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Republic of South Africa Country Report:
Progress on Implementation
of the New Agenda

ABBREVIATIONS

AFD	French Development Agency
BNG	Breaking New Ground
BRT	Bus Rapid Transit
C40	Cities Climate Leadership Group
CAHF	Centre for Affordable Housing Finance Africa
CBO	Community-Based Organisations
CET	Community Education and Training
CGE	Commission for Gender Equality
COGTA	Department of Cooperative Governance and Traditional Affairs
CRPD	Convention on the Rights of People with Disabilities
CSP	City Support Programme
CWP	Community Work Programme
DAG	Development Action Group
DBSA	Development Bank of Southern Africa
DDM	District Development Model
DFI	Development Finance Institution
DHS	Department of Human Settlements
DSBD	Department of Small Business Development
DTPS	Department of Telecommunications and Postal Services
EPWP	Expanded Public Works Programme
FBS	Free Basic Services
FLISP	Financed Linked Individual Subsidy Programme
GAP	Gauteng Accelerator Programme
GBH	Grievous Bodily Harm
GCRO	Gauteng City Region Observatory
GDP	Gross Domestic Product
GIS	Geospatial Information System
GITOC	Global Initiative against Transactional Organised Crime
GIZ	German Limited Liability Company for International Cooperation
GTIC	Government Technical Advisory Centre
GVA	Gross Value Added
HDA	Housing Development Agency
HEI	Higher Education and Institutions
ICLEI	Local Governments for Sustainability
ICM	Intermediate City Municipality
ICT	Information Communication Technology
IDC	Industrial Development Corporation
IDP	Integrated Development Plan
IFC	International Finance Corporation
INR	Institute of Natural Resources
IPP	Independent Power Producers
IRDP	Integrated Residential Development Programme
IRP	Integrated Resource Programme

IUDF	Integrated Urban Development Framework
LES	Local Government Equitable Share
LVC	Land Value Capture
MILE	Municipal Institute of Learning (eThekweni)
NBSAP	National Biodiversity Strategy and Action Plan
NCCAS	National Climate Change Adaptation Strategy
NDP	National Development Plan
NGO	Non-Governmental Organisation
NMT	Non-Motorised Transport
NUA	New Urban Agenda
NUA-LF	New Urban Agenda Localisation Framework
NUSP	National Upgrading Support Programme
PAC	Park Activators Training Programme
PSET	Post-School Education and Training
RDP	Reconstruction and Development Programme
SACN	South African Cities Network
SAHRA	South African Heritage Resources Agency
SALGA	South African Local Government Association
SAPS	South African Police Service
SARChi	South African Research Chairs Initiative
SARHC	South African Human Rights Commission
SARS	South African Revenue Service
SCODA	South African Cities Open Data Almanac
SDF	Spatial Development Framework
SDG	Sustainable Development Goal
SERI	Social Economic Rights Institute
SEDA	Small Enterprise Development Agency
SETA	Sector Education and Training Association
SHI	Social Housing Institute
SHP	Social Housing Programme
SHRA	Social Housing Regulatory Authority
SMME	Small, Medium and Micro Enterprises
SPF	Spatial Development Framework
SPLUMA	Spatial Planning and Land Use Management Act
Stats SA	Statistics South Africa
StepSA	Spatial Temporal Evidence for Planning in South Africa
TCET	Technical and Vocational Education and Training
TED	Township Economic Development
TOD	Transit Oriented Development
TSC	Transaction Support Centre
TUHF	Trust for Urban Housing Finance
UCLG	United Cities and Local Governments
UISP	Upgrading of Informal Settlements Programme
UN	United Nations
UNCCD	United Nations Convention to Combat Desertification
USRG	Urban Safety Reference Group (SACN)



FOREWORD

Minister of Human Settlements,
Ms Mmamaloko Kubayi, MP

It is my great pleasure to present this first report on the implementation of the New Urban Agenda adopted by the United Nations in 2016 as a twenty-year agenda to address sustainable development in the context of the significant global trend of rapid urbanisation. This report is the collaborative result of intensive engagements at national, provincial and local government level, including hearing the views of civil society organisations and research and academia. We appreciate the commitment, time and thoughtful inputs prepared during these engagements. I am especially thankful for the support of the Minister of Cooperative Governance and Traditional Affairs, Dr Nkosasana Dlamini Zuma, MP whose Department was a key stakeholder in the development of this report as the custodian of South Africa's national urban policy, the Integrated Urban Development Framework, and the District Development Model which is the government's spatially focused intervention at the District level.

As the Cabinet member tasked with representing South Africa at the United Nations Human Settlements Programme, UN-Habitat, I am acutely aware of the importance of addressing the spatial dimension of the national and global development agenda. How we develop and manage the space in which we live deeply affects our quality of life, environment, social cohesion and economic conditions. This rings true for all forms of human settlements in the urban continuum - villages, small towns, towns, intermediate cities, and metropolitan cities. We have recognised, therefore, that we need a co-ordinated and concerted effort in spatial planning. The COVID-19 pandemic has deepened our collective understanding and brought a renewed sense of urgency to the need to prioritise the creation of integrated, resilient, safe and sustainable human settlements.

Cognisant of this reality, Team South Africa actively engaged in a whole of government, whole of society approach, in the rigorous preparatory work of the United Nations that led to the adoption of the New Urban Agenda. Together with the other African member states, we ensured that addressing poverty, inequality and sustainability were addressed along the rural-urban continuum, with a specific focus on the improvement of lives of people living in informal and precarious settlements.

In the five years since the adoption of the New Urban Agenda in 2016, we developed a discussion document to frame the implementation of the New Urban Agenda in such a way that all relevant actors identify their role, responsibility, contribution, and partners to contract with. We ensured that sustainable human settlements and spatial transformation are included in government's overall development priorities in the current Medium Term Strategic Framework. We also created a dedicated government grant for informal settlements upgrading to ensure funding and frameworks for the progressive and phased improvement of informal settlements that ensures security of tenure, community participation and the strengthening socio-economic opportunities. Through the gazetting of Priority Housing and Human Settlements Development Areas, we have now created a mechanism for the development of sustainable human settlements in a way that maximises and multiplies the return on investment in infrastructure.

Our key learning in the first five years of implementation of the New Urban Agenda is that achieving it will require intense and deliberate partnering, collaboration, engagement and joint action. Having now jointly taken stock of what we have done since 2016, I look forward to even greater collaboration in the next phase of accelerated action to show significant improvement of our delivery in the next reporting cycle.



