QUARTERLY NEWSLETTER South African CitiesNetwork







OCTOBER-DECEMBER 2023-2024

Vol. 2

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Editor's Note

Dear Stakeholder, Welcome to our Quarterly Newsletter

Velcome to the Quarter-two edition of the South African Cities Network (SACN) online newsletter. We are pleased to bring you a diverse range of articles and updates that highlight the vital work being done in the urban development sector across South Africa.

In this edition, we explore the theme of SMME inclusion in the Construction Sector. Our article is based on a research report on the challenges that built environment practitioners are facing on construction sites across the country due to the so-called "construction mafia" and reports of extortion and violence. We hope these insights will contribute to the ongoing efforts to promote engagement and inclusivity in the built environment sector to guarantee the delivery of development projects.

Another key focus of this newsletter is the urban festival dialogue on data for sustainable and resilient human settlements. We feature an article highlighting the discussions and outcomes of this dialogue, providing valuable insights on the importance of data and spatialised mapping for developing resilient and sustainable human settlements.

We are also excited to share the outcomes of the state of open data roundtables series 4. The roundtable brought together key stakeholders to discuss the challenges and opportunities of available data in urban development. The article in this edition provides a comprehensive overview of the discussions and the potential impact of open data in shaping our cities.

Moreover, we delve into the alignment of support interventions and initiatives with the needs of SMMEs. This topic is of utmost importance as we strive to create an enabling environment for small businesses to thrive in our cities. The articles in this edition shed light on the various strategies and initiatives implemented to support SMMEs and contribute to their growth and success.

Furthermore, we are excited to report on Joburg's climate action plan webinar series. This series aimed to raise awareness and facilitate discussions around climate change mitigation and adaptation strategies in the city. We encourage you to reflect on what emerged from the webinars and join the conversation on building a more sustainable future for our cities.

In addition, this newsletter highlights the convening of a community of practice webinar focused on municipal long-term financial strategies. The webinar presented an opportunity to reflect on the lessons learned in Long Term Financial Strategies (LTFS) and share that with financial management practitioners in municipalities that have not yet adopted LTFSs. We are confident that this community of practice will continue to contribute positively to our municipalities' overall financial health and resilience.

Finally, we would like to extend our warmest congratulations to Ms. Nosipho Hlatshwayo on her appointment as the acting CEO of the SACN. Ms. Hlatshwayo brings a wealth of experience and expertise to this role, and we look forward to working closely with her to further advance the goals and objectives of the SACN.

As always, we would like to express our gratitude to our team, who provided valuable insights and perspectives on the topics covered in this newsletter. We hope that you find this edition informative and thought-provoking.

Thank you for your continued support and readership.

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SMME Inclusion in the Construction Sector

Earlier this year, SACN released a research report on the challenges that built environment practitioners are facing on construction sites across the country due to the so-called "construction mafia" and reports of extortion and violence. The report titled, Keep the bus moving: SMME inclusion in the construction sector, sought to unpack some of the disruptive dynamics that play out on site and highlight ways that practitioners mitigate these challenges to ensure that development projects get completed. The research exposed many complex insights around the failure of the construction industry to implement SMME inclusion developmentally, as well as the underlying socioeconomic drivers of the phenomenon. The phenomenon has persisted since the report's release and has received increased media attention. Over the past months,

The Inclusive Cities Programme has been implementing a city engagement agenda to share the research with city practitioners and continue to develop ideas around guidelines for dealing with this challenge through one-on-one meetings, workshops and focus groups. Several platforms have featured the work, including The City Support Programme's City Economic Development Managers Forum (CEDMF), the Council for the Built Environment, and the Department of Human Settlements' Legal Forum. The next step for this project is, through this engagement process, to develop a cocreated set of guidelines to assist officials from different cities, departments and entities across the country with a cohesive set of actions and approaches that can utilised for more effective SMME inclusion and a zero-tolerance approach to extortion, based on the best practices from existing SMME policies.

