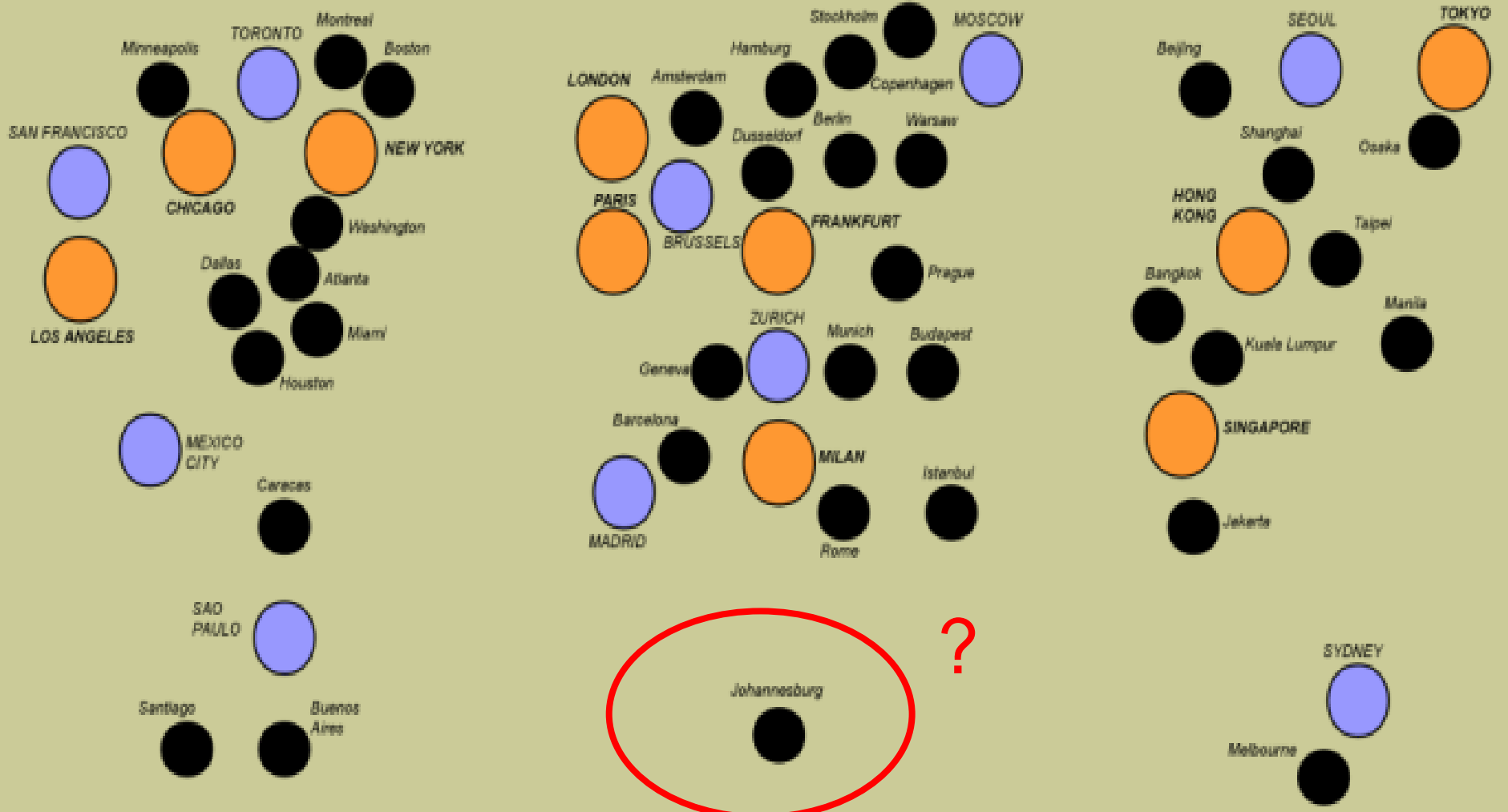# Introduction to the South African Cities Network

Overview of presentation

1. *SA Cities and the global economy*
2. *Goals of the SA Cities Network*
3. *City strategic framework*
4. *Themes, programmes and focus areas*
5. *Knowledge sharing methodologies*
6. *Knowledge sharing partnerships*
7. *Institutional strategy*

The GaWC Inventory of World Cities:

ALPHA WORLD CITIES

BETA WORLD CITIES

Gamma World Cities

Impact of global economic integration and the changing role of cities

- *`De-bordering' of national and local economies*

- *Concentration of economic activities in `global city-regions'*

- *Cities as `territorial platforms from which groups of firms contest global markets'*

- *Importance of cities as centres of innovation and learning within knowledge-based economy*

Negative trends within developed global city-regions due to global economic integration…

- *Xenophobic responses to cross-border labour migration*
- *Shift from traditional city centres to multi-nodal urban systems*
- *Widening of inequalities*
- *Withdrawal of wealthy communities into `privatopias'*
- *Growing mismatch between jobs, housing and transit*

…magnified in cities in developing countries…

- *Growth of hyper-large cities*
- *Inequality and marginalisation*
- *Social and spatial segmentation*
- *Fortressed communities*
- *Retreat of public space*
- *Urban violence*
- *Fewer resources to deal with greater problems*

and potentially negative in South Africa because of…

- *Historically distorted national and local spatial economies and urban form (`displaced urbanisation')*

- *Unchecked expansion of multiple business nodes and peripheral location of low-income housing and informal settlements*

- *Inadequate public transport systems for communities trapped in `zones of poverty' to be able to gain access to the urban economy*

- ***City development strategy is an important component of global competitiveness and national development***

SA cities and the national economy

- *In SA, 20% of towns and cities produce 82% of GDP*
- *80% of the economy's manufacturing is concentrated in six metropolitan regions*
- *During the 1990s, 58% of all new economic growth took place in just 4% of the country's area*
- *In the channel between Johannesburg and Tshwane which makes up just 0,2% of the country's area, 24% of GGP growth in the 1990s took place*
- *There is a direct correlation coefficient between the level of urbanisation and GDP per capita, although lower in SA than in comparable developing economies*
- ***Urban development is a national economic policy issue***

CITY	Pop 2001	% Contrib to SA GDP in 2000	% Contrib to SA GDP in 1996	% Contrib to SA GDP in 1990	Coastal City with Port	Average Annual Pop growth rate, 1996-2001
Jo'burg	2 962 759	14.98%	14.16%	14.22%	No	1.02%
Cape Town	2 858 743	14.01%	12.82%	11.90%	Yes	1.01%
eThekwini	2 981 237	7.77%	8.06%	8.18%	Yes	0.96%
Tshwane	1 454 290	8.55%	7.88%	9.06%	No	1.03%
Ekurhuleni	2 054 133	7.78%	8.00%	8.67%	No	1.01%
N. Mandela	1 015 334	2.46%	2.31%	2.58%	Yes	1.02%
Total %	13326496 (31%)	55.6%	53.2%	54.5%		1.5%

(Source of data: Naude and Krugell (2002) `An inquiry into cities and their role in subnational economic growth in South Africa', Potchefstroom University)

Goals of SA Cities Network

- *Promote good governance and management of South African cities*

- *Analyse strategic challenges facing South African cities, particularly in the context of global economic integration and national development*

- *Collect, collate, analyse, assess, disseminate and apply the experience of large city government in a South African context*