Minister of Cooperative Governance and Traditional Affairs,
Dr Nkosazana Dlamini Zuma, MP

We are delighted to support the South African report on the implementation of the New Urban Agenda. The 21st century is the urban century. More than 60% of South Africans live in urban areas, and this figure is projected to increase to 70% by 2030 and 80% by 2050. The country's urban landscape can be divided into various settlement typologies, based on demographic, economic and spatial trends. The country has large metropolitan cities, intermediate or secondary cities, large and small towns and rural areas. It is estimated that about 40% of the population reside within the four larger city-regions (Gauteng, Cape Town, eThekweni and Nelson Mandela Bay). In response to rapid urbanisation, South Africa's national policy dialogue on urbanisation has evolved and is reflected in the National Development Plan and the Integrated Urban Development Framework.

The New Urban Agenda represents a shared vision for a better and more sustainable future, namely that well-planned and well-managed urbanisation can be a powerful tool for sustainable development in both developing and developed countries.

South Africa has made notable and commendable progress since 2016. We will continue to work hard to guarantee that our country emerges from a fragmented system of racially based local authorities that compounded many inefficiencies for people and businesses. This system increased the cost and complexity of providing public services, frustrated the prospect of coordinated urban planning and undermined the financial self-sufficiency of each municipality. It also exacerbated socioeconomic and spatial inequities, and acted as a barrier to the application of economies of scale in the supply of urban infrastructure.

We have set our goals for achieving sustainable urban development. As South Africa continues to experience rapid urbanisation, which the United

Nations project will reach nearly 80% by 2050, we responded through the development of our national urban policy, the Integrated Urban Development Framework, in order to plan for and manage the scale and growth of South Africa's cities and towns.

Our goal is to totally eradicate apartheid spatial patterns. We have adopted 'an all-of-society approach,' which involves all stakeholders, and is being steered to manage more cohesive urban development, acting as a social compact between our multiple partners. The aim is to steer urban growth towards a sustainable model of compact, connected and coordinated towns and cities and thus progressively implementing the National Development Plan's vision for spatial transformation – creating liveable, inclusive and resilient towns and cities while reversing the apartheid spatial legacy.

Subnational policies and programming are key to the effective implementation of this roadmap. Our work as government in implementing the New Urban Agenda thus finds resonance in the District Development Model (DDM), which is an all-of-government and all-of-society approach that aims to tackle the deep-rooted silo mentality underpinning the planning, budgeting and delivery of services across the three spheres of government. Through this approach, South Africa will capitalise on opportunities that exist to mobilise other actors in the private sector, non-government organisations and communities to achieve the necessary social compact between local and district government and its multiple stakeholders.

I welcome the collaboration in creating this report and urge all stakeholders to continue to work together to facilitate transformed urban spaces for the people of our country. In so doing, we carry on our battle to combat the deep-rooted inequality and poverty that still prevail. We commit to upholding the dignity and human rights of our people, whilst also fostering enhanced economic opportunities aligned to appropriate interventions in townships, intermediate cities, cities and rural spaces.

EXECUTIVE SUMMARY

South Africa is over 60% urbanised and has made good progress in localising and implementing the New Urban Agenda. It has developed a framework, the New Urban Agenda Localisation Framework¹, to align the New Urban Agenda with its urban development agenda, as elaborated in the National Development Plan² and Integrated Urban Development Framework.

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This high-level country report details the main achievements, challenges and lessons learned, and provides examples of case studies and the impact of COVID-19. The report was prepared by the Department of Human Settlements and the Department of Cooperative Governance and Traditional Affairs, the two ministries that lead the localisation of the New Urban Agenda in South Africa. It is based on input from a wide range of government departments and extensive engagements throughout the country with representatives from all of society and all of government. The workshops were curated and facilitated by the Department of Human Settlements in partnership with the South African Cities Network.

Part I: Transformative Commitments for Sustainable Urban Development

I.1 Sustainable Urban Development for Social Inclusion and Ending Poverty

Social Inclusion and Ending Poverty

- **Ending poverty and reducing inequality:** South Africa has implemented an extensive social protection system which includes social grants that directly reach one in three South Africans and indirectly benefit nearly two-thirds of the population – studies have shown that these grants have reduced the depth of poverty and inequality. To mitigate the impact of COVID-19, the government introduced a Social Relief of Distress grant for poor households, which contributed to ensuring that poverty and inequality did not spiral out of control because of the pandemic. Spatial inequality remains stubbornly entrenched due to colonial and apartheid legacies, but South Africa has made some progress in addressing this, with several cities and towns implementing a range of mixed-use and mixed-income development in well-located areas.
- **Ensuring the safety and inclusion of vulnerable groups:** South Africa has a range of institutions, policies and programmes aimed at vulnerable groups, including the Commission for Gender Equality, the South African Human Rights Commission and the national Department of Women, Youth and People with Disabilities. In response to the worryingly high rates of youth unemployment and gender-based violence, the country has implemented various youth programmes and developed the National Strategic Plan on Gender-Based Violence. All spheres of government introduced measures to mitigate the impact of COVID-19 and related lockdowns, which were most severe for the most vulnerable population groups.
- **Developing safe, accessible public spaces:** Many South African cities lack quality public spaces, especially in townships and informal settlements, due in part to apartheid's spatial legacy. Although the country does not have specific legislation protecting public spaces, the Spatial Planning and Land Use Management Act (SPLUMA) No. 16 of 2016 requires all local government to make land available for parks as part of residential developments. Cities (e.g. Cape Town and Johannesburg) have developed policies and frameworks aimed at protecting natural resources, creating more inclusive and quality public spaces, and facilitating access to public transport for all users, including people with disabilities. South Africa recognises the importance of urban safety as a cross-cutting issue in the Integrated Urban Development Framework and has ratified the UN System-wide Guidelines on Safer Cities and Human Settlements.

¹ NUA-LF: <http://www.mile.org.za/AFUS2018/DocumentsAFUS2017/Localising%20the%20New%20Urban%20Agenda.pdf>

² NDP: https://www.gov.za/sites/default/files/gcis_document/201409/ndp-2030-our-future-make-it-workr.pdf