Urban Fest: Data for Sustainable and Resilient Human Settlements

The Inclusive Cities Programme hosted a panel discussion with the Department of Human Settlements as part of SACN's annual Urban Festival, titled Data for Sustainable and Resilient Human Settlements. The session focused on the importance of data and spatialised mapping for developing resilient and sustainable human settlements by looking at the different aspects of human settlements and what data solutions exist, such as land and property rights, the informal rental sector, participatory planning, greening, and densification. Panellists included data practitioners, activists and development practitioners from different organisations contributing to a rich data landscape in South Africa. Combining these organisations' data projects paints an accurate and up-to-date picture of the continuously changing realities of cities' settlements. The session emphasised to city practitioners that these data solutions are available to cities to utilise to assist decision-making and prioritisation. The Inclusive Cities Programme also participated in the overall hosting of the Urban Festival as Programme Director.

PANEL DISCUSSION

Data for Sustainable and **Resilient Human Settlements**

31 OCTOBER | 14:00-15:30















Kamogelo Shika Project Coordinator, Development Action Group



Daniel Githira Data Analyst UN-Habitat

Inclusive Cities

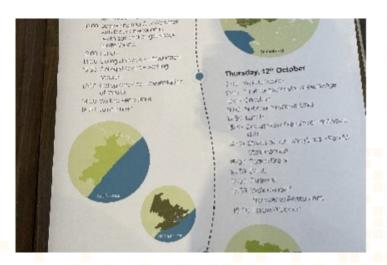
The 4th Dialogue for Urban Change

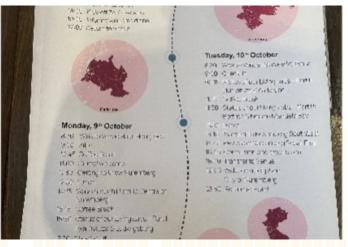
The 4th edition of the Dialogues for Urban Change (D4UC) occurred in Nuremberg, Germany, from 7 to 13 October 2023. South Africa and Germany have championed a learning alliance on integrated urban development and new forms of cooperation based on bilateral agreements between counterpart national ministries. Both countries have national urban policies: the Integrated Urban Development Framework (IUDF) in South Africa and the National Urban Development Policy (NSP) in Germany. The collaboration between the two countries extends to the city level through the development of a peer-to-peer learning programme involving representatives from cities and national ministries, including South Africa: Department of Cooperative Governance, Department of Human Settlements, National Treasury, SALGA, The SACN; Germany: Association of German Cities (DST); and eight cities of KwaDukuza, Nelson Mandela Bay, Stellenbosch and uMhlathuze (South Africa) and Bottrop, Karlsruhe, Ludwigsburg and Nuremberg (Germany).

Biannual D4UC meetings are an opportunity to visit member cities in both countries, but most importantly, to update, learn more and share ideas for improving city 'pop-up' measures targeting city resilience, safety and other critical development outcomes driven through city planning. The GIZ implements D4UC for the German Federal Ministry for Housing, Urban Development and Building (BMWSB). Co-convened with South Africa's COGTA, D4UC aims to bring good ideas and approaches into the daily practice of cities by creating an environment for mutual learning among urban development practitioners. SACN is represented by the Inclusive Cities Programme on this platform.









Innovative Cities









The State of Open Data Roundtables - Series 4

STATE OF OPEN DATA

ROUNDTABLES - SERIES 4

November 21 - 24, 2023

Over the past 15 years, the open data movement has entered a new phase in its evolution, shifting to target real-world problems and embedding available data thinking into other existing or emerging communities of practice, but big questions remain. How are open data initiatives responding to new privacy, inclusion, and artificial intelligence concerns? And what have we learned about delivering impact where it is most needed? <u>D4D.net</u> has hosted a series of roundtables to gather global and regional perspectives on the recent use and impact of open data worldwide on issues ranging from artificial intelligence and data protection to climate action, gender, health, and so much more.