- *Promote a shared-learning partnership between different spheres of government to support the governance of South African cities*

"All cities need to be planning ahead to ensure their future, in this rapidly changing global urban environment… Cities need to revisit and revitalise their processes for strategic planning, within a 15-20 year time frame, addressing their economic, social and environmental future… Cities that don't do this will not be competitive in the new urban world" – Prof Lyndsay Neilson, *Australia's capital cities in a 21st global economy*
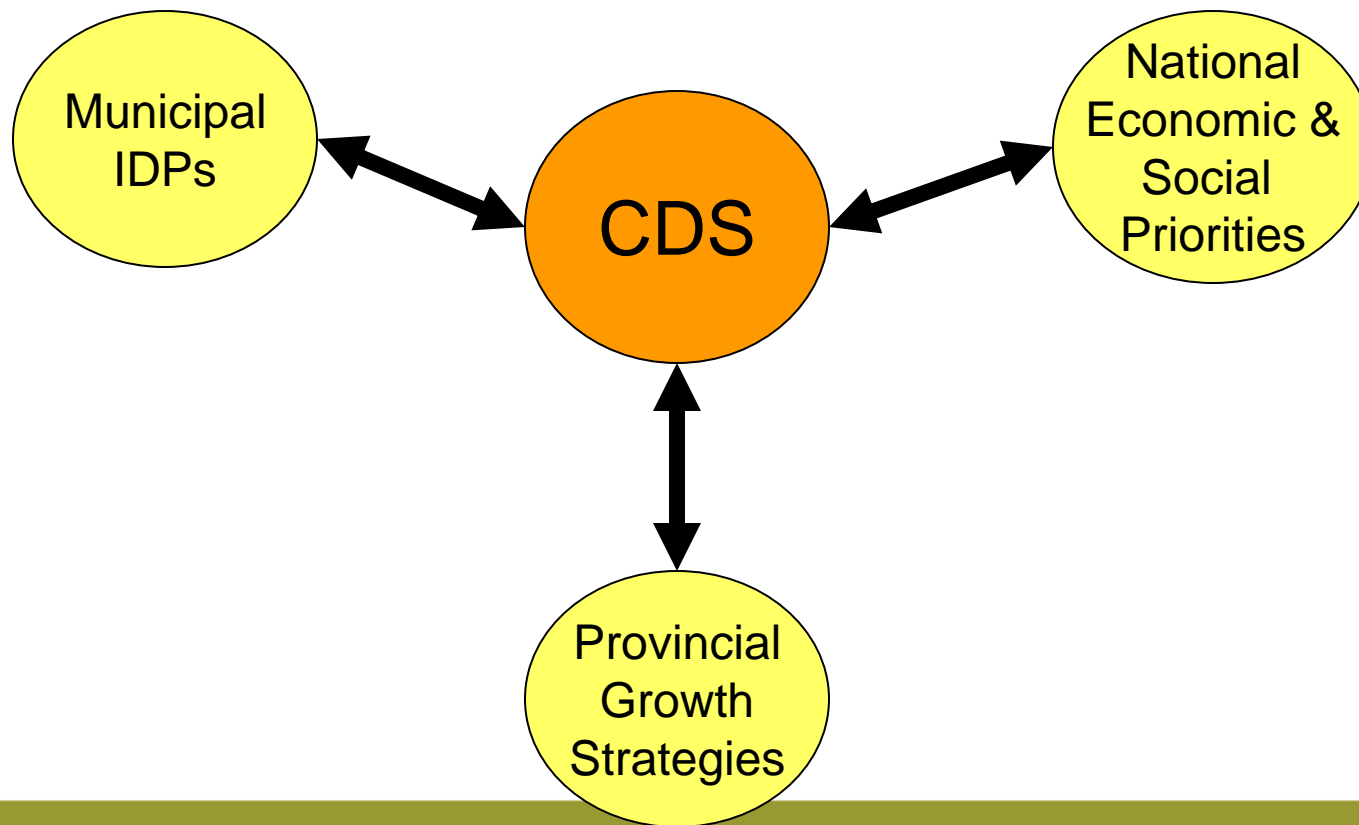
City development strategy as a response to global trends

- *Concept*
  - *Long-term view*
  - *Inter-governmental approach*
  - *Focus on points of leverage*
  - *Tool for mobilisation*

- *Strategies*
  - *Building blocks for competitive advantage*
  - *Structure for strategic agenda*
  - *Tool for integration*
  - *Scorecard for performance*
  - *Guide to decision-making*

City development strategy:
## Long term view

- *Balances shorter planning cycles*
  - *Annual budget and business plans*
  - *5 years medium term expenditure framework*
  - *5 year electoral cycles*

- *Recognises inter-generational nature of city economic, social and environmental transformation*
  - *E.g Workforce skills formation, sustainable job creation, life cycle of infrastructure investments*

City development strategy:
Inter-governmental alignment

```
Municipal          National
IDPs    ←→  CDS  ←→  Economic &
                     Social
                     Priorities
                ↕
            Provincial
            Growth
            Strategies
```

City development strategy:
Inter-governmental alignment

Bulk of leverage and resources required from above,

National

Provincial
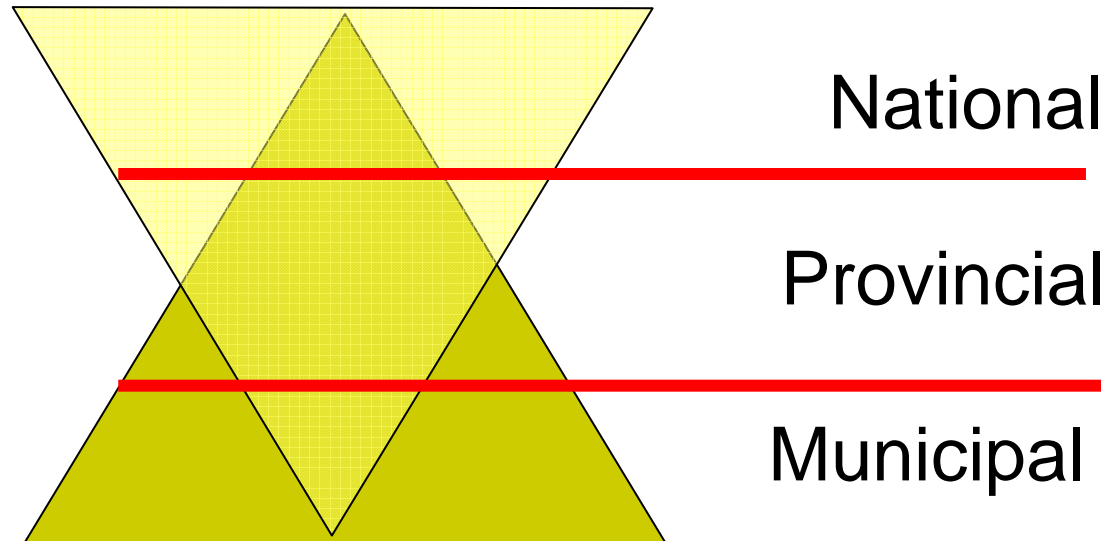
Municipal

Bulk of effort and drive from below

City development strategy:
Inter-governmental alignment

CDS

- *Inter-governmental strategy*
- *15-20 year focus*
- *Leverage points*
- *Mobilising tool*