³ IUDF: <https://iudf.co.za/about/iudf/>

Access to Adequate Housing

- **Providing adequate and affordable housing:** Access to adequate housing is enshrined in the South African Constitution. Since 1994, the government has delivered 4.8 million houses through progressive implementation of housing subsidy programmes. These include the Integrated Residential Development Programme (IRDP), aimed at households earning less than R3500 a month; and the Financed Linked Individual Subsidy Programme (FLISP) and Social Housing Programme (SHP) which are aimed at households earning more than R3500 but too little to access formal credit. In 2018, government-subsidised housing accounted for a third (2.2 million) of registered properties in South Africa. Despite these initiatives, the backlog in housing continues to grow, reaching 2.1 million houses in 2018. In response to the gap between supply and demand, innovative bottom-up solutions are emerging in the affordable rental sector, especially in the townships.
- **Access to sustainable housing finance options:** South Africa has a well-developed mortgage market, but which serves only a fraction of the population. The government has introduced various programmes to address this market failure and redress the historically distorted and unequal access to housing finance. These include the Integrated Residential Development Programme (IRDP, full subsidy), and the Finance Linked Individual Subsidy Programme (subsidised mortgages) which is intended to attract private sector investment in affordable housing. In terms of rental housing financing, the SHP, which is overseen by the Social Housing Regulatory Authority (SHRA), whose role it is to regulate and enable private sector social housing institutions to be accredited and access capital grants to develop social housing. Despite a significant number of households remaining unable to access housing finance, some encouraging innovative solutions are emerging, offering finance to property entrepreneurs and community-led housing (micro) finance solutions.
- **Ensuring security of tenure:** South Africa has a robust legal and policy framework that ensures security of tenure. The Constitution and several legislations guarantee that no-one may be evicted from their home, or have their home demolished, without following due legal process. Since 1994, about three million households have received a formal title deed as part of the housing programme, while many households living in informal settlements have some form of recognised tenure. Despite this progress, the formal land tenure administration system is not sufficiently inclusive, as millions of people do not have a title deed to their property and millions of property transactions are processed informally, not through the deeds register system.
- **Upgrading slums/informal settlements:** Since 2004, the Breaking New Ground policy made the upgrading of informal settlements a priority in government's approach to developing integrated human settlements. The Upgrading of Informal Settlements Programme (UISP) provides grants to municipalities to fast-track the structured in-situ upgrading of informal settlements, while the National Upgrading Support Programme (NUSP) builds the capacity of municipalities to upgrade informal settlements. Several civil society and grassroots organisations also play a crucial role in enabling communities to be part of upgrading their informal settlements.

Access to Basic Services

- **Water, sanitation, electricity, and waste disposal:** South Africa's Constitution guarantees access to basic services as a right, which is given effect through various policies, including the Free Basic Services (FBS) policy. Over the past two decades, despite the increase in the number of households, South Africa has made substantial progress in extending access to basic services. The percentage of households with access to basic services in 2018 was: water (89%), mains electricity (84.7%), sanitation (83%) and refuse removal (66.4%). The, and municipalities across the country provide free basic services to poor (indigent) households: in 2017, 3.51 million indigent households received free basic services.

- **Safe and efficient public transport system:** The country's National Transport Masterplan and Green Transport Strategy provide the framework for an integrated efficient transport system, while the Non-Motorised Transport (NMT) Policy requires cities to prioritise Non-Motorised Transport. The public transport landscape is complex and involves government institutions from all three spheres, as well as private sector actors. Several metros and intermediate cities have invested in bus rapid transit (BRT) systems as a key component of their integrated transport strategies. Most government transport subsidies go to rail and bus modes, although most people use minibus taxis as a mode of transport.
- **Modern renewable energy:** About 85% of households in South Africa have access to mains electricity. The proportion of households using renewable energy is very low but has steadily increased in recent years. At least 22 municipalities have provided free solar electricity systems to indigent households. According to the Integrated Resource Plan, 39 696 MW from renewable energy sources will be added to the national grid between 2019 and 2030. The country has been implementing its Renewable Independent Power Producers (IPP) Programme, which is aimed at bringing additional megawatts onto the country's electricity system through private sector investment in renewable energy, and various IPP projects are currently underway across the country.
- **Information communication technology:** As outlined in the National Development Plan and various other policies and plans, South Africa recognises information communication technology (ICT) as the backbone of a modern economy. The country has adopted various policies, legislation, strategies and plans aimed at increasing access to ICT and reaping the benefits of the fourth industrial revolution. The latest is the National Digital and Future Skills Strategy (2020), which envisions a South Africa in which all its people can benefit from enhanced digital skills, thereby contributing to a better quality of life, improved education, and higher economic growth. The COVID-19 pandemic has highlighted the importance of digital technologies and exposed the digital divide.

I.1 Sustainable and Inclusive Urban Prosperity and Opportunities for All

Inclusive Urban Economies

Cities are the engines of the South African economy, contributing almost two-thirds of GDP and over half of employment.

- **Promoting productive employment for all (including the youth):** The COVID-19 pandemic has compounded South Africa's high structural unemployment. Productive employment is unevenly distributed, and unemployment disproportionately affects the youth. The country has a range of policies, strategies and programmes that are aimed at addressing the high unemployment, with a focus on young people. Millions of temporary employment opportunities specifically targeting the youth, women and people with disabilities have been created through the Expanded Public Works Programme (EPWP) and the Community Work Programme (CWP), which also offer work experience and training.
- **Strengthening the informal economy:** The government has launched several initiatives aimed at supporting the informal and township economies. The National Informal Business Upliftment Strategy aims to uplift informal businesses by supporting local business associations and municipalities, while the Metro Township Economic Development (TED) Programme provides technical support to metros to formulate and resource effective township development strategies. Cities also provide support to informal traders in the form of infrastructure, suitable trading spaces and training, services and skills development. All spheres of government provided support to informal traders to mitigate the impact of COVID. For instance, the Department of Small Business Development's Township and Rural Enterprises Programme assists micro and informal enterprises to recover from the pandemic.
- **Supporting small, medium and micro enterprises:** The government recognises the importance of small, medium and micro enterprises (SMMEs) for the economy and employment. Support for these enterprises includes the Small Enterprise Development Agency; the Ecosystem for Small Enterprise Programme, an innovative, five-year partnership agreement between South Africa and the European Union that is designed to effect meaningful change across South Africa's SMME ecosystem; the COVID-19 Debt Relief Finance Scheme; the Social Unrest Business Recovery Support Funding; and the Small Enterprise Manufacturing Support Programme.

- **Creating an enabling, fair and responsible environment for business and innovation:** According to the latest World Bank ratings, South Africa ranks 84 for ease of doing business. Government initiatives include the online Bizportal platform, which has made registering a company easier; efforts by the South African Revenue Service (SARS) that have decreased audit turnaround times; and the Ease of Doing Business Bill (2020), which is aimed at cutting and reducing red tape. City initiatives include infrastructure investments; catalytic projects that leverage national incentives, such as urban development zones, special enterprise zones; and incentives in the form of rates and/or consumption rebates for developers (or their tenants). In addition, cities support informal economic activity and township economic development.