The event took place virtually from the 21 to 24 of November 2023. Majaha Dlamini, Urban Data Manager at SACN, joined a discussion focusing on The State of Open Data and Urban Development.

Some of the Key Points from this discussion were:



Open data is playing a larger role in driving measures to promote equity, mitigate climate change, and improve crisis response systems in the urban development context.



The growth of urban Internet of Things (IoT) technologies, digital sandboxes, and the digital twins concept are creating a greater need for data interoperability and data quality standards.



Greater citizen participation, sustainable funding for open data initiatives, and a broader global outlook will prove crucial in harnessing the full potential of open urban data in the future.



Dr. Stefaan G. Verhulst Co-founder, Governance

Laboratory

HOST



Andrew Collinge Advisor, Digital Dubai



Majaha Dlamini Urban Data Manager, South African Cities Network



Ben ListerOpen Data Project
Manager, Rennes City
and Metropolis



Jennifer Bodnarchuk Senior Data Scientist at the City of Winnipeg in Manitoba, Canada

Productive Cities



An Outcomes-Focused Demonstrates that the Big Things are the Basics

It is often said that Small and Medium enterprises are the backbone of an economy. Globally, they employ more than two-thirds of the workforce and contribute significantly to Gross Domestic Product (GDP) growth [1]. In Germany, for example, 56% of all employees worked in SMEs in 2021. These SMEs generated over half the net value added and provided more than 81% of the country's apprenticeships and vocational training places [2]. In South Africa, results from the 2020 Finscope South Africa Micro, Small and Medium Enterprise (SMME) survey indicated that 87% of the country's formal labour force was employed by SMMEs, i.e., just under 13 million full-time, part-time and seasonal workers[3]. The above highlights the significance of the SMME sector in any economy and its importance in catalysing recovery and employment; this is especially true in South Africa as the sheer need for jobs and inclusive growth often seems insurmountable.

But, considering the limitations in resources, in light of the National Treasury's cost containment measures, for example, it is of critical importance to gauge whether the development of the SMME sector is, in fact, able to stimulate meaningful outcomes in inclusive economic growth, poverty reduction, job creation and entrepreneurship at the scale needed, more specifically, in cities, which are sites of destination for economic migrants. South African

Metropolitan (metro) municipalities comprise 55% of South Africa's economy and 52% of jobs. Between 2011 and 2021, employment in South African metros increased by 222,000 compared to 212,000 for the country. Prospects of South Africa's economy growing inclusively, creating jobs, reducing poverty, and creating opportunities for entrepreneurs will be primarily driven by the urban economies of its metros.





So, how do we draw the correlation between cities' investments to develop their respective SMME sectors and inclusive economic growth, poverty reduction, job creation and entrepreneurship? The SACN's recently published Urban Economic Measurement Framework (UEMF) report explored the potential to leverage MFMA Circular 88 indicators and associated reporting to create an outcomes measurement framework for measuring progress towards these four mutually reinforcing outcomes. Through this research, the SACN also sought to clarify the main levers available to city governments in pursuit of these four outcomes.

The main levers available to city governments reside in its core mandates:



To provide social and economic infrastructure



To provide services to customers affordably and effectively



To manage the public realm



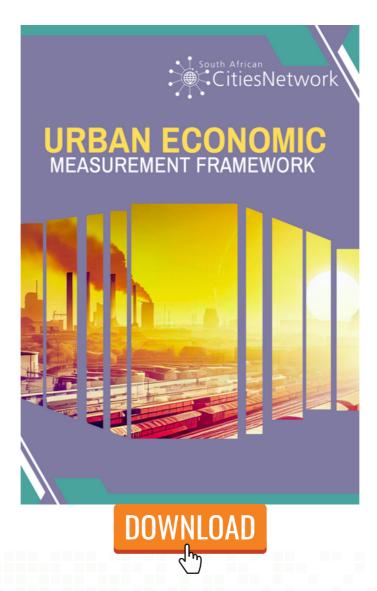
To regulate land use and building development

A city government's ability to deliver on these four mandates in support of its SMME sector has a far more significant impact on the realisation of inclusive economic growth, poverty reduction, job creation and entrepreneurship than ad hoc, Local Economic Development (LED) projects that at best serve only a small number of beneficiaries, often at significant long-term expense to cities. While large-scale LED initiatives can amplify the economic benefits of a solid foundation, these, in isolation, cannot compensate for weaknesses in the foundation. One of the most significant reminders from this research has been that getting the basics right is the most critical step to realising improved city outcomes.