IDP

- *Municipal plan*
- *3-5 year focus*
- *Comprehensive*
- *Planning tool*

City development strategy:
Points of leverage

- *Importance of focus*
  - *20% effort giving 80% impact*
- *Examples*
  - *Curitiba*
    - *5 year focus on transport transforms city*
    - *Then 5 year environment focus to consolidate*
  - *Hong Kong*
    - *Focus on long-haul airport to consolidate position as Gateway to China*

City development strategy:
Mobilising Tool
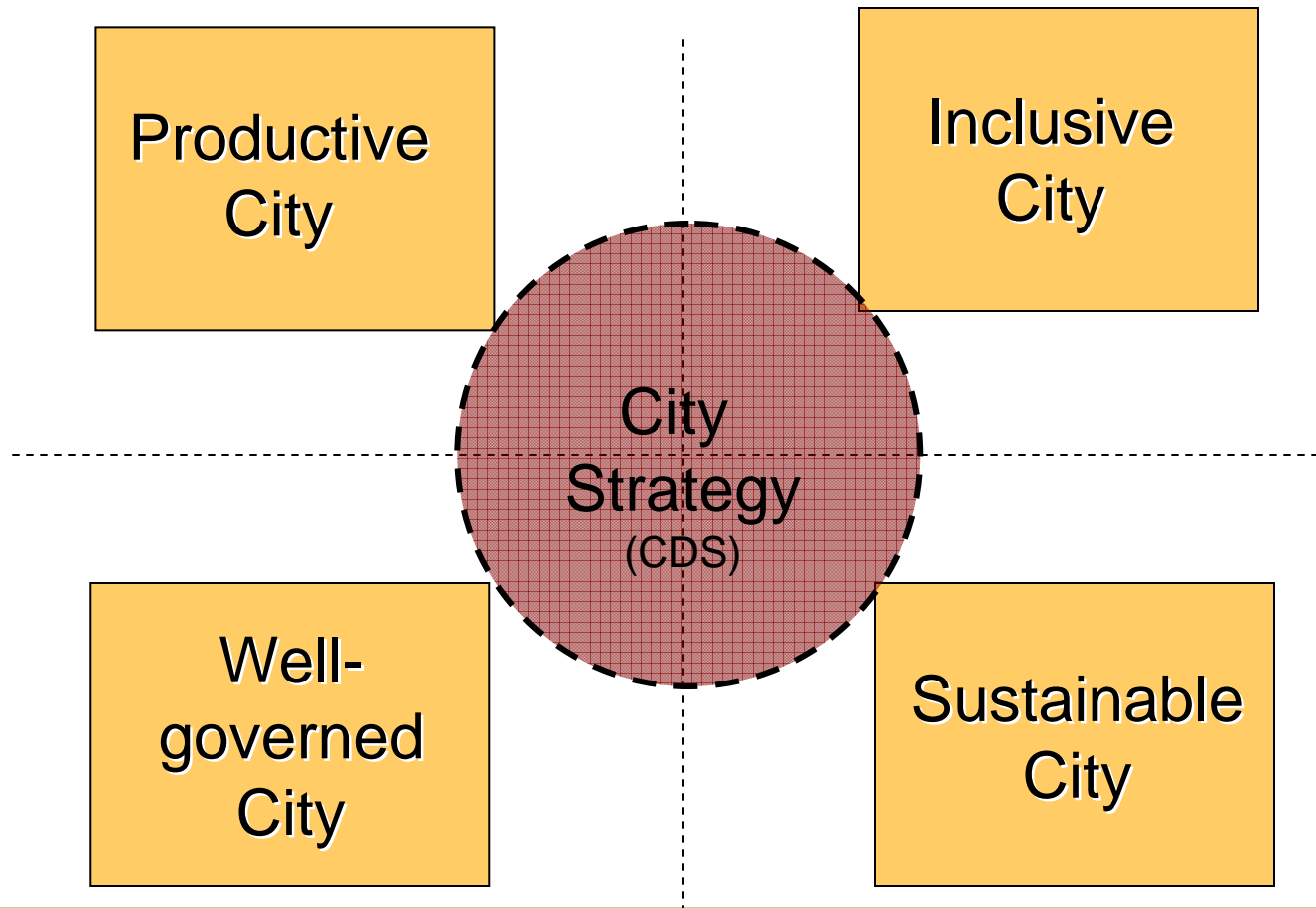

Society

Economy

Spheres of Government
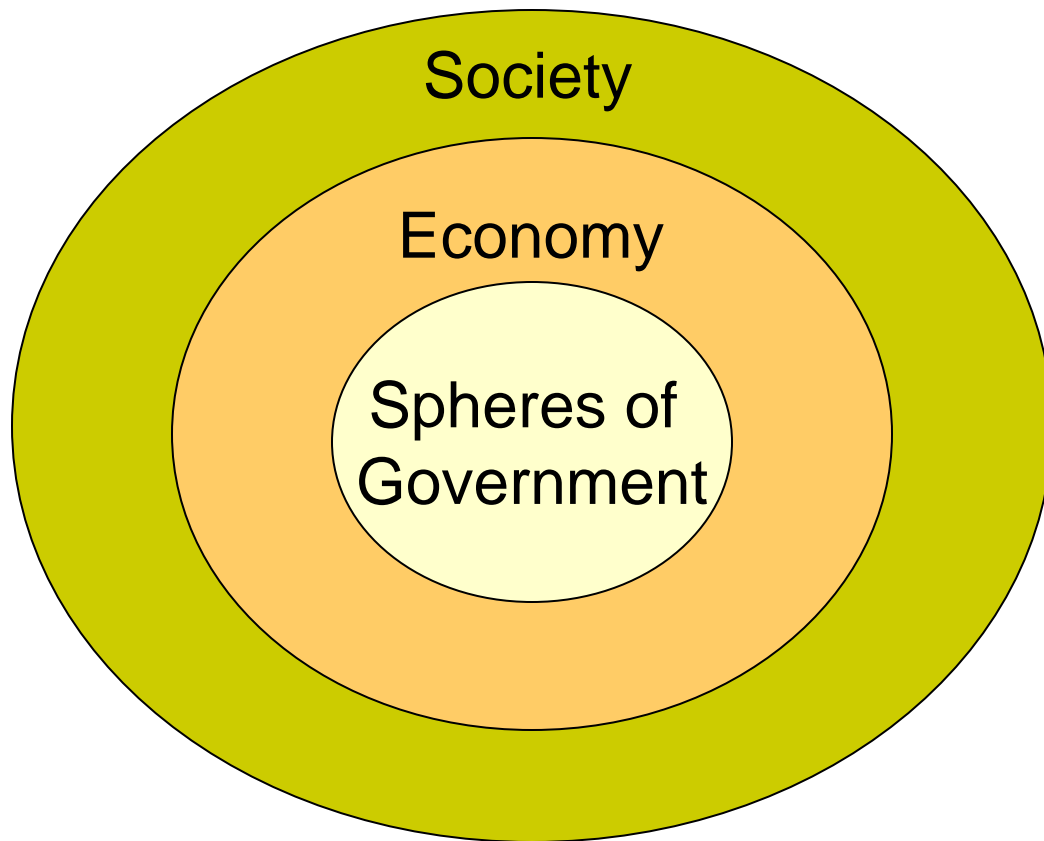
- Average investment and employment in cities:
  - 20% of from government
  - 80% private sector
- Critical mass depends on mobilising business and other stakeholders to support vision and implementation

