvements, development of small-scale affordable rentals and housing development.

The stokvel has reached the 30-house mark and provides critical inspiration and innovation to taking action in affordable housing. The film is dedicated to its inspiring leader Ntombekhaya 'Ntosh' Nyama-Plati, who sadly passed away in November 2022.



Watch here: <https://youtu.be/GE-BzOHeuwo>



DURBAN CRISIS MAP

Durban Crisis Map: When faced with floods and civil unrest in the City of eThekweni, innovative tech geniuses, PISTA Ventures and Black Box developed an application: the Durban Crisis Map.

The map allowed residents to log their needs and for other residents to respond to their needs. This innovative approach to crisis assistance was supported by the City of eThekweni, which continues to explore opportunities to partner with innovators.

Watch here: <https://youtu.be/iYNpI4LFxM4>

Community Oriented Substance Use Programme (COSUP): Homeless and substance abuse is a critical challenge in South African Cities, based on a Harm Reduction methodology, the City of Tshwane, the University of Pretoria and a network of non-profit organisations have developed the Community Oriented Substance Use Programme.

With 17 sites, providing critical health, mental health support, training and in some instances housing; this programme is bringing about critical change in individuals and communities.



**COMMUNITY ORIENTED
SUBSTANCE USE PROGRAMME**

Watch here: <https://youtu.be/vyxCWrbQ20g>



**PARK ACTIVATION
COORDINATOR PROGRAMME**

Park Activator Coordinators: Safe public spaces in our cities are vital. They are spaces for children to play, communities to meet and learn from one another, spaces of pause, rest and relaxation, spaces to transit and for much-needed economic opportunities. However, substance abuse, crime, violence and vandalism have to some extent inhibited these spaces from playing this vital role.

The Cities of eThekweni and Johannesburg piloted the Park Activators Coordinators Programme (PAC), partnering with community champions to activate their local parks. Using EPWP funding to support their work, this innovative model is bringing parks and cities to life.

Watch here: <https://youtu.be/kG30ryPcvh0>

In addition to these exciting videos, SACN developed the second iteration of the Good Hood Stories Newspaper. The Newspaper provides an update on Season One initiatives, dives deeper into the Season Two stories and the project champions and also highlights further Good Hood Stories from Buffalo City, Nelson Mandela Bay, Ekurhuleni and Msunduzi.

Read more here: <https://bit.ly/GHS-Newspaper-Final-2>

Good Hood Stories



October 2022

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PRODUCTIVE CITIES

This edition of the newsletter is issued amid high levels of instability which has affected the country in many ways. Pertinent to the productive cities programme is the seemingly worsening levels of load shedding and stagnant growth which continue to put livelihoods at risk and push many vulnerable South Africans to the fringes. It is hoped that through various responses and interventions, cities will adapt and continue to deliver the necessary services to support livelihoods. Of importance in this regard is the EPWP exit strategy framework and implementation guide. Cities remain central to the implementation of the Expanded Public Works Programme, a critical safety net for the most vulnerable millions of people across the country, although fraught with multiple challenges. A closer look into the use of EPWP across South African cities reveals limitations in providing quality training to EPWP participants. Essentially, the motive for providing training in EPWP is to transition the participants from the periphery to the core of the job market, but various gaps have been identified in this regard. As a considered response, the SACN, through its productive cities programme has recently published two much-anticipated knowledge products which would serve as the productive cities' main highlights for the quarter.

EPWP Exit Strategy for South African Cities

There is a growing recognition that Public Employment Programmes (PEPs) do not guarantee long-term employment or income-generating activities, for which the EPWP is not an exception. The above-mentioned study explores global examples of PEPs, intending to understand design elements and approaches that enable the successful exit of participants from these programmes. From global case study observations, the study posits that integrating a PEP with broader social, employment and economic policy is a key pathway to ensuring PEP participants continue earning an income using the skills and training acquired from the programme.