Productive Cities

Economic growth, poverty reduction, job creation and entrepreneurship collectively help realise the superordinate goal of inclusive and resilient city economies. Significant theoretical and empirical evidence suggests that each of these four outcomes is broadly positively associated with each other. For example, a positive feedback loop can be observed in the relationship between urban infrastructure development and attracting businesses and skills. When the city invests in economic infrastructure, it creates a more attractive environment for businesses to establish operations. As businesses increase, they create jobs and raise incomes, resulting in increased consumer spending and demand for goods and services. As the city's economy grows, it generates additional tax revenues for local government, which can be reinvested in further economic infrastructure.

Although in its exploratory phase, the Urban Economic Measurement Framework is presented as a step towards developing and systematising such a tool. We define its purpose as a tool to report on goals and progress while providing a means to interrogate our assumptions about city economies. The strength of the UEMF is that it allows the city government to have a predefined theory of change justifying the allocation of additional resources on the grounds of its expected impact on sector-level and aggregate outcomes.



Sustainable and Resilient Cities



Liteboho Makhele
Programme Manager:
Sustainable and
Resilient Cities

Joburg's Climate Action Plan Webinar Series Engaged Joburgers on Climate Solutions

The City of Johannesburg's Climate Action Plan (CAP) is taking centre stage, and the South African Cities Network (SACN) is proud to be part of its journey. In collaboration with Sustainable Energy Africa, UKAID and UK PACT, SACN supported the City of Johannesburg in hosting a three-part Climate Action Plan Webinar series on the 13th, 20th, and 27th of October 2023.

These webinars were about more than just information; they were about action. They showcased innovative solutions and initiatives across various sectors in Johannesburg, sparking collaboration and accelerated implementation of the CAP.

Reaching out to the public, private sector and community organisations, the webinars offered:



In-depth exploration of key CAP topics: from leadership stories to knowledge exchange, the series delved into the heart of the Climate Action Plan.



Collective action for a sustainable future: fostering a sense of shared responsibility, the webinars emphasised the crucial role of all stakeholders in achieving Johannesburg's climate goals.



Citizen engagement through story-telling: the webinars were not just about experts talking to experts; they were about bringing the CAP to the people and encouraging citizens to be part of the solution.

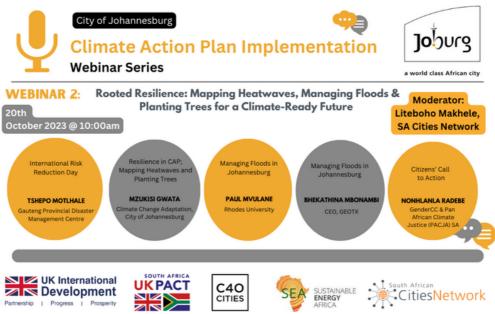
Each webinar tackled a specific theme:

Webinar 1 relayed Climate Action Chronicles: Inspiring Leadership and the Path Ahead: this session highlighted city leadership while showcasing private sector and citizen initiatives, demonstrating the importance of collective effort.



Sustainable and Resilient Cities

Webinar 2 delved into Rooted Resilience: Mapping Heatwaves, Managing Floods & Planting Trees for a Climate-Ready Future: the webinar focused on building resilience to climate impacts through innovative approaches like heatwave mapping, flood management and urban greening.