City Strategic Framework

1. Building blocks for comparative competitive advantage
2. Structure for strategic agenda
3. Tool for integration
4. Scorecard for performance
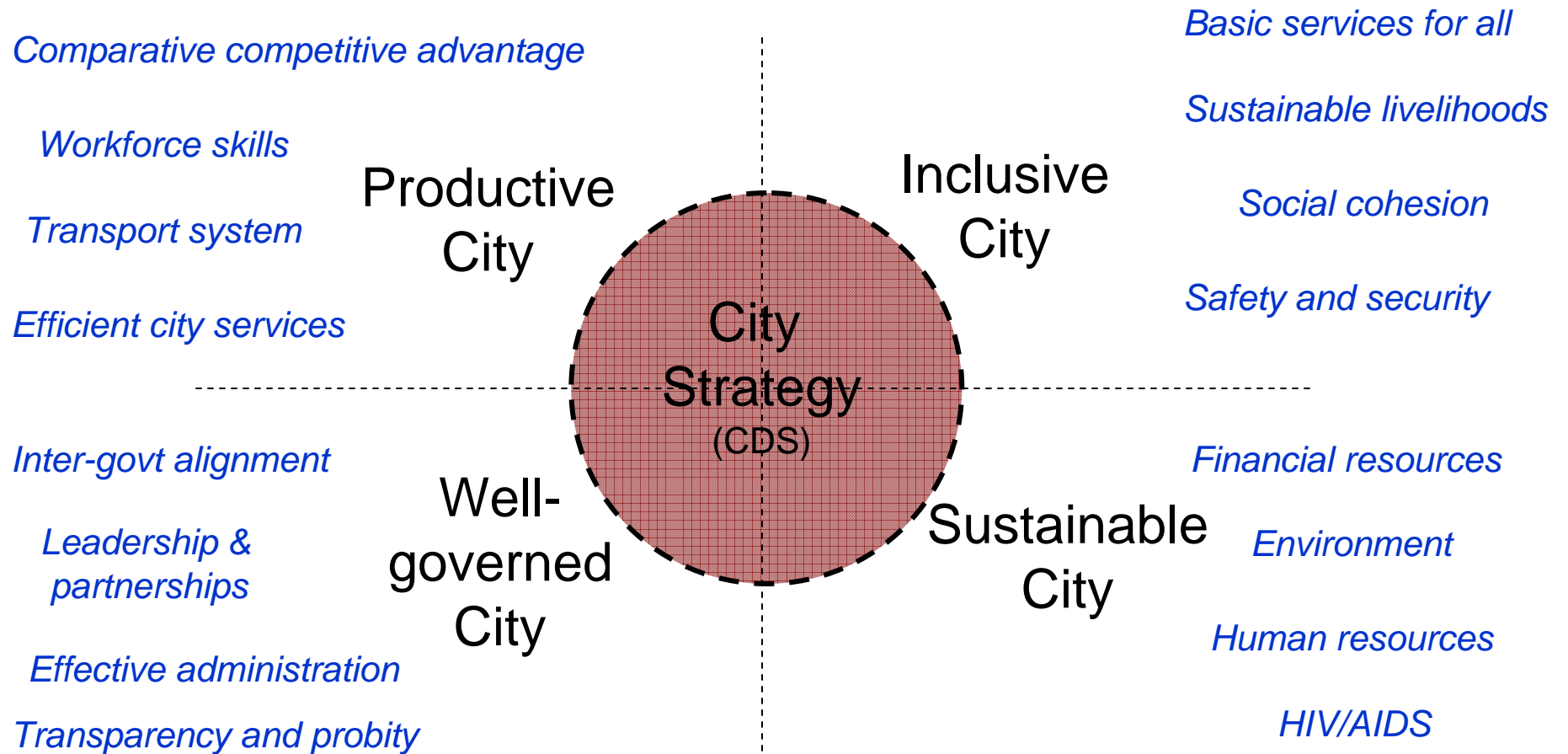5. Guide to decision-making

City Strategic Framework 1
Building blocks for comparative competitive advantage

Productive City

Inclusive City

City Strategy (CDS)

Well-governed City

Sustainable City

City Strategic Framework 2
Structure for strategic agenda

Basic services for all

Comparative competitive advantage

Sustainable livelihoods

Workforce skills

Productive City

Inclusive City

Social cohesion

Transport system

Efficient city services

Safety and security

City Strategy (CDS)

Inter-govt alignment

Financial resources

Well-governed City

Sustainable City

Leadership & partnerships

Environment

Effective administration

Human resources

Transparency and probity

HIV/AIDS

City Strategic Framework 3
A tool for integration

Productive City

Inclusive City

City Strategy (CDS)

Well-governed City

Sustainable City
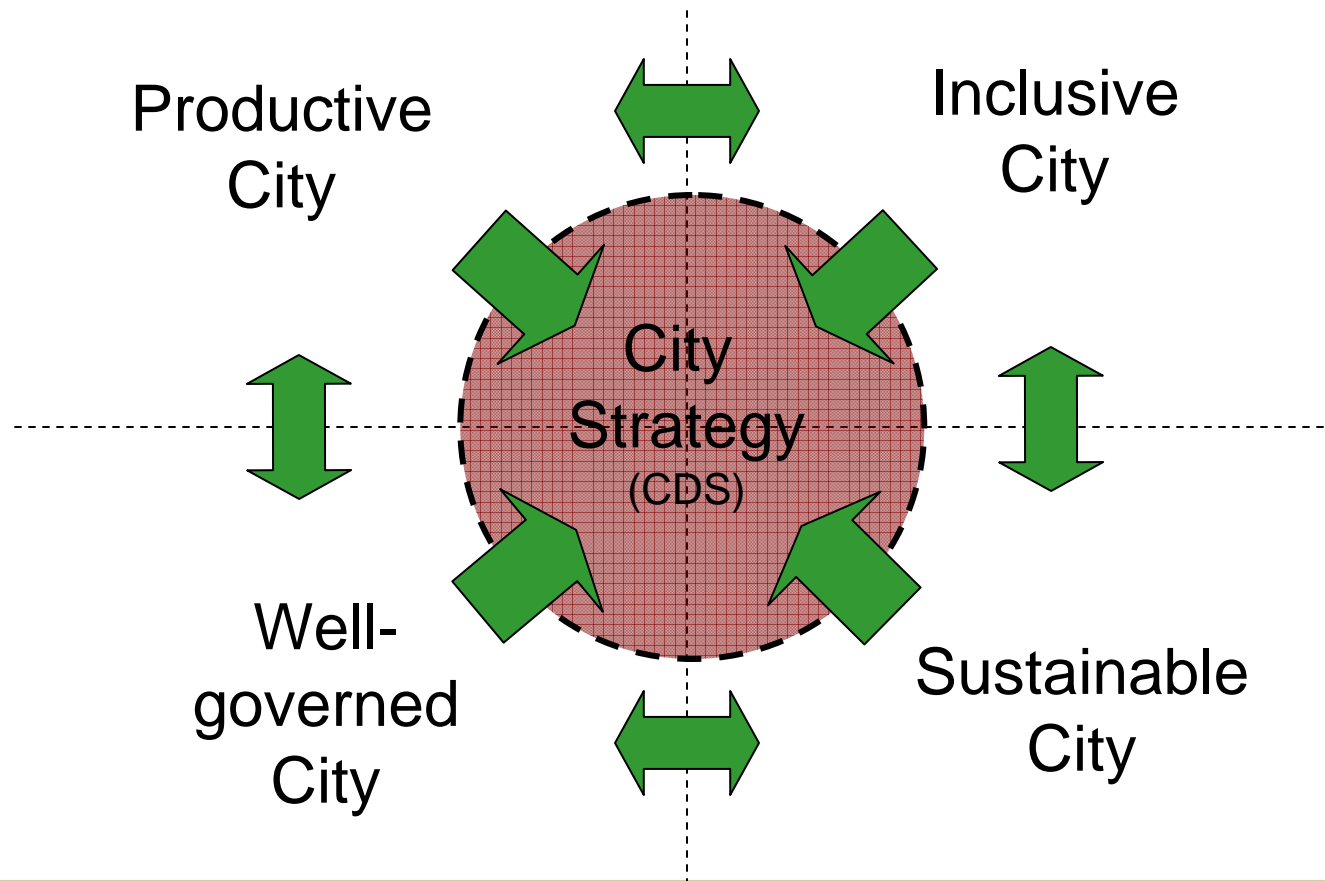
City Strategic Framework 4
Scorecard for performance