Sustainable Urban Prosperity

- **Diversifying the urban economy and promoting cultural and creative industries:** South Africa has a diversified economy and is moving towards a knowledge-based economy, as well as the green and digital economies. Each of the metros has a distinct industrial mix and is affected differently by sectoral or national changes. Some common trends are deindustrialisation, a growing tertiary sector and a decline in the percentage of export-oriented firms. The country is increasingly recognising the growing importance of the cultural and creative industries, and has set goals to diversify its economy further, through investing in the new green economy, including cleaner forms of technology.
- **Developing technical and entrepreneurial skills to thrive in a modern urban economy:** South Africa offers a range of post-school education and training programmes: public and private higher education institutions, technical and vocational education and training colleges, community education and training colleges, and private colleges. Sector Education and Training Authorities (SETAs) support the development and improvement of skills for both unemployed and employed persons, through learnerships, internships, apprenticeships and other skills programmes. The country also has business schools that offer entrepreneurship and business development.
- **Strengthening urban-rural linkages to maximise productivity:** The Integrated Urban Development Framework recognises that rural and urban areas complement each other and coexist in production, trade, information flow and governance. The country has three programmes aimed at supporting metros, intermediate cities and small towns, as well as strengthening urban-rural linkages: the City Support Programme, which focuses on the metros; the Intermediate City Municipalities (ICM) programme; and the Small Town Regeneration Strategy.

1.2 Environmentally Sustainable and Resilient Urban Development

In addition to overarching national policies aimed at addressing environmental sustainability in South Africa, cities are making strides to move towards a just urban transition. They have developed or are busy developing policy instruments related to climate change mitigation, the protection of critical biodiversity, waste management and best use of resources.

Resilience, Mitigation, and Adaption of Cities and Human Settlements

Climate change is affecting South Africa severely. Rising temperatures have affected rainfall patterns, which in turn have an impact on water resources, food security and overall public health and wellbeing. In response to this, South Africa has developed various policy instruments and programmes to ensure the resilience of its cities and towns.

- **Address urban sprawl and loss of biodiversity:** Compact, connected, integrated and inclusive cities promote efficient services, systems and resource use. Poorly managed urbanisation leads to urban sprawl and the loss of biodiversity and generates and amplifies risks such as flooding. Municipalities curb urban sprawl by enforcing the urban edge to confine development. However, the ability to enforce the urban edge is challenged by a fiscal framework, which largely relies on revenue from property and other taxes gained from new development areas. South Africa's National Biodiversity Strategy and Action Plan (NBSAP), which was promulgated in 2015 and funded by the United National Development Programme, identifies priorities for biodiversity management in South Africa, and aligns these targets with the global agenda.
- **Climate change mitigation and adaptation actions:** The National Climate Change Adaptation Strategy (NCCAS) of 2019 provides a platform upon which national climate change adaptation objectives for the country can be articulated and will be used as the basis for meeting South Africa's adaptation commitments outlined in its Nationally Determined Contributions. The National Climate Change Bill is being finalised, with the aim of taking the country through a low-carbon growth trajectory. The country has also developed various programmes and projects through funding instruments and locally driven efforts. One funding tool is the Community Adaptation Small Grants Facility that is piloting a new mechanism of enhanced direct access for local-level climate change adaptation.
- **Develop systems to reduce the impact of natural and human-made disasters:** Natural disasters include excessive exposure to natural heat or cold, earthquakes, tornadoes, and floods, all of which are increasing in occurrence in South Africa due to climate change. Human-made disasters compromise the integrity of the environment and often cause irreparable damage. As of 2019, South Africa had developed and adopted 13 national and local disaster reduction strategies, while municipal integrated development plans are required to have various sector plans that guide municipalities on different programmes that they implement.
- **Build urban resilience through quality infrastructure and spatial planning:** The acceleration of climate action has great potential to assist the country with social and economic development through the creation of new job opportunities. These benefits have been articulated in policies, but substantial financial backing and robust institutional arrangements are needed. Cities in South Africa have set deliberate targets for developing municipal infrastructure in ways that ensure resource efficiency and support long-term urban resilience.

Sustainable Management and Use of Natural Resources

Rapid urbanisation is putting pressure on the sustainable management of natural resources. Water will continue to be a scarce resource, as droughts are already becoming a reality across South Africa, in both urban and rural spaces.

- **Promote resource conservation and waste reduction, reuse, and recycling:** Recycling and waste minimisation models advocate the diversion and recycling of waste, to increase the lifespan of landfills, reduce emissions and provide jobs. Developing, marketing and empowering SMMEs and communities will ensure the waste sector's continuity and sustainability, while private-public partnerships will play a key role in providing financial and non-financial support. In 2017, waste exchanges through Industrial Symbiosis in Gauteng and KwaZulu-Natal reused 6160 tonnes of waste destined for landfill. The country has also introduced the Working for Waste programme, which is one of the initiatives under the Expanded Public Works Programme.
- **Implement environmentally sound management of water resources and coastal areas:** Climate uncertainty threatens water security in South Africa, which has faced several water crises. The country has signed bilateral cooperation commissions with four neighbouring countries with the aim of strengthening integrated water resource management. In South Africa, water management is a challenge due to increasing urbanisation and unplanned development, inadequate investment in infrastructure maintenance, and high levels of water consumption.

- **Adopt a smart-city approach that leverages digitisation, clean energy and technologies:** Green energy technologies are central to decoupling economic growth from negative environmental impacts and excessive resource use. Technology can be used to improve government service delivery efficiency, citizen engagements and societal inclusion.

Part 2: Effective Implementation

2.1 Building the Urban Governance Structure: Establishing a Supportive Framework

South Africa has transformed its governance system into a rights-based, developmental and participatory approach that includes a regulatory framework for local government. The Constitution establishes three spheres of government that interrelate through the intergovernmental system, and function through a system of cooperative governance.

- **Decentralisation to enable subnational and local governments to undertake their assigned responsibilities:** The local and provincial spheres of government have extensive constitutionally devolved legislative and executive powers. Within the cooperative governance system, municipalities exercise considerable authority over many aspects of urban development and city management and have significant fiscal autonomy. Under the country's fiscal framework, municipalities receive an equitable share of nationally generated revenues and have the power to raise own revenues through rates, taxes and utility charges. The Constitution empowers the national and provincial spheres of government to play an oversight role over municipalities, and this function is also enshrined in key sectoral legislation.
- **Linking urban policies to finance mechanisms and budgets:** Municipal revenue is based on own-revenue sources and transfers from national government in the form of unconditional and conditional grants. Metros and intermediate cities derive a large share of revenue from own revenue, whereas district and local municipalities derive their largest share of revenue from transfers. This is because cities have a more diversified economy and higher average household incomes and employment levels. Metros and intermediate cities also finance more than half of their own capital requirements. To mitigate the impact of COVID-19 on municipalities, the government established the R20-billion COVID Relief Fund.
- **Legal and policy frameworks to enhance the ability of governments to implement urban policies:** South Africa has a sound legal system underpinned by its rights-based and explicitly developmental Constitution. The National Development Programme is the country's development lodestar and roadmap, while the Integrated Urban Development Framework provides an urban vision and policy framework that articulates how the country can transform urban areas into integrated, sustainable, and equitable human settlements. The New Urban Agenda-Localisation Framework aligns the directives of the New Urban Agenda with the imperatives of the Integrated Urban Development Framework. The country has also developed an overarching national spatial development framework (SDF), and the District Development Model (DDM), which is an 'all-of-government' delivery model.
- **Strengthen the capacity of local and subnational governments to implement local and metropolitan multilevel governance:** Every year, the national government invests over R2-billion in capacity-building for local government through a range of programmes aimed at ensuring municipalities are able to deliver services effectively, to plan and implement infrastructure projects and to build effective systems and human capital needed for accountability. The Department of Cooperative Government and Traditional Affairs coordinates the capacity-building of local government in partnership with National Treasury, the South African Local Government Association, the Local Government Sector Education and Training Authority (SETA), the Department of Higher Education and Training, sector departments involved in local government service delivery, tertiary institutions and professional bodies.