(Re) Skilling Tomorrow's Workforce

Complementary to EPWP Exit Strategy for South African cities is the knowledge product: (Re) Skilling Tomorrow's Workforce; Leveraging EPWP for Inclusion of Youth and Persons with Disabilities in the Digital and Green Economies. This study is one of the many responses to the changing nature of work which has reduced the level of participation by youth, women and persons with disabilities in the labour market.

The study suggests that the EPWP could well be a bridge required to close the digital and green skills gap that currently exists in South Africa. While there is already some momentum outside of the EPWP, South African cities are encouraged to leverage national government funding to design and implement innovative projects in the digital and green economy, based on their unique competitive advantages.

These publications arrive at an opportune time given the relentless power shortages bedevilling the country and the growing need for alternative forms of energy, the need for efficient and sustainable waste management practices and food production. Given the threat of job substitution and elimination, green and digital economies would become the lifeblood of a responsive and inclusive economy.

It is noteworthy that the above would be a futile exercise for cities to undertake alone if one is to consider the education, skills development and (un)employment value chain in its entirety. It is therefore suggested that an ecosystem approach be adopted with a shared responsibility principle to make this a success. This denotes that the EPWP implementing units and (EPWP) strategies/policies cannot exist in isolation but must be part of a broader network of organisations and institutions with a common purpose. The SACN looks to host PEP ecosystem partner sessions, which can be expected in the next quarter.



SUSTAINABLE & RESILIENT CITIES

Can the Transition to Electric Vehicles in South Africa be Just?

As part of the Urban Energy Network peer-to-peer and knowledge exchange platform, which is convened by the partners, Sustainable Energy Africa (SEA), the South African Local Government Association (SALGA) and the South African Cities Network (SACN), a two-day knowledge exchange event was hosted from 7 – 8 November 2022 titled “A Just Transition to Electric Vehicles in South Africa”.

The event proceedings included dialogues around the central issues shaping a just transition and reflected the views of policymakers, industry leaders, academia, researchers and city practitioners on the impact of the global Electric Vehicle (EV) transition on the South African automotive and transport industries. The dialogues also explored the role of local government in supporting the transition to electric vehicles (EVs).



City of Tshwane Electric Vehicle fleet
(Photo credit: www.mybroadband.co.za)

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Equity and justice should be positioned front and centre of decarbonising the transport sector, otherwise, EVs will remain a luxury beyond the reach of many