City product

Employment

Trip time

Productive City

Poverty index

Inclusive City

Service coverage

Crime

Infant mortality

City Strategy
(CDS)

Corporate governance

Citizen satisfaction

Partnerships

Corruption level

Well-governed City

Sustainable City

Finance ratios

SoEnvironment

HIV impact
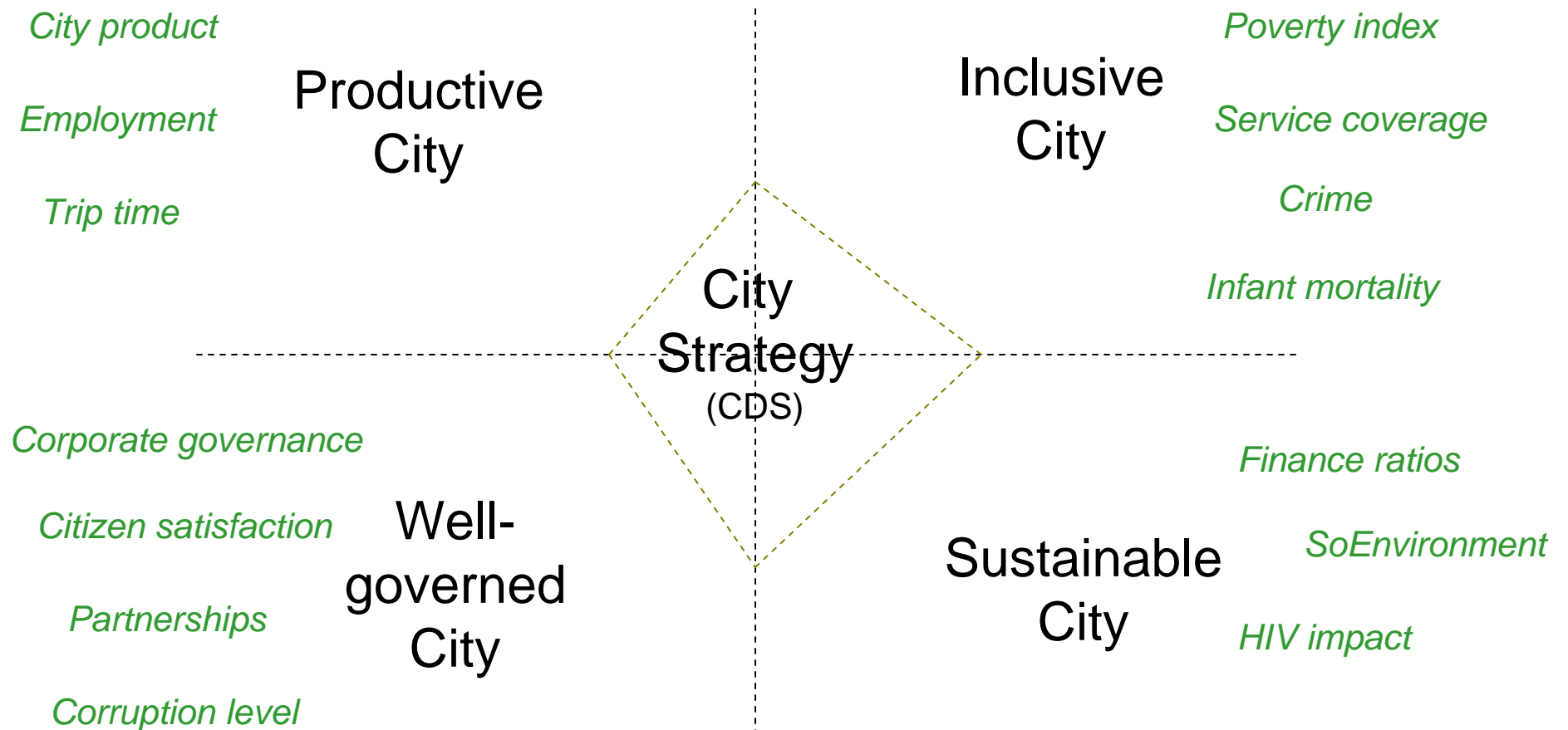
SACN Strategic Framework 5
Guide to decision-making

Productive City

Inclusive City

City Strategy
(CDS)