Webinar 3 focused on Powering Progress: Unleashing Energy Wheeling, Green Buildings, & Low Emissions Zones for a Sustainable Future: this session explored solutions for cleaner energy and transportation, including energy wheeling, green buildings and low-emission zones.



The Johannesburg Climate Action Plan is a roadmap to a more sustainable and resilient future, and these webinars were a crucial step in putting that roadmap into action. By engaging all stakeholders and encouraging collaboration, the series has laid the groundwork for implementing the CAP towards a successful and sustainable future for Johannesburg.

SACN will keep you posted on more updates on the Johannesburg CAP and other exciting initiatives towards creating greener, more sustainable South African cities.

Well-Governed Cities





City of Joburg Problem Driven Iterative Adaptation (PDIA) Pilot

Addressing the gap between the state's capability and its functions and developmental mandate is a priority in the current South African Cities Network (SACN) strategic business plan. This year, the SACN Well Governed Cities Programme is piloting a capability development approach called Problem Driven Iterative Adaptation (PDIA) in the City of Johannesburg. This innovative approach to solving "wicked" or seemingly intractable public problems has been developed by the Building State Capability Programme at Harvard University's Kennedy School of Government.

Presentations were made to Regional Director E, Regional Director F and Director GSPCR Knowledge Management to introduce PDIA and get their approval to run the pilot in the city.

They nominated staff members to three teams to work on the following problems:

Region E: Illegal Dumping



Region E: Illegal Recycling



Region E: Hijacked Buildings



All three teams met in a virtual kickoff meeting with the Harvard-trained PDIA coach and facilitator, Peter Harrington, on 14 July 2023. Since then, the teams have met separately for two hours weekly. During these meetings, the PDIA coach facilitates the team's engagement with the PDIA process.

The PDIA process involves seven steps:

- 1. Constructing the problem
- 2. Deconstructing the problem
- 3. Sequencing
- 4. Crawling the design space for possible solutions
- 5. Building and maintaining authorisation
- 6. Designing the first iteration
- 7. Learning from iterations

The teams presented their progress to one another and the City of Joburg authorisers on 8 September and 15 November 2023. The teams have reached step 4, in which they are researching and prioritising potential solutions to the causes of the problems they are working on. They are on furlough till mid-January when they will re-convene as a group to start the final three PDIA three steps.

Well-Governed Cities

Community of Practice Event 12 October – Municipal Long Term Financial Strategies

On 12 October, the SACN Community of Practice in Urban Governance and Municipal Finance held an online seminar to reflect on lessons learnt in Long Term Financial Strategies (LTFS) implementation and share that with municipal financial management practitioners in municipalities which still need to adopt LTFSs.

Tania Ajam, Associate Professor in Public Policy, Finance and Economics at the University of Stellenbosch School of Public Leadership and a former Commissioner and Director of Research of the Financial and Fiscal Commission, facilitated the seminar.

Charl Bouwer, Executive Director Operations, Inca Portfolio Managers, presented on Inca's experience implementing LTFS and the importance of underpinning this with the municipality's long-term financial model.

Inca portfolio managers work with municipalities to implement long-term financial strategies (LTFS) and train national treasury budget analysts.

The respondents were the CFOs of two municipalities that Inca is working with and the National Treasury Intergovernmental Relations Directorate:

- Santie Reyneke-Naude, Chief Financial Officer Overstrand Municipality
- Riaan du Plessis, Chief Financial Officer George Municipality
- Jan Hattingh, Chief Director: Local Government Budget Analysis, National Treasury Intergovernmental Relations Directorate

SEMINAR

SACN Community of Practice on Urban Governance and Municipal Finance Panel Discussion on:

IMPLEMENTING LONG-TERM FINANCIAL STRATEGIES: CHALLENGES, RISKS AND OPPORTUNITIES



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Team News & Events

SACN Board Appoints Ms Nosipho Hlatshwayo as Acting CEO

We are delighted to announce a significant leadership development within our organisation. With immense pleasure, we introduce Ms Nosipho Hlatshwayo as our newly appointed Acting Chief Executive Officer. Ms Hlatshwayo brings a wealth of experience in local government and a remarkable track record, having devoted over two years of her impressive career to our organisation as the Executive for Programmes.