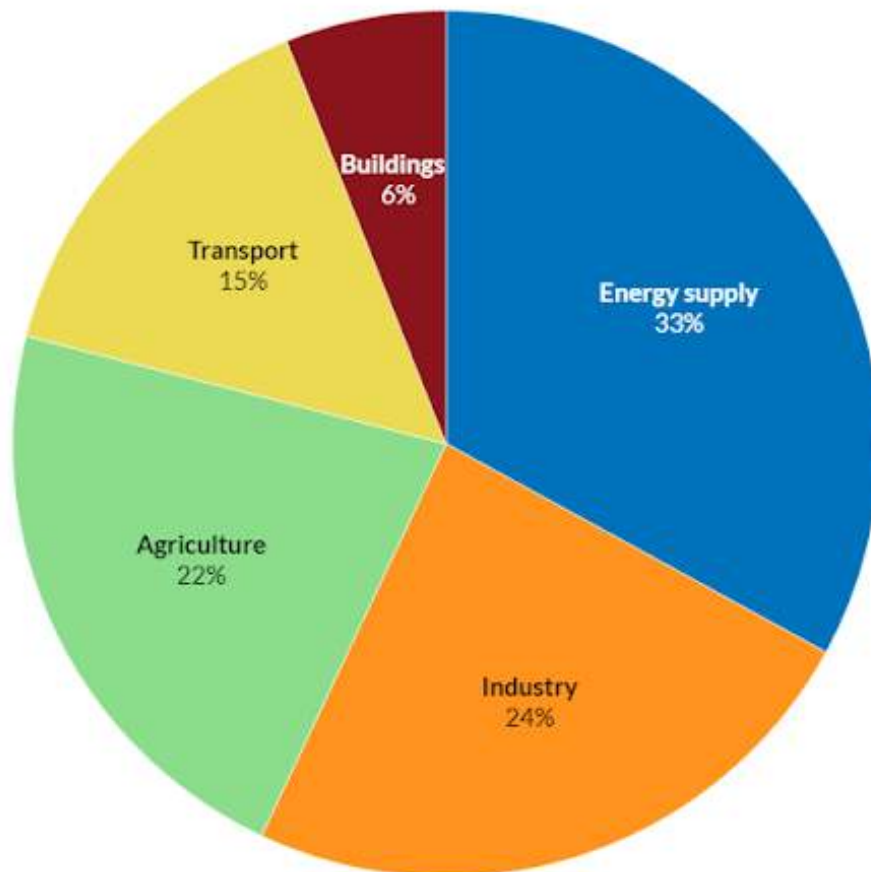
Climate Change Imperatives

Globally, the transport sector is not the largest emitter of greenhouse gases (GHG), (the main culprit behind climate change), accounting for approximately 15% of GHG emissions by sector (see Figure 1), however, it is widely considered the most difficult sector to decarbonise without implementing aggressive and sustained mitigation policies (Nakhle, 2022).

Facts & figures

Greenhouse gas emissions by sector

■ Energy supply ■ Industry ■ Agriculture ■ Transport ■ Buildings



Transport is not the largest emitter of greenhouse gasses, but is widely considered the most difficult sector to decarbonize.

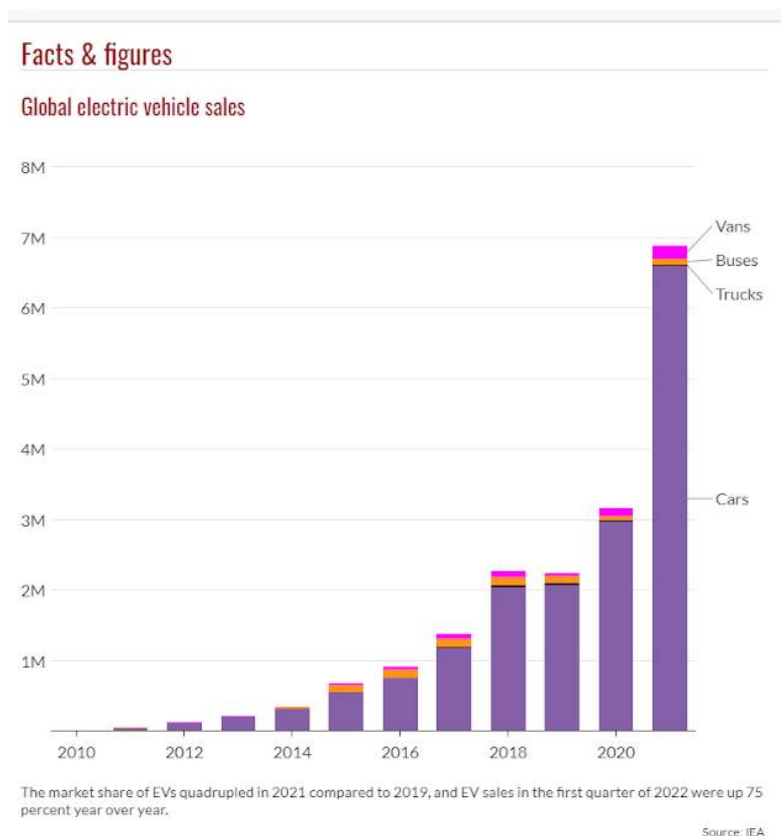
Source: IPCC

In South Africa, the contribution of transport to national energy-related CO2 emissions is estimated to be approximately 14%, with road transport being responsible for approximately 90% of transport emissions and 90% of total fuel consumption in transport (Ajum, et al, 2020). With South Africa’s rapidly growing population projected to reach 75 million by 2050, coupled with an increasing motorisation rate along with a move away from public transport, it is evident that if the country achieves high economic growth rates without low carbon and resource efficient alternatives, transport energy demand and emissions will increase by 2050. The sector could become the largest emitting sector by mid-century (ibid).