Well-governed City

Sustainable City
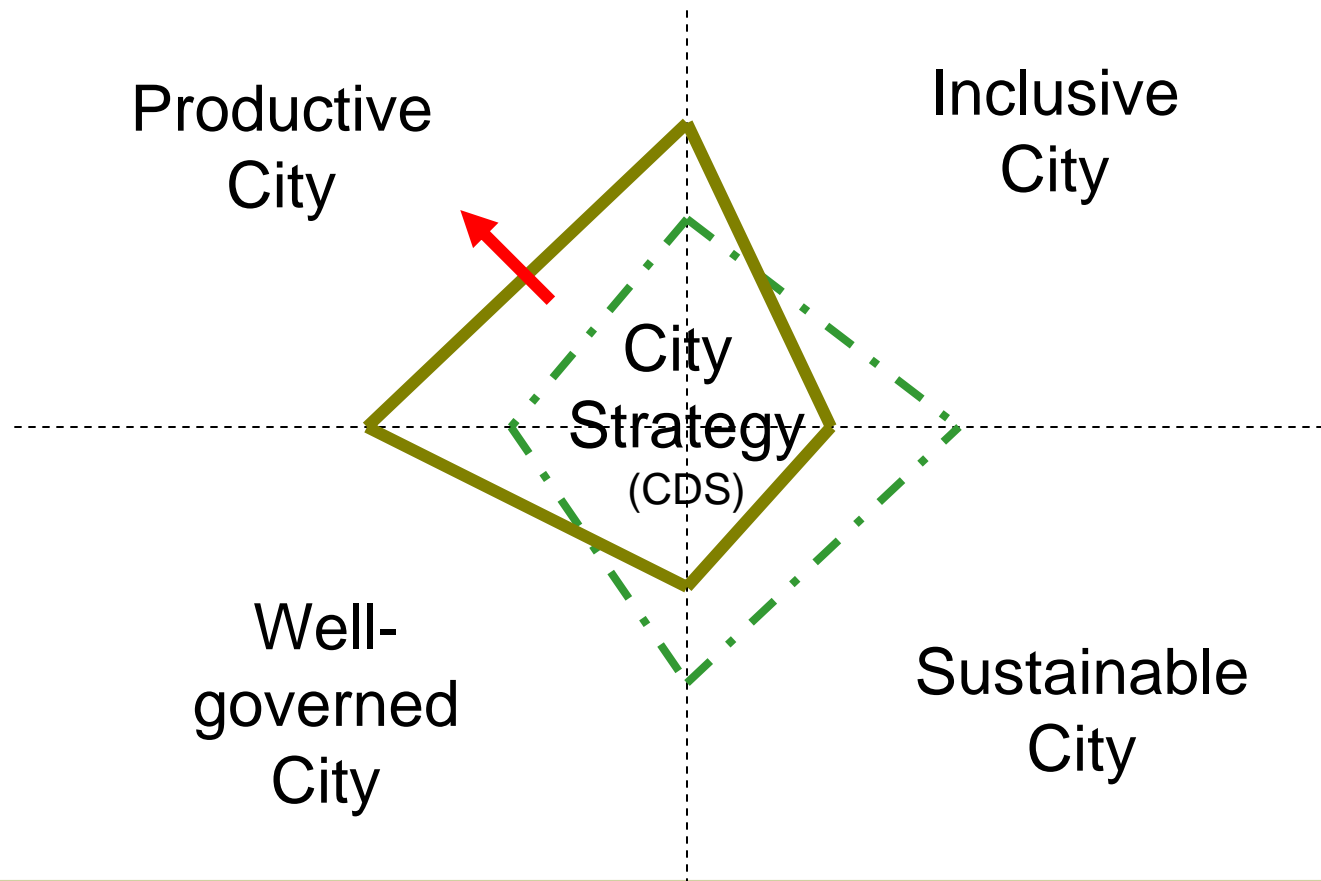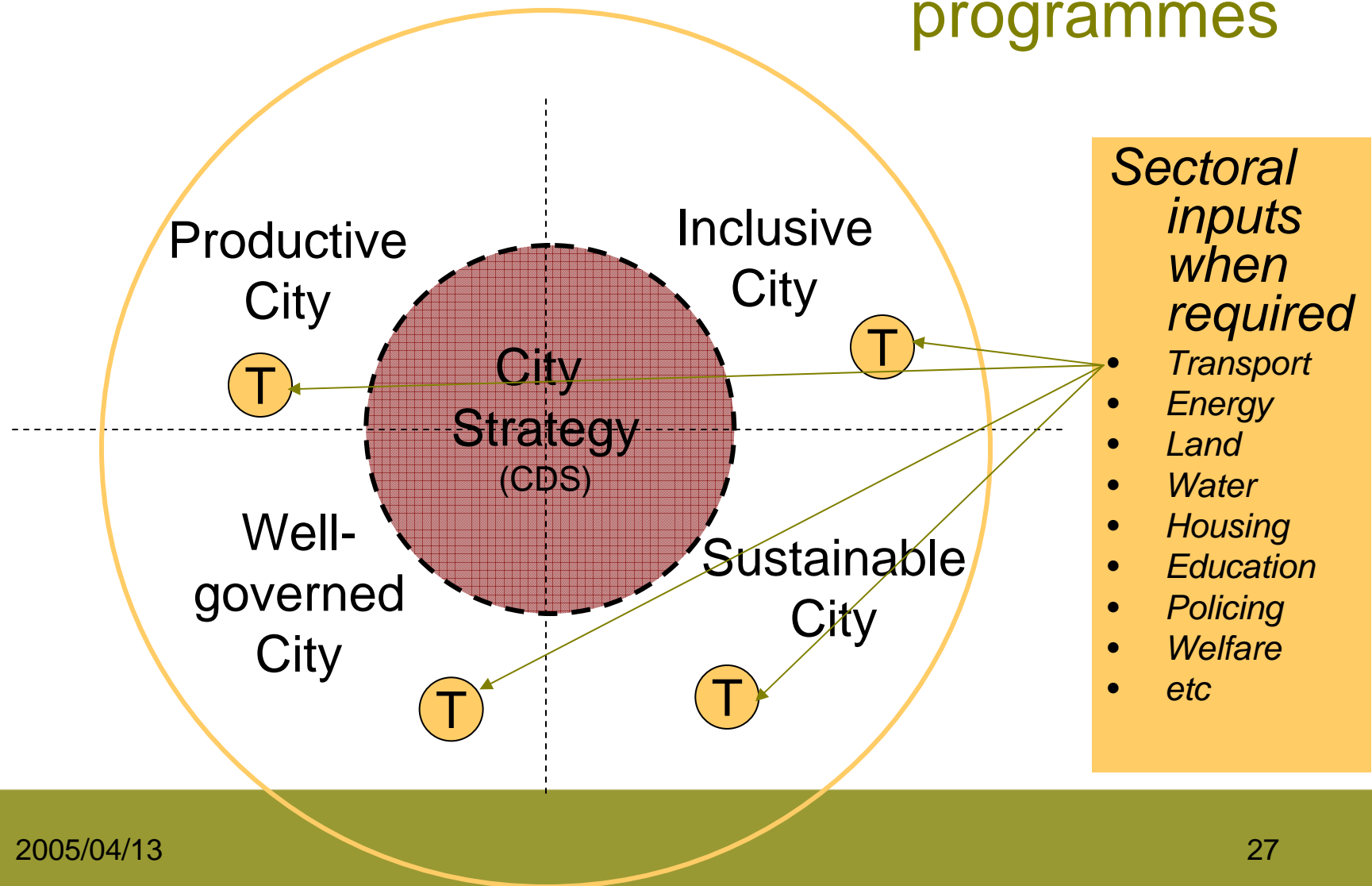
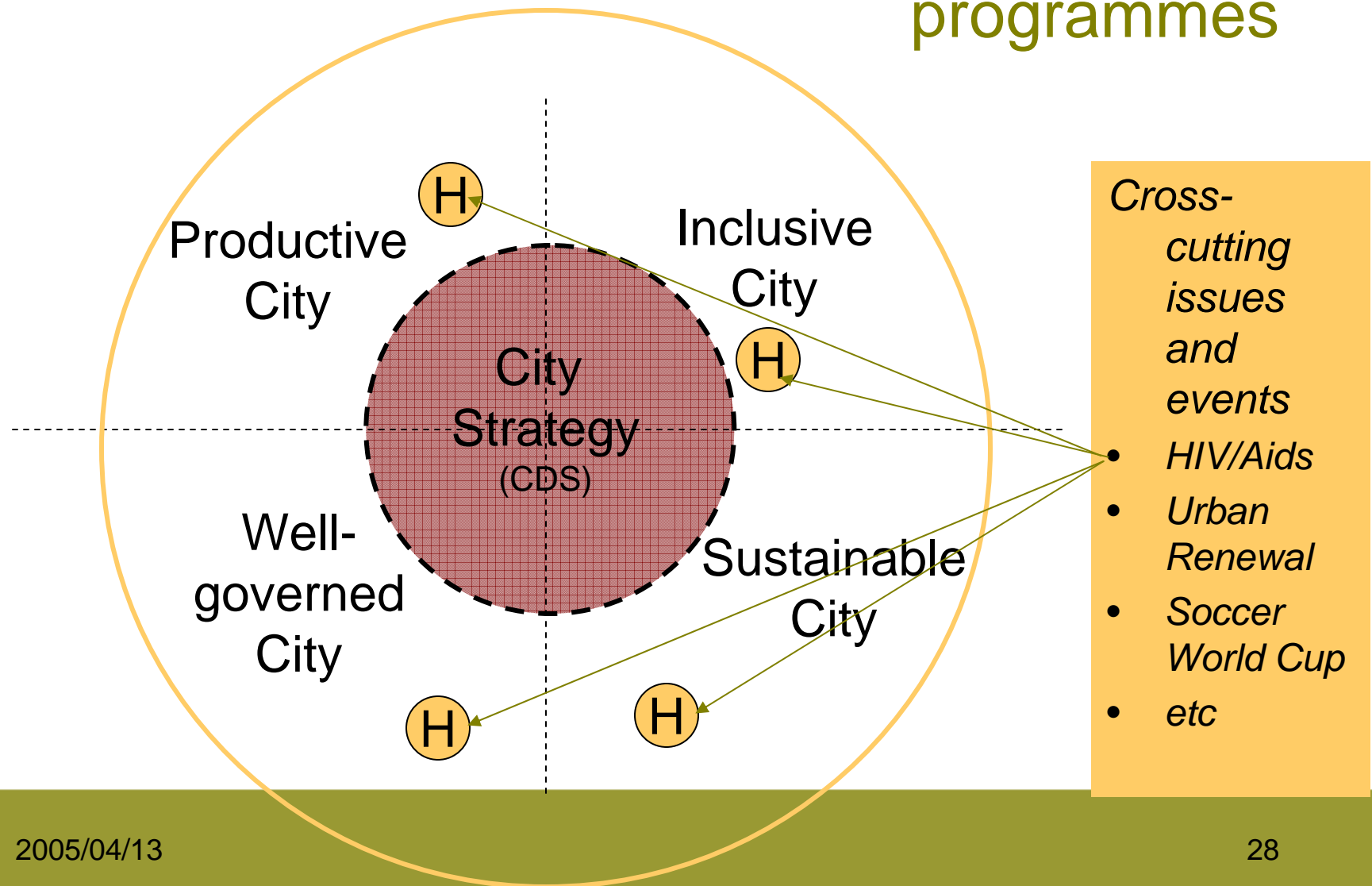| *SACN Themes*	*Programmes and focus areas*
City Development Strategy (core)	1. Intergovernance partnerships; 2. Strategy formulation; 3. Process support; 4. Evaluation support
Productive Cities	1. Growth and employment strategies 2. Information and communications technologies 3. Urban transport
Inclusive Cities	1. Urban poverty 2. Urban renewal 3. Service delivery
Well-governed Cities	1. Knowledge management within cities 2. Administrative restructuring 3. Intergovernmental alignment
Sustainable Cities	1. HIV/AIDS 2. City Energy strategies 3. Development finance