- **Promote participatory, age, and gender-responsive approaches to urban policy and planning:** The Constitution and Municipal Systems Act require municipalities to create the necessary conditions for community participation. At the beginning of each electoral term, municipalities are legally obliged to draft and adopt a single, inclusive strategic plan for development: the Integrated Development Plan. This plan links, integrates and coordinates various municipal sectoral plans (including resource and capacity allocations), and is aligned to the municipality's Spatial Development Frameworks (SDFs), budgets, departmental business plans and leadership performance plans. Communities are encouraged to participate in the preparation, implementation and review of municipal Integrated Development Plans.
- **Promote women's full participation in all fields and all levels of decision-making:** South Africa is committed to ensuring equal representation of women in all levels of decision-making including local government. The number of women candidates in local government elections has increased significantly, but there is room for improvement. Between 1995 and 2006, women's representation in local government elections increased from 19% to 40%. In 2016, of 276 sitting mayors, 107 (or 39%) were female, while in 2021, females made up 37% of councillors elected in the local government elections. Notwithstanding the gradual increase in participation, much more still needs to be done in ensuring that women play a far bigger role in local government.

2.2 Planning and Managing Urban Spatial Development

- **Implementing integrated and balanced territorial development policies:** The Integrated Urban Development Framework provides the vision for integrated planning and, in combination with the Spatial Planning and Land Use Act (SPLUMA), charts a new direction for the more deliberate reconfiguration of the imbalances of apartheid planning and places local government at the centre of spatial planning and land-use management decisions. As mentioned, the country has developed a national Spatial Development Framework (SDF). City-level Spatial Development Frameworks are the medium-term frameworks, which guide overall spatial distribution of current and desirable land uses, while planning at local level is through localised area plans.
- **Integrating housing into urban development plans:** Since 2004, the Breaking New Ground policy has shifted the government focus from "housing" to "integrated human settlements" and was followed by various programmes that promote the development of integrated human settlements (e.g., the Integrated Residential Development Programme, Social Housing Programme, and Finance Linked Individual Subsidy Programme). The recent Human Settlements Framework for Spatial Transformation and Consolidation (2019) underscores housing development as a means of restructuring and transforming the urban space and overcoming apartheid spatial patterns. Under this approach, the government has identified 136 well-located priority housing development areas across the country's urban landscape.
- **Inclusion of culture as a priority component of urban planning:** The protection of culture is a critical component of South Africa's Constitution and legislation. The South African Heritage Resources Agency (SAHRA) is tasked with an overall legislative mandate to identify, assess, manage, protect, and promote heritage resources. SAHRA declare places with special local and national significance as heritage sites. Cities also use developments to promote arts and culture, and to revitalise urban areas through public art. The City of Johannesburg has an innovative public art policy, where 1% of capital expenditure budgets go to public art and promote collaboration with local artists.
- **Implement planned urban extensions and infill, urban renewal, and regeneration of urban areas:** Inner-city regeneration is a key component of most city development plans, and many cities have incorporated social housing that is well connected to economic opportunities and transport options. The Social Housing Programme provides for rental housing located in strategic urban areas of economic opportunity, with the aim of redressing structural, economic, social, and spatial dysfunctionalities. In more recent years, some cities have introduced an inclusionary housing policy to leverage private sector resources in delivering affordable housing in well-located areas.

- **Improved capacity for urban planning and design, and training for urban planners in all spheres of government:** South Africa has a robust and well-established institutional environment to support urban planning and design and to assist local government in its goal of spatial transformation. Several universities have urban planning, design, and governance schools, which are in some cases linked to research organisations. The result is a rich diversity of research and advocacy organisations to support all spheres of government. In recent years, new research chairs in urban governance and planning have been established as part of the National Research Foundation's South African Research Chairs Initiative (SARChI).
- **Strengthening the role of small and intermediate cities and towns:** Following extensive research by the South African Cities Network in 2014, the National Treasury has identified 39 Intermediate City Municipalities (ICMs) within five subcategories: large and semi-diverse, mining, manufacturing, service centre, and low gross value added (GVA) and high population density Intermediate City Municipalities. In 2019, the Department of Cooperative Government and Traditional Affairs launched the Intermediate City Municipality support programme, which was piloted in two municipalities. The South African Local Government Authority provides support to smaller towns and municipalities through its Small Towns Regeneration programme. The District Development Model (DDM) has the potential to strengthen the role of smaller towns and Intermediate City Municipalities through better intergovernmental cooperation and support.
- **Implement sustainable multimodal public transport systems including non-motorised options:** As reflected in the National Development Programme and the Integrated Urban Development Framework, there has been a shift towards a more integrated and multimodal approach that places transport and mobility as a key component of spatial transformation. Most of the larger metros have implemented multimodal and transit-oriented development solutions, which incorporate Bus Rapid Transit (BRT), rail, buses, non-motorised transport and minibus taxis. Johannesburg has made the greatest progress in using mobility corridors to "stitch together" the fragmented and racially segregated spatial form of the city.

2.3 Means of Implementation

Mobilisation of financial resources

- **Develop financing frameworks for implementing the New Urban Agenda in all spheres of government:** There is a constitutional and legislative framework to apportion nationally raised revenue among the national, provincial and local spheres. The fiscal framework for local government is made up of own revenues and transfers, which include some unconditional some more targeted conditional grants for capital and operational expenditure. In addition, metros receive a share of the general fuel levy.
- **Mobilise endogenous (internal) sources of finance and expand the revenue base of subnational and local governments:** In 2020, South Africa's municipalities collectively generated 71% of total income from own revenue sources. However, this percentage varies according to category of municipality: in 2020, own revenues accounted for 81% of income in metros but just 28% of income in rural local municipalities.
- **Promote sound systems of financial transfers from national to subnational and local governments based on needs, priorities and functions:** The transfers to municipalities include unconditional (the local government equitable share) and conditional grants. The equitable share is divided vertically among municipalities using a formula that takes into account the number of poor households, non-access to basic services and size of population in a municipality. The national government also provides conditional grants, including the Urban Settlements Development Grant and the Integrated City Development Grant.