As a signatory to the Paris Agreement, South Africa has committed to reducing GHG emissions, therefore it is imperative to decarbonise the transport sector if the country is to attain its goals as set out in the Nationally Determined Contributions (NDC).

Economic Imperatives

On the economic side, globally, a transition from conventional Internal Combustion Engine (ICE) vehicles to electric vehicles is underway, with the number of EVs growing at an accelerating rate (SEA, 2022). For instance, according to the International Energy Agency (IEA), sales of EVs in 2021 doubled from the previous year to a new record of 6.6 million. While still a small absolute share of the global automotive industry, the growth rate has been staggering (Nakhle, 2022) and is assisted through supportive regulations and incentives, with more than 20 countries worldwide announcing the ban of ICE vehicles from as early as 2025 and 2030 (SEA, 2022).



This has far-reaching implications for the South African automotive industry, whose value and contribution to the economy accounts for 30% of manufacturing output and 14% of total exports (SEA, 2022). The industry is valued at R500 billion and created almost a million jobs for skilled, semi-skilled and unskilled workers (ibid).

To meet its climate change GHG emission reduction commitments, continue the automotive industry’s contribution to the country’s GDP, maintain employment and job creation, and align with the requirements of international markets, South Africa will need to transition to EVs.

In light of these imperatives, and in light of the country's National Development Plan and recently developed Just Transition Framework, issues of equity and justice need to be positioned front and centre of the transition.

Day 1

Session 1 of Day 1, the event focused on the urgency of the transition, the response to date from the national government, and the role of local government in supporting the transition to EVs. The speakers, Gaylor Montmasson-Clair (Trade and Industrial Policy Strategies), Zanie Cilliers (Sustainable Energy Africa) and Dorothy Mabuza (City of Johannesburg) addressed the geopolitical and economic perspectives of the transition, how national policy (the Green Transport Strategy (GTS)) is addressing the urgency of EV transition and what the key policy instruments and support areas are for local government.

Session 2 of Day 1 highlighted case studies on mass transit looking at Golden Arrow's electric bus pilot project (presented by Gideon Neethling) and the University of Stellenbosch's electric minibus taxi pilot project (presented by Prof. MJ (Thinus) Booysen) which both explored the challenges and opportunities that exist for mass transit EVs.



In the final session of Day 1, participants went into different groups to unpack elements of an enabling just transition policy for EVs.

The key messages from Day 1 session were that:

- ◇ The transition needs to start immediately. There is a time window of 7 years for a complete transition in order not to lose international markets and jobs in the related auto value chain. Bold action is necessary.

- ◇ Local government and public transport fleets (including minibus taxis and buses) can become anchor buyers of EVs, through the conversion of their fleet to EVs, creating local EV demand and, in doing so, driving EV uptake.

The challenges highlighted were:

- ◇ Lack of programme ownership of the EV transition work at the local level, due to the uncertainty of mandates as a result of the cross-cutting nature of EVs, i.e., cuts across departments of transport, electricity, urban planning, environment/climate, etc.
- ◇ Lack of data and awareness around EVs in South Africa, which drives “range anxiety” and holds back EV uptake by public and private entities.

The proposed way forward to address these highlighted the need to:

- ◇ Provide policy certainty to drive local manufacturing.
- ◇ Provide support through national programmes, technical support and guidelines.

Local and national

- ◇ For a just transition, the focus should be on prioritisation of the highest demand sectors, i.e., travel for education purposes, and travel by public transport, in particular minibus taxis.
- ◇ Collaboration, communication and data/lessons-sharing are critical. This will avoid “reinventing the wheel” and will highlight opportunities. Collaborative structures need to be set up.
- ◇ Undertake EV pilots.