Organisational strategy

1. *Delivery of time-based outputs on a `client-contractor' model*

2. *Integration of themes, sectors and issues*

3. *Decentralisation, participation, representation, capacity-building*

Organising framework for SACN thematic programmes

Productive City

Inclusive City

City Strategy (CDS)

Well-governed City

Sustainable City

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Sectoral inputs when required

- *Transport*
- *Energy*
- *Land*
- *Water*
- *Housing*
- *Education*
- *Policing*
- *Welfare*
- *etc*

Organising framework for SACN thematic programmes

Productive City

Inclusive City

City Strategy (CDS)

Well-governed City

Sustainable City

Cross-cutting issues and events

- *HIV/Aids*
- *Urban Renewal*
- *Soccer World Cup*
- *etc*

Knowledge sharing methodologies

1. **Information exchanges** (*workshops, conferences, seminars, briefings, study visits, on-site learning*)
2. **Training and capacity building** (*short courses, modules, toolkits*)
3. **Frameworks and guidelines** (*analysis, vision, strategy, implementation*)
4. **Research** (*databases, case studies, comparative analysis, scenarios*)
5. **Electronic exchanges** (*newsletter, events notification, calendar, contacts, member profiles, useful links*)
6. **Peer Review** (*strategy, programme, sectoral, issues*)
7. **Best practices and benchmarks** (*innovations, lessons*)
8. **Networking** (*communities of practice, partnerships, conferences*)
9. **Technical support** (*secondments, coaching, mentoring, exchanges, consultancies*)

SACN indicative activity chart

	Info ex-changes	Training & capacity building	Frame-works & guide-lines	Research	Electronic ex-changes	Peer review	Best practices & bench-marks	Net-working	Tech support
City Dev Strategy									
Productive Cities									
Inclusive Cities									
Well-governed Cities									
Sustainable Cities									

Examples of products and deliverables 2002/03

- *Urban poverty research report*
- *Peer reviews: City of Joburg; Buffalo City*
- *Economic development strategy think tank report*
- *Workshop on `Managing the impact of HIV/AIDS on human resource strategy'*
- *Concept document: `Role of indicators in urban policy'*
- *Workshop on `Measuring city performance'*
- *Draft strategic transport plan for SA cities*
- *Workshop on Water Service White Paper*
- *Participation in University of Warwick MPA course modules*
- *SACN Website*
- *Exhibition at WSSD*

Examples of deliverables 2003/04

- *Training programmes*
  - *Economic development training programme with Greg Clarke of London Development Agency (31 March-3 April)*
  - *City development strategy training workshop*
  - *Urban renewal training course (July/ Aug)*
  - *HIV/AIDS training programme (Aug)*
- *City Energy Strategies conference (Oct)*
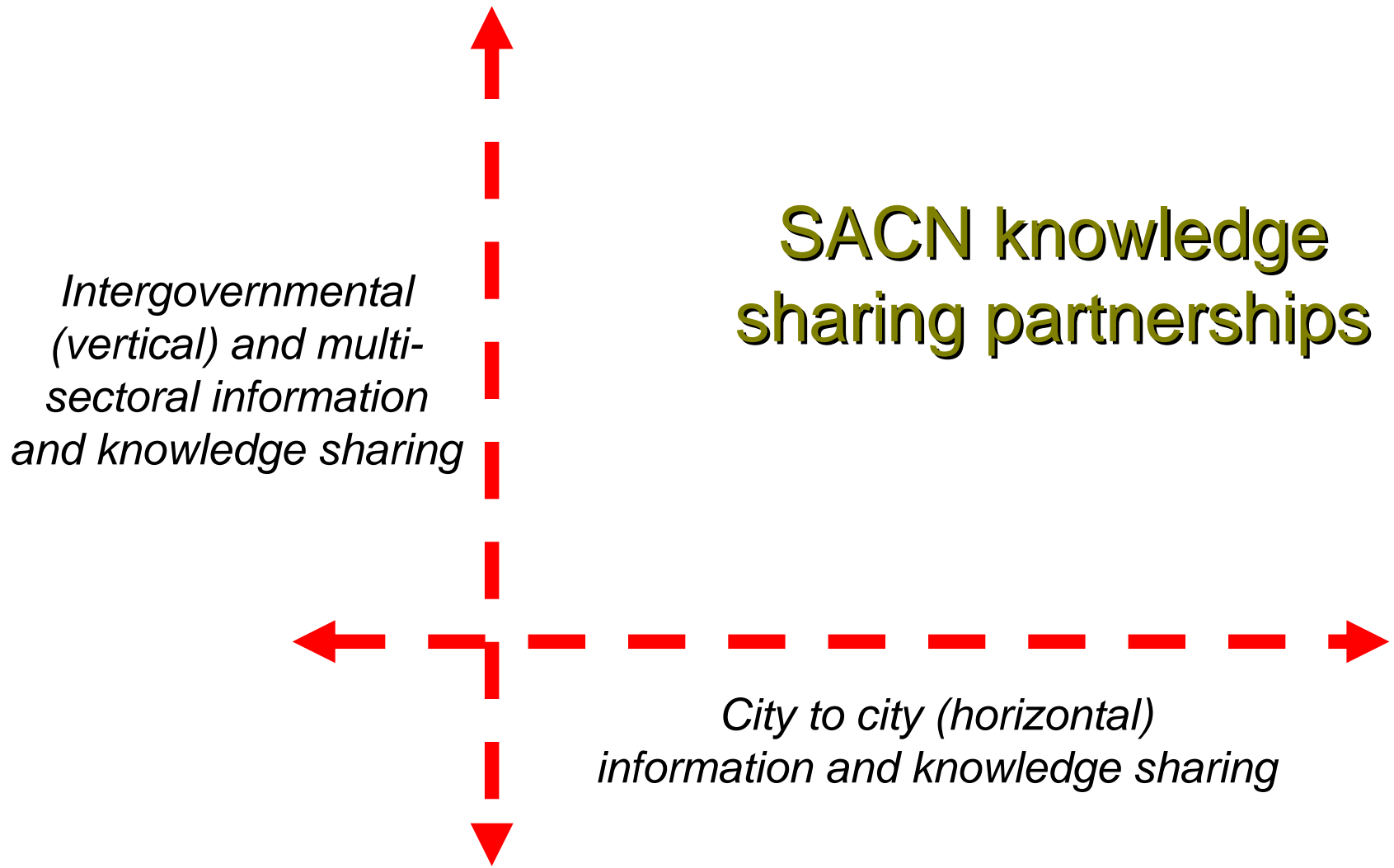
Examples of deliverables 2003/04 cont.