- **Mobilise and establish financial intermediaries for urban financing:** South Africa has well-established financial intermediaries, including Development Finance Institutions (DFIs), such as the Development Bank of Southern Africa (DBSA), which is accredited to the Global Environment Facility and the Green Climate Fund. The DBSA has catalysed third-party funding including the issuing of a €200m bond in 2021 and the establishment of the Climate Finance Facility. Metros and some intermediate cities have leveraged own revenues to raise funding through debt instruments, including green bonds.

Capacity development and enhanced knowledge-sharing

- **Expand opportunities for city-to-city cooperation and fostering exchanges of urban solutions and mutual learning:** The South African Cities Network is a network that encourages the exchange of information, experience and best practices on urban development and city management among South Africa's largest cities. With a focus on metros, National Treasury's City Support Programme hosts task team meetings of multi-disciplinary city officials from across the country. South African cities also engage with and are members of various international learning platforms and institutions, including the Cities Climate Leadership Group (C40), Local Governments for Sustainability (ICLEI) and the United Cities and Local Governments (UCLG), among others.
- **Promote the capacity development as a multifaceted approach to formulate, implement, manage, monitor and evaluate urban development policies:** The Department of Cooperative Governance and Traditional Affairs, National Treasury's City Support Programme, the South African Local Government Association and the South African Cities Network all contribute to developing capacity and supporting local government in its task of sustainable and inclusive urban development. In 2019, they joined forces to review the national Integrated Development Plan Guidelines, holding workshops with the metros to harvest city practitioners' real-life experience of working with the Integrated Development Plan.
- **Strengthen the capacity of all spheres of government to work with vulnerable groups to participate effectively in decision-making about urban and territorial development:** In South Africa, all citizens are encouraged to participate in local development processes, including the Integrated Development Plan, through their elected representatives and ward committees. A range of civil society organisations play an essential role in advocating for vulnerable and gender-based groups, and ensuring their participation in planning processes.
- **Support local government associations as promoters and providers of capacity development:** The South African Local Government Association is the association of municipalities whose role is to promote the rights of local government and to ensure that local government is empowered, resourced and capacitated to assume its critical role of delivering quality services. It has hosted several capacity-building and learning platforms for municipalities and convened local and international peer-learning events. The South African Cities Network and City Support Programme, among others, also provide capacity-building, peer-to-peer learning, policy support and development, and research to cities.
- **Promote capacity development programmes on the use of legal land-based revenue and financing tools:** The country has some well-established legal and land-based revenue and financial tools, including development contributions. More recently, a partnership between the Development Action Group (DAG), the Lincoln Institute of Land Policy and National Treasury's City Support Programme is exploring the Land Value Capture (LVC) approach, which is a relatively new approach in South Africa. Therefore, the initial emphasis is on sharing knowledge and preparing metros to begin implementing this approach. .

- **Promote capacity development programmes of subnational and local governments in financial planning and management:** National Treasury's City Support Programme assists cities with a package of intergovernmental financial measures and fiscal framework reforms, including increasing own-revenue sources and aligning grant programmes. The City Support Programme has an entire programme that focuses on city capability for planning, financing and implementing investment programmes; financial instruments to support sustainable investment programmes in cities; and the alignment of fiscal policy, national incentives and grants to support financial sustainability.

Information technology and innovation

- **Develop user-friendly, participatory data and digital platforms through e-governance and citizen-centric digital governance tools** - Cities are using e-participation platforms and have digital platforms that allow residents to access services online. The COVID-19 pandemic accelerated the move by cities to embed technology, in particular using technology for participatory processes. The pandemic revealed a digital divide, which cities are addressing by providing free public access to internet to ensure the most vulnerable voices are included in local decision-making.
- **Use of digital tools, including geospatial information systems (GIS) to improve urban and territorial planning, land administration and access to urban services:** All metros have developed GIS platforms including public open space systems, the urban edge, zoning information, aerial photography and municipal-owned land. Some municipalities have developed open-source GIS platforms that allow residents to access city-wide and individual property information.
- **Strengthen capacities in all spheres of government to effectively monitor the implementation of urban development policies:** At national level, the implementation of most urban development policies is monitored through Statistics South Africa (Stats SA) and includes the tracking of Sustainable Development Goal (SDG) indicators. The different government spheres are also applying smart solutions for monitoring and evaluation. Dashboards have been successful in tracking city progress against key indicators and, when shared on open data portals, ensure government is held accountable.
- **Support all spheres of governments in the collection, disaggregation, and analysis of data:** Stats SA provides important data to all spheres of government and is one of the most valuable source of data collection, disaggregation and analysis for local municipalities. Data is provided through the national census (the 2022 Census is taking place this year), in quarterly reports and in sector-focused reports. Other sources of data include the Human Sciences Research Council (HSRC) and Council for Scientific and Industrial Research (CSIR).

Part 3: Follow-Up and Review

The Country has developed the New Urban Agenda-Localisation Framework aligned with the Integrated Urban Development Framework as well as its Implementation Plan. In preparation for this report, extensive regional engagements were also conducted across the country.

INTRODUCTION

In 2016, member states of the United Nations (UN) adopted the New Urban Agenda, the global framework agreed upon at the Third UN Conference on Housing and Sustainable Urbanisation (Habitat III) in Quito, Ecuador. The New Urban Agenda is a global framework that provides guidance on how well-planned and managed urbanisation can be a transformative force that places cities and towns at the centre of addressing poverty, inequality, unemployment and climate change. It represents a paradigm shift in the way cities and their capacity for development are viewed. Framed around the three core dimensions of sustainability – social, economic and environmental – the New Urban Agenda sets overarching cross-sectoral goals for achieving sustainable urban development. It is intended to be localised and implemented at national and subnational levels, by guiding national and local policies on the growth and development of cities and human settlements.

The 21st century is the urban century. More than 60% of South Africans live in urban areas, and this figure is projected to increase to 70% by 2030 and 80% by 2050. The country's urban landscape can be divided into various settlement typologies, based on demographic, economic and spatial trends. The country has large metropolitan cities, intermediate or secondary cities, large and small towns, and rural areas. It is estimated that about 40% of the population reside within the four larger city-regions (Gauteng, Cape Town, eThekweni and Nelson Mandela Bay). In response to rapid urbanisation, South Africa's national policy dialogue on urbanisation has evolved and is reflected in the National Development Plan⁴, and the Integrated Urban Development Framework⁵ the country's urban policy framework.

The National Development Plan calls for a national conversation about cities, towns and villages, as South Africa needs greater public awareness, mutual understanding and discussion of the future of its villages, towns and cities.

In response to the National Development Plan, South Africa adopted the Integrated Urban Development Framework in 2016. The Integrated Urban Development Framework provides an urban vision and policy and presents nine practical pathways to change (referred to as policy levers). The Integrated Urban Development Framework interventions are designed to unlock the development potential that has been “locked in” by cities and towns shaped by apartheid's legacies. Nine policy levers guide these “all-of-society” interventions towards the vision of inclusive growth, social cohesion, growing and innovative economies, and safe and creative urban spaces. The Integrated Urban Development Framework articulates how South Africa will transform urban areas to overcome both historical and prevailing challenges, while working together to ensure more integrated, sustainable and equitable human settlements, as envisioned in the National Development Plan.