Local

- ◇ It is vital that all municipalities develop an EV strategy, with action plans mainstreamed across all relevant sectors (transport, electricity distribution, spatial/urban planning, etc.).



Day 2

To empower local governments in accelerating the procurement of EVs for their fleets, **the first session of Day 2** demonstrated international case studies from the Cities of Loveland (USA), Santiago (Chile), Shenzhen (China) and various cities in India. The case studies showcased different options these cities have used to reduce procurement costs, such as

- ◇ EV leasing
- ◇ Joint Procurement
- ◇ Battery leasing
- ◇ Concessional finance and
- ◇ Outsourcing charging infrastructure.

Local case studies from Eskom (presented by Aletta Mashao) and the City of Tshwane (presented by Dolly Mafa) demonstrated that:

- ◇ Locally available EV models are limited, expensive and not suited for required fleet applications.
- ◇ Procurement regulations emphasise upfront capital cost (but do not exclude using the total cost of ownership).
- ◇ Limited support from national in providing an enabling policy for the transition.

Proposed way forward to address these:

- ◇ Removal of import duties will kill local manufacturing. Therefore, any incentives should focus on the customer/demand side and public transport or public fleets.
- ◇ Public procurement of EVs offers an important demand-side mechanism to support the local automotive industry.
- ◇ Finance mechanisms for the financing of charging infrastructure and/or public/mass transit electric vehicles would enable the transition.
- ◇ ICE vehicle repurposing (by retrofitting to EVs) offers an important and resource-efficient opportunity that should be further developed.

The second session of Day 2 focused on grid-related challenges at the local level as well as the importance of collaboration and partnerships to ensure the transition is a conscionable one (presented by Winstone Jordaan of Grid Cars).

Some of the considerations for Public-private Partnerships (including land provision for chargers) include:

- ◇ Mapping grid constraints and creating by-laws that require the provision of chargers in new multi-tenant developments
- ◇ Improving monitoring and data-collection of any EV-related initiatives, to be able to learn from them and motivate for further programmes/projects.

As Day 2 drew to a close, Nombuso Ngcobo presented the City of Cape Town's EV policy & framework and highlighted some of the projects the City is supporting to raise awareness and assess EV readiness for various types of developments. Hiten Parmar, from uYilo e-Mobility Programme, then provided an overview of the EV landscape in South Africa and the activities uYilo is undertaking to enable, facilitate and mobilise growth in electric mobility within the transport, and complimentary green economy sectors.

To close off the day, participants once again broke into different groups to provide proposals on moving the institutional structure and policy framework discussions at a much more accelerated pace. This, bearing in mind the pace of global shifts as well as the current economic environment of slow growth, job losses and unemployment which were already a challenge, a decade leading to the pandemic (World Bank, 2022).

Next Steps

The key objective of the knowledge exchange event was to initiate a dialogue around the central issues shaping a just transition in the EV industry in South Africa. As the discussions unfolded, it became clear that a multi-stakeholder and multi-sectoral approach is essential to realise the imperatives of the country's National Development Plan, the commitment to the Paris Agreement, the Green Transport Strategy as well as the Just Transition Framework.

The convening partners will continue advocating for and working in partnership with different stakeholders toward the following:

- ◇ Linking EVs and distributed renewable energy (e.g., rooftop PV), i.e., how EVs can be powered by green energy and grow the local economy (linked to manufacturing and installation of renewables and EV chargers).
- ◇ Awareness-raising to generate buy-in and demand, both of public officials (in particular at the political level) and the public. This will aim to remove perceptions around range anxiety and to make the business case for EVs.
- ◇ Undertaking pilots, trials and tests to build a stronger business case for the transition.
- ◇ Setting up structures for cross-departmental and intergovernmental collaboration.
- ◇ Establishing a national platform where entities can share their experience/lessons/data on EV pilots.
- ◇ Advocating for adjustments to the preferential procurement policy, including adjusting the linked RT 57 Contract Circular that details the pricing schedule for procurement.