- *Research reports:*
  - *SA cities and the global economy*
  - *The role of SA cities in contributing to achieving Government's nine economic priorities for 2003/04*
  - *Competitive city strategies – a national analysis of the comparative competitive advantage of SA cities*
  - *HIV/AIDS mitigation strategies*
  - *Urban renewal strategies*
  - *Role of urban transport strategies within a city development strategy framework*
  - *Urban transport strategies to support economic growth policies*
  - *Urban transport strategies to support poverty reduction strategies*

Examples of deliverables 2003/04 cont.

- *Frameworks and guidelines:*
  - *Mainstreaming economic growth strategies*
  - *Urban renewal programme design*
  - *AIDS competant cities*
  - *SA City Development Index*

- *Information sharing events:*
  - *Urban transport strategies*
  - *HIV/AIDS strategies*

- *Case study: Transport plan for city area*

- *Peer review: two cities*

Measuring outcomes 2003-06

- *Adaption and implementation of city development strategy framework at city level*
- *Adaption and implementation of HIV/AIDS framework at city level*
- *Implementation of a South African cities development index*
- *City budgetary provisions for implementation of economic development strategy*
- *Better alignment of government expenditure within city areas*
- *Roll out of urban renewal programme initiatives*

SACN knowledge sharing partnerships

Intergovernmental (vertical) and multi-sectoral information and knowledge sharing

City to city (horizontal) information and knowledge sharing

Activity-based partnerships

- *SALGA*
- *National and Provincial Government Departments*
- *Regional and global city networks, in particular, African cities*
- *Non-governmental organisations*
- *Private sector organisations*
- *Universities and research institutes*

- *Focus on citywide information strategies with multiple stakeholders, not just municipal capacity-building*
- *Based on specific time-based outputs and deliverables, not just structures or meetings*

SACN/ SALGA partnership

- *Joint research project on rural-urban linkages between SACN and the SALGA medium-size towns network (to be launched May 2003)*
- *Alignment of activities via SALGA/ DPLG knowledge-sharing programme*

SALGA - SACN partnership based on clear distinction of roles

SALGA	SA CITIES NETWORK
Represents interests of all SA municipalities, including cities, nationally, regionally and internationally	*Information and knowledge sharing network* *Does not represent the views of cities individually or collectively* *Not an inter-governmental forum*
Acts on behalf of municipalities in policy-making processes	*Generates recommendations and options for members and partners*
Capacity-building programmes, including knowledge-sharing, for all municipalities	*Differentiated, specialist support programme targeting cities as engines of the national economy* *Focus on `cities', not just `municipalities': inter-governmental and multi-sectoral*

Membership and Governance Structure

- *Buffalo City*
- *Cape Town*
- *Ekurhuleni*
- *eThekwini*
- *Johannesburg*
- *Mangaung*
- *Msunduzi*
- *Nelson Mandela*
- *Tshwane*

- *The South African Cities Network Company is a non-profit voluntary organisation owned by and accountable to its members via a Board of Directors*
- *The Cities Network operates through a secretariat hosted by the City of Johannesburg*

Institutional establishment progress

- *SACN launched by Minister for Provincial and Local Government (07 October 2002)*
- *Registration of SA Cities Network Company and establishment of Board of Directors (Dec 2002)*
- *Recruitment, selection and appointment of secretariat (Dec 2002)*
- *Establishment of interim offices and support systems (Feb 2003)*
- *Financial management systems (March 2003)*

Sources of Income 2003/04

Members	R3,525m	34.5%
–Direct	R2,025m	
–In kind	R1,5m	
National Government	R1,5m	14.7%
Donors:	R5,2m	50.8%
–Cities Alliance	R3,2m	
–USAID	R2,0m	
	R10,225m	

Proposed member's contributions 2003/04

Category	Subscriptions - 2002	Subscriptions - 2003	Amount Increase	% Increase
One	**R 600,000.00**	**R 900,000.00**	**R 300,000.00**	**50%**
City of Cape Town	R 200,000.00	R 300,000.00	R 100,000.00	50%
City of Joburg	R 200,000.00	R 300,000.00	R 100,000.00	50%
Ethekwini Municipality	R 200,000.00	R 300,000.00	R 100,000.00	50%
Two	**R 450,000.00**	**R 675,000.00**	**R 225,000.00**	**50%**
City of Tshwane	R 150,000.00	R 225,000.00	R 75,000.00	50%
Ekurhuleni Muncipality	R 150,000.00	R 225,000.00	R 75,000.00	50%
Nelson Mandela Metro	R 150,000.00	R 225,000.00	R 75,000.00	50%
Three	**R 300,000.00**	**R 450,000.00**	**R 150,000.00**	**50%**
Buffalo City Municipality	R 100,000.00	R 150,000.00	R 50,000.00	50%
Mangaung Local Municipality	R 100,000.00	R 150,000.00	R 50,000.00	50%
Msunduzi Municipality	R 100,000.00	R 150,000.00	R 50,000.00	50%
TOTAL	**R 1,350,000.00**	**R 2,025,000.00**	**R 675,000.00**	**50%**

Further information on the SA Cities Network available from…

- *Secretariat:*
  - *Monty Narsoo, Chief Executive Officer, +27 82 601 3185; mnarsoo@metroweb.co.za*
  - *Sithole Mbanga, National Programmes Coordinator, +27 82 782 8676, mbangas@iafrica.com*
- *Website: www.sacities.net*

South African **Cities**Network