This high-level report describes the progress made by South Africa in localising and implementing the New Urban Agenda, which was largely done by aligning the Integrated Urban Development Framework to the New Urban Agenda in the New Urban Agenda Localisation Framework⁶. It details key achievements, challenges and lessons learned through illustrative examples and case studies. The report also highlights the impact of the Covid-19 global pandemic in some of the outcome areas.

The report was prepared by the Department of Human Settlements and the Department of Cooperative Governance and Traditional Affairs, the two ministries leading the localisation of the New Urban Agenda in South Africa. Furthermore, a wide range of government departments in all spheres provided critical written input into different sections of the report to reflect sectoral achievements and challenges. Input into the report was enhanced by extensive engagements throughout the country with representatives from all of society and all of government. The workshops were curated and facilitated by Department of Human Settlements in partnership with the South African Cities Network and used participatory methods to document feedback on the case studies. The workshops also served to enhance an ongoing community of

4 https://www.gov.za/sites/default/files/gcis_document/201409/ndp-2030-our-future-make-it-workr.pdf

5 <https://iudf.co.za/about/iudf/>

6 <http://www.mile.org.za/AFUS2018/DocumentsAFUS2017/Localising%20the%20New%20Urban%20Agenda.pdf>

practice for the implementation, monitoring and reporting on the New Urban Agenda. Given the limitations imposed by the ongoing COVID-19 global pandemic, the engagements were hybrid, incorporating physical and virtual participations.

The report is divided into three sections. Section 1 provides an update on the progress made towards meeting the Transformative Commitments around the three core dimensions of sustainable urban development: social, economic and environmental sustainability. Section 2 presents an update on Effective Implementation, focusing on the enabling environment including policy frameworks at national level. Section 3 offers a brief update on the mechanisms, tools, frameworks and/or methodologies that have been developed by all spheres of government and stakeholders to monitor and report on the implementation of the New Urban Agenda.

CRITICAL FRAMEWORKS GUIDING THE REPUBLIC OF SOUTH AFRICA'S IMPLEMENTATION OF THE NEW URBAN AGENDA

[National Development Plan](#)

[Integrated Urban Development Framework](#)

[Integrated Urban Development Framework
Implementation Plan](#)

[SA Localisation of the New Urban Agenda](#)

PART I: TRANSFORMATIVE COMMITMENTS FOR SUSTAINABLE URBAN DEVELOPMENT

I.I Sustainable Urban Development for Social Inclusion and Ending Poverty

Social Inclusion and Ending Poverty

The UN's Sustainable Development Goal (SDG) 1 calls for an end to poverty in all its forms by 2030 and aims to ensure social protection for the poor and vulnerable and to increase access to basic services. Since the transition to democracy in 1994, South Africa's government has introduced various policies and programmes aimed at social inclusion and ending poverty in all its forms.

- In 1994: the Reconstruction and Development Programme (RDP), whose overarching goal was social transformation and whose objectives included redressing apartheid social and economic inequalities through meeting basic needs and poverty eradication and redistribution.
- In 2012: the National Development Plan, South Africa's long-term plan that, at its very essence, aims to eliminate poverty and reduce unemployment and inequality by 2030, and places these goals at the centre of all planning and decision-making⁷.
- In 2016: Cabinet adopted the Integrated Urban Development Framework, which was developed in response to the National Development Plan's vision for urban South Africa, building on Chapter 8 of the National Development Plan (transforming human settlements and the national space economy) and interfacing with the development framework set out in the New Urban Agenda and Sustainable Development Goal (SDG) 11.

This section of the report covers eradicating poverty in all its forms, reducing inequality in urban areas by promoting equally shared opportunities and benefits, achieving social inclusion of vulnerable groups (women, youth, older persons and persons with disabilities and migrants), and ensuring access to public spaces including streets, sidewalks and cycling lanes.

Ending poverty and reducing inequality

Poverty in South Africa is multi-dimensional and remains deeply entrenched in space and the economy due to the legacies of pre-1994 segregated development. The South Africa Multidimensional Poverty Index⁸ recognises that poverty goes beyond income and includes access to basic services; the index's indicators are grouped into three dimensions: health, education and living standards. South Africa also uses other internationally recognised measures of poverty, including the food poverty line, the lower-bound poverty line, and the upper-bound poverty line that enable poverty to be monitored in all its dimensions.

South Africa has one of the highest Gini coefficients in the world (0.65 in 2015⁹) and growing income inequality that is structured around gender and race: the top 1% of South Africans earn almost 20% of all income in the country, with the top 10% earning 65%¹⁰. Since 1994, the government has implemented a social protection system, which is both an immediate response to alleviate poverty and an important mechanism for redistribution.

⁷ https://www.gov.za/sites/default/files/gcis_document/201409/ndp-2030-our-future-make-it-workr.pdf

⁸ <https://www.mppn.org/wp-content/uploads/2016/10/Report-03-10-082014.pdf>

⁹ https://data.worldbank.org/indicator/SI.POV.GINI?end=2014&locations=ZA&most_recent_year_desc=false&start=1993

¹⁰ <https://wid.world/country/south-africa/>

Social protection and support system

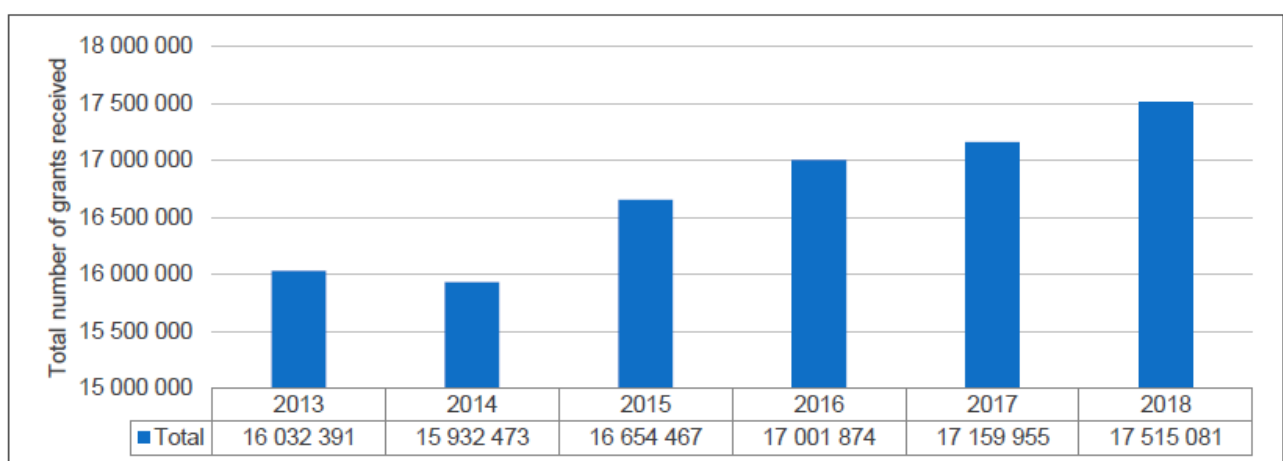
Since 1994, the government has implemented a social protection system that has three components:

- i. Social assistance, which includes social grants, public works programmes (especially the Expanded Public Works Programme, EPWP¹¹) and other interventions, such as the National School Nutrition Programme.
- ii. Statutory funds, including the Unemployment Insurance Fund and the Compensation Fund.
- iii. Voluntary funds, such as medical schemes and retirement funds.