In her new role, Ms. Hlatshwayo will lead us through this interim period, guiding our organisation with a steady hand. This is a new chapter in our journey, and we're confident that our organisation will thrive under her leadership and continue to make a positive impact. We are grateful for your ongoing support and trust as we navigate this exciting transition.



Team News & Events



For over a decade, cities have faced several shocks, including the 2008/09 global financial and economic crisis, water shortages due to droughts brought about by climate change, the health and socioeconomic devastation of the COVID-19 pandemic, and (to a lesser degree) social unrest that was often accompanied by looting and the destruction of businesses and property. These are not the last crises that cities will face. Municipalities directly affect people's lives by delivering constitutionally mandated essential services and influencing local economic development. However, municipalities continue to struggle with systemic problems and are precarious and vulnerable. This means that most cities (with a few notable exceptions) are highly unlikely to manage unforeseen shocks, given their vulnerable state. For example, the pandemic worsened a bad situation and shone a light on the vulnerability of municipalities.

These shocks and disruptive events underscore the urgent need to build city and municipal resilience by tackling local government's underlying systemic and structural problems. Moreover, the government alone cannot solve these complex and entrenched problems; an all-of-society approach is needed to find long-term and sustainable solutions. Today, more people than ever live in cities, including two-thirds of South Africans. Cities are spaces where people come together to share experiences and ideas and to shape new systems; they are places of social, economic and political opportunities and intense social interactions; and they are central to development and at the forefront of the country's economic, social, environmental and cultural life. The Urban Festival 2023 was hosted under the

theme of "The Working City: Actions for growth and recovery (data as an enabler for resilience)", which was aligned with the 2023 World Habitat Day's theme of "Resilient urban economies: Cities as drivers of growth and recovery". The Festival aimed to highlight efforts made to get cities to work, i.e., to make cities functional, efficient and effective, emphasising actions that demonstrate cities are working actively towards growth and recovery, not just conceptualising and strategising. The theme incorporated the enabling role of data, encouraging cities and citizens to demonstrate that their actions towards resilience, growth and recovery are underpinned by evidence-based decision-making and that they are working to increase and improve data use.

The Urban Festival took place virtually on 31 October 2023. It was convened by the South African Cities Network (SACN) in partnership with the Department of Cooperative Governance (COGTA), the Department of Human Settlements (DHS) and the South Africa Local Government Association (SALGA).

To access the session recordings and more information, click here





















Team News & Events

The 4th Dialogue for Urban Change - 7-13 October 2023

The 4th Dialogue for Urban Change (D4UC) in Germany from 7-13 October 2023. The biannual D4UC meetings allow one to visit member towns in both nations. Still, the primary purpose is to provide updates, learn more, and exchange ideas for enhancing "pop-up" city metrics that focus on safety, resilience, and other vital development outcomes influenced by city design. The German Federal Ministry for Housing, Urban Development, and Building (BMWSB) commissions the GIZ to carry out D4UC. Co-hosted by South Africa's COGTA, D4UC seeks to foster reciprocal learning among urban development practitioners to introduce innovative concepts and methods into everyday city operations. SACN's Inclusive Cities Programme was represented on this platform by Senior Researcher Siphelele Ngobese.



Paper Series: Small, Medium and Micro Enterprises (SMMEs)

The Productive Cities Programme have released two paper series on Small, Medium and Micro Enterprises (SMMEs). Resilience of SMMEs in South Africa: A Framework for Understanding and Mitigating Exposure to Shocks and Stressors and Nurturing SMMEs: An Evaluation of the SMME Support Landscape in South Africa









As our loyal readers of our Quarterly Newsletter, we would love your feedback!

Please <u>click here</u>.



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