1. Background

The National Development Plan (NDP) positions cities as the primary engines of economic growth. 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 (NDP, 2013).

The views of the NDP are reinforced in the Integrated Urban Development Framework (IUDF), (CoGTA, 2014), which argues that the long-term prospect of having a more equal and labour absorptive economy, will depend on how well its urban economies perform. Improving the productivity and income of the urban consumer is important, as rural economies depend upon urban consumers in the supply and demand chain (IUDF, 2016:12).

The eight metropolitan municipalities (Metros); Nelson Mandela Bay, City of Cape Town, City of Johannesburg, eThekwini, Mangaung, City of Tshwane, Ekurhuleni, and Buffalo City are the key to SA’s social and economic future, which estimates that over 71% of South Africans will be living in cities by 2030 and nearly 80% by 2050 (NDP, 2013). These cities are already home to the majority of the national economic activity. Metros currently account for approximately 57% of economic activity (Gross Value Added (GVA)), 56% of formal non-agricultural employment and 50% of all employment.
Well-managed urbanisation therefore has the potential to address the high unemployment within South Africa, through driving up productivity and competitiveness in the formal sector of urban areas, as well as ensuring greater dynamism in the informal and small business sectors. Urban centres do however need to improve their performance, to optimise the potential for growth, productivity and innovation (IUDF, 2016:12).

2. What is The Cities Support Programme (CSP)?

The Cities Support Programme (CSP) was established during 2011 as a programme under the Intergovernmental Relations division of the National Treasury (NT). The objective of the CSP 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 within the eight Metros. It delivers projects aimed at: (1) generating high quality and innovative outputs (for example analytical studies, case studies, guidelines, toolkits, policy options and the design of grants); (2) institutionalises these outputs 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).

3. Evaluation Approach

The Department of Planning, Monitoring and Evaluation (DPME) in collaboration with National Treasury (NT), undertook an implementation evaluation of the CSP as part of the 2016/17 National Evaluation Plan. The purpose of the evaluation was to:

- Review the design and implementation of the programme by evaluating the relevance, coherence, efficiency, effectiveness and sustainability of the programme; and to
- Identify strategic and operational lessons and recommendations required to strengthen the CSP’s delivery, to ensure that the programme realises its potential to support the emergence of inclusive, productive and sustainable cities.
The evaluation made use of a mixed-method research approach. A review of the CSP’s Theory of Change (TOC), a literature and document review was undertaken, which allowed for a detailed analytical account of the establishment and implementation of CSP. The analysis delved into a review of all projects undertaken at the national level and metropolitan municipalities. Furthermore, the performance of the CSP was analysed against the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) evaluation criteria of: Relevance, Coherence, Effectiveness, Efficiency and Sustainability. In addition to the above, a review was undertaken of five of the eight metros in which the CSP operates. This resulted in the development of five case studies, which further fed into the overall Effectiveness and Sustainability analysis. The desktop research included over 150 documents and a total of 90 interviews were undertaken with 105 respondents interviewed.

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

4. Key Findings

**Relevance:**

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 persistence of exclusive urban development.

**Coherence:**

The CSP is largely internally coherent, but less externally coherent. Duplication of efforts could be overcome through collaboration and streamlining work areas with key departments.

**Effective:**

There are positive changes in all the metros reviewed, although such changes have typically been more pronounced in better capacitated and more politically stable metros. At the national level there has been significant success in the realm of fiscal reform, whilst the achievements in the realm of policy and regulatory reform have been more modest.
The evaluation recommends that the programme should continue for a second term.

The CSP should be institutionalised through a programme framework located within the National Treasury.

The programme should consider establishing an Intergovernmental Steering Committee managed by the National Treasury.

CSP should pay increased attention to addressing the political and intergovernmental challenges hindering achievements in the context of regulatory and policy reform.

The CSP should consider how to leverage its partnerships more effectively to avoid the duplication of efforts and ensure consistent engagement of key partners.

Efficiency:

The CSP appears relatively efficient in respect of structures, systems, processes and procedures, as well as overall costs.

Sustainability:

Overall, the CSP is sustainable but faces some risks related to institutionalisation. At the Metro level, the analysis indicates a mixed outcome, with some level of institutionalisation in some Metros. The programme is well-located within NT, with the best position to influence key fiscal and policy reforms along with the institutional authority to support its government engagements. At the metro level, there is evidence of wide acceptance of the spatial transformation agenda of the CSP.

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.

CSP’s location within the National Treasury has had significant implications for the programme’s effectiveness. It has provided the CSP with the leverage necessary to drive its fiscal reform agenda, and the leverage necessary to drive the city support work.

5. Key Recommendations

- Metro-level support: The CSP should offer differentiated support to metros that align to existing capacity levels within each metro.

- Stakeholder engagement: securing active participation of line departments (specifically Human Settlements and Public Transport) would be crucial in achieving longer-term change.
6. Policy implications and direction

In line with the recommendations in this evaluation, the NT approved a second phase for the CSP (2019-2023) with a strategic objective of Institutionalising, within national departments, provinces and metros, a set of policies, practices and activities which support the development outcomes of spatial transformation and inclusive economic growth. The CSP2 has a programme consisting of 50 projects that are now focussed on supporting city and sector reform processes. After extensive consultations with metros, each of the 8 metros now have an approved City Support Implementation Plan (CSIP) that have an institutionalisation focus.

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Disclaimer

This policy brief is drawn from the evaluation findings and recommendations. It does not necessarily represent the views of the departments concerned.