- ◇ Collaboration with the private sector, e.g., on EV charging rollout approaches for local government.
- ◇ Establishing an EV working group, in partnership with key public and private sector stakeholders.

In a highly unequal society like South Africa, which is perpetuated by a legacy of exclusion (which has intergenerational implications) as well as the nature of economic growth, which is not pro-poor and does not generate sufficient jobs (World Bank 2022), it is critical that issues of equity and justice are positioned front and centre of decarbonising the transport sector, otherwise, EVs will remain a luxury beyond the reach of many.



Minibus taxi scene (Photo credit: Shmuel Thaler)

WELL GOVERNED CITIES

This quarter's work in the Well Governed Cities Programme has centred around the launch of the State of City Finances 2022 report and the dissemination of the report's findings.

The report was launched at a panel discussion at the Urban Festival on 27 October facilitated by Siphon Nxasane, Senior Innovation Specialist at the City of Tshwane. The panellists were:

- ◇ Jan Hattingh. Chief Director Local Government Budget Analysis, National Treasury Intergovernmental Relations Directorate
- ◇ Mbulelo Sigaba. Chief Director Municipal Finance, Department of Cooperative Governance and Traditional Affairs (DCOG)
- ◇ Khomotso Letsatsi. Chief Officer: Municipal Finance, Fiscal Policy & Economic Growth, South African Local Government Association (Salga)
- ◇ Ben Mokheseng. Head: Transacting, Municipalities and Water Boards, Development Bank of Southern Africa (DBSA).



The panel was constituted to get four critical institutional perspectives on the state of metropolitan finances in South Africa over the previous two local government administrative terms, from 2011 – 2021: from National Treasury, the custodian of the local government fiscal framework; the Department of Cooperative Governance, tasked with oversight of municipal governance; SALGA, which is the statutory representative of the local government sphere in intergovernmental forums; and the DBSA which provides concessionary finance to municipalities for infrastructure projects. In a departure from previous State of City Finances launches we avoided “death by PowerPoint,” and produced two videos that give an overview of the 2022 report and the history of SACN’s city finance reporting.

They are available here:

https://www.youtube.com/playlist?list=PL5ahUpcLGcnc0HZd8rWTPNliKnW_8-jLX

The Programme Manager discussed the findings of the State of City Finances report in a TV interview with Stephen Grootes on Newzroom Afrika on 2 November, and a radio interview with Lester Kiewitt on Cape Talk on 4 November.

View More here: <https://www.sacities.net/news-coverage/>

SACN CEO Sithole Mbanga facilitated a webinar on the state of metropolitan finances with panellists Chief Director Jan Hattingh from National Treasury; Adjunct Professor at The University of the Witwatersrand, Michael Sachs; and the Director of the Energy and Society Programme at the Public Affairs Research Institute (PARI), Tracy Ledger on 22 November. In this webinar, the panellists gave their perspectives on the reasons for the parlous state of municipal finances generally and the systemic problems with the local government fiscal framework.

Click here to watch the recording: <https://bit.ly/State-of-City-Finances-Zoom>

Date: 22 Nov 2022 **Time:** 6pm-7pm **Venue:** Zoom Webinar

Panellists:


Mr. Jan Hattingh
National Treasury


Professor Michael Sachs
Wits University


Dr. Tracy Ledger
Public Affairs Research Institute (PARI)

Facilitated by:


Mr. Sithole Mbanga
SACN



The cover of the 'State of City Finances 2022' report features a circular graphic with a city skyline and the year '2022' in the center. The logo for 'South African Cities Network' is at the top right.

The Constitution envisages a local government sector that plays a distinctive role in the development and governance of South Africa, well-funded and enabled by different policy, legislative and regulatory measures to discharge its mandate effectively and efficiently. The expectation of this legislative and regulatory framework for local government finances was that municipalities would generate 90% of their own revenues and transfers would make up the balance of 10%.

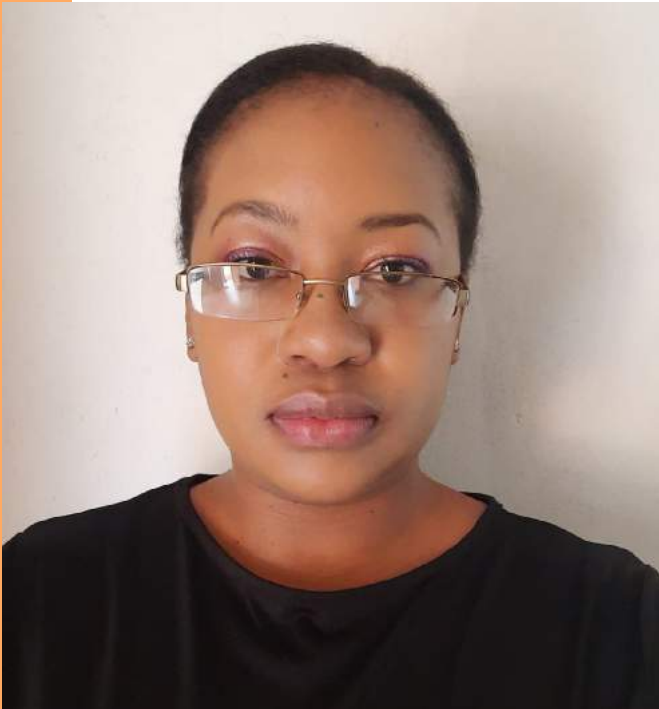
Municipalities derive their revenues from property rates and trading services, namely tariffs and surcharges on electricity, water supply, sanitation and solid waste removal provided to consumers (residents and businesses). The State of City Finances 2022 shows that the growth in the costs of providing services is outpacing the revenue that cities can recoup for providing those services. This finding adds to the large body of SACN research that critiques the local government fiscal framework and the sustainability of municipal finances in the long term.

In the next two quarters, the well-governed cities programme will produce a policy paper and associated content in collaboration with the Programme Manager: Policy Research and Advocacy to insert these ideas into the policy sphere.

During this quarter the substance of the Capability Development Problem Led Approach (CDPL) pilot project has been developed through meetings with Matt Andrews who started the Building State Capability Programme at Harvard University's Kennedy School of Government, and the Common Africa Budget Reform Initiative (CABRI) who have applied the approach in South Africa and across the region. The genesis for the CDPL lies in the SACN strategic review which identified the lack of capability of the local state as an area of concern that should be addressed. The SACN CDPL executive leadership programme will complement and supplement existing programmes that focus on the capacity of practitioners in municipalities. It will focus on iterative disassembling of urban problems to develop unique solutions and strengthen the capability of city departments in the process.

Presentations have been made to the two City of Joburg administrative regions where we hope to pilot the approach in partnership with our implementing partner PARI starting in early 2023.





KARABO MOKOENA

Karabo Mokoena is a junior researcher in the Policy, Research, and Advocacy group at South African Cities Network. She supports her team in research and project management in this role. She has an interest in climate research on sustainable resource management.

Over the next month, SACN will be hosting several events such as the Learning Exchange Towards a cities guideline for accessing Climate Finance, SPRINT Community of Practice Virtual Learning Event and the Urban Resilience Webinar by the Productive Cities programme, who During the 2021/22 financial year undertook a research assignment identifying and interrogating the opportunities shocks and crises present concerning developing bottom-up city led urban resilience strategies.

From this, an urban resilience strategy framework and implementation guide which could be employed by South African Cities in response to future shocks and crises were developed.

This assignment was undertaken under the following themes:

1. Adaptive municipal governance and finance during a crisis in cities: potential for digitisation and e-governance.
2. Data-driven approaches to monitoring regression and progress towards spatial transformation in cities during times of crisis: focus on urban safety, transport and mobility, housing.
3. Cities in Crisis, leveraging innovation to respond to a crisis in the face of crisis: design and planning for resilience within the context of climate change and other natural disasters.
4. Inclusive City Economies, protecting livelihoods in times of crisis: a review of the types of economic activities that have proven resilient and most beneficial to sustaining livelihoods for youth from disadvantaged households in times of crisis. With a focus on digital skills and digital work.
5. Innovation in cities as a driver for adaptability in times of crisis.

The final publication can be accessed here: <https://bit.ly/SACN-2022-ebook>



Urban Resilience in South African Cities



SACN also released our Advocacy Toolkit which serves to unpack and outline to the reader how the SACN envisages undertaking its advocacy programme. The SACN Advocacy Toolkit also maps out the process of how SACN policy advocacy projects are to be conceptualised and implemented through several resources and tools which have been designed to provide a logical framework to develop feasible and sound policy advocacy projects that are city-centric and centred on All-of-Society partnership principles.

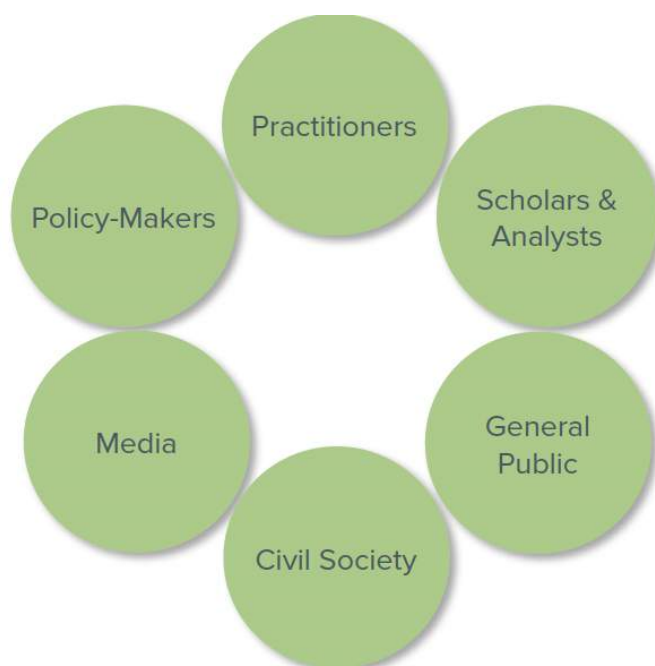
Policy advocacy is a series of persuasive actions that are aimed at either establishing new policies, improving on existing policies, and/or challenging pieces of legislation that impact negatively on individuals or groups¹. It aims to shape both policy processes and policy content through (direct and indirect) engagement with policymakers. Policy advocacy is the policy and makes use of multiple targeted actions directed at changing policies, positions or programmes. Policy advocacy targets policymakers and implementers by alerting them of gaps and shortfalls by educating the public, providing research to people needing help and commenting on regulations.

Pillar 3 (Voice & Advocacy) of the SACN business strategy mentions the organisation's intention to augment its value to cities through advancing initiatives built around increasing pillar into an actionable programme and to develop a guide on how the SACN Secretariat, work. The long-term goal of the SACN's advocacy programme is to position the SACN as a credible policy research entity and an advocacy champion on issues affecting cities in urban development.

The advocacy programme's objectives are to:

- ◇ Strengthen the collective voice of cities through evidence-based knowledge and advocating for change in policies and practices that support the urban agenda;
- ◇ Amplify the voices of cities by leveraging SACN's network platform and supporting cities with evidence-based knowledge for policy reform and advocacy;
- ◇ Convene voices that bring together city practitioners and connect them with all of society.

This toolkit is intended primarily for SACN and its partner organisations, but since the work of advocacy entails a multitude of voices and competencies it is relevant for application by a wide spectrum of All-of-Society stakeholders which include but are not limited to:



Policy Advocacy Toolkit





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