Compared to other middle-income countries, South Africa's social support system is extensive, with 3.3% of its GDP allocated to social assistance (the fourth-highest share in Sub-Saharan Africa and the tenth-highest share of all countries for which there is data).

- Approximately one in three South Africans is a direct beneficiary of a social grant, while nearly two-thirds (64%) of the population are either direct or indirect beneficiaries of the system.
- Between 2006/07 and 2018/19, the number of grants paid out by the government increased by nearly 50%.
- Between 2016 and 2018, the number of grants has increased from 16 million to 17.5 million (Figure 1). In 2018/19, the country spent a total of R162.7-billion on social assistance grants.¹²

Figure 1: Number of social grants received (2013–2018)



Source: Stats SA (2019a)¹³

Social grants have been the government's biggest attempt at mitigating income inequality, especially for the most vulnerable. The five major social security grants are (i) the State Old Age Pension, (ii) the Disability Grant, (iii) the Child Support Grant, (iv) the Foster Child Grant and the (v) Care Dependency Grant. An income-based means test determines eligibility to receive the grants. Social grants provide resources to poor households that significantly reduce the depth of poverty and inequality. They are estimated to reduce the poverty rate by between 10.1 percentage points and 38.5 percentage points, depending on the poverty line measure.¹⁴

¹¹ The EPWP provides temporary work for the unemployed in the infrastructure, environment and culture, and social sectors.

¹² <https://documents1.worldbank.org/curated/en/238611633430611402/pdf/South-Africa-Social-Assistance-Programs-and-Systems-Review.pdf>

¹³ <https://www.datocms-assets.com/7245/1574774307-sdgs-country-report-2019-south-africa.pdf> (Pg. 48)

¹⁴ <https://reliefweb.int/sites/reliefweb.int/files/resources/South%20Africa%20-%20Social%20assistance%20programs%20and%20systems%20review.pdf>



COVID IMPACT

Like in other countries, in South Africa the impact of COVID-19 was to devastate livelihoods and push many into poverty. To cushion the impact on poor households, the government introduced an emergency grant – the COVID-19 Social Relief of Distress grant, targeted at working-age adults who were unable to access other forms of assistance. The value of the grant was R350 per month. Between May and September 2020, the Republic of South Africa paid out R5.9-billion in COVID Relief Grants. The government also added a boost of R500 per beneficiary for the Child Support Grant and R250 per beneficiary for all other grants. These grants contributed to ensuring the poverty and inequality did not spiral out of control because of the pandemic.

<https://cramsurvey.org/>; https://media.africaportal.org/documents/DPRU_PB_20_55.pdf

As a response to the effects of the pandemic, “there has been a renewed call for the introduction of a basic income grant”, and government is considering the viability of such a grant.¹⁵

CASE STUDY: THE SOLIDARITY FUND – ALL-OF-SOCIETY

In response to the COVID-19 pandemic, the private sector and civil society established this public-benefit fund to mobilise resources that would supplement the government efforts. The fund provided temporary employer–employee relief and support to small businesses under distress. The relief efforts also had a gender dimension to it by supporting efforts against the gender-based violence. The initiative was funded by donations from businesses and citizens and distributed 59 811 food parcels.

<https://solidarityfund.co.za/about/>

Spatial transformation of cities

In South Africa, inequality has multiple dimensions that go beyond income levels. Inequality manifests itself starkly in space, with colonial and apartheid geographies stubbornly persisting in South African cities. The result is a “spatial mismatch”, where poor and usually black communities live on the sprawling city outskirts away from economic opportunities and social infrastructure.¹⁶ As a result, areas of high unemployment are located the furthest away from jobs. Nevertheless, while the entrenched and historical spatial inequality might seem overwhelming, South Africa has made huge strides to better understand and address through national and local policy the deeply entrenched, multiple dimensions of inequality.

- National policy, in the form of the National Development Plan and the Integrated Urban Development Framework, seeks to reduce poverty and inequality through a nuanced understanding of inequality that is both economic and spatial.
- The Spatial Planning and Land Use Management Act (SPLUMA), which came into operation on 1 July 2015, aims to remedy South Africa's fragmented and inconsistent planning laws and emphasises the importance of municipalities in driving effective spatial planning and development.
- Relevant legislation that has an impact on spatial planning includes: the Municipal Systems Act (No. 32 of 2000), Municipal Structures Act (No. 117 of 1998), Municipal Demarcation Act (No. 27 of 1998) and the Municipal Property Rates Act (No. 6 of 2004), the Housing Act (No. 107 of 1997); the Water Services Act (No. 108 of 1997), the National Environmental Management Act (No. 107 of 1998), the Disaster Management Act (No. 57 of 2002); the Social Housing Act (No. 16 of 2008); the National Energy Act (No. 34 of 2008), and the Infrastructure Development Act (No. 23 of 2014).

¹⁵ <https://spii.org.za/article-basic-income-grant-funding-explained/>

¹⁶ Socio-Economic Rights Institute (SERI), 2016

- At local level, cities produce long-term (city development strategies), medium-term (spatial development frameworks, Spatial Development Frameworks) and short-term (integrated development plans) through which they can drive an inclusive spatial planning agenda to overcome the unequal distribution of resources and infrastructure across the urban space.

However, ultimately cities need to work with provincial and national governments to ensure that development is in fact transformative and does not fall into the trap of perpetuating apartheid spatial patterns. A critical challenge in terms of spatial transformation has been the lack of intergovernmental cooperation between all spheres of government in planning, budgeting, and implementation of catalytic interventions¹⁷. The project to spatially configure the apartheid and colonial city is certainly no easy task. It requires an integrated and transversal approach to short-, medium- and long-term planning that brings together all spheres of government and all sectors of society.



COVID IMPACT

The impact of COVID-19 was to increase inequality in South Africa, not through creating new dimensions of inequality but by widening the existing fault lines, as the most vulnerable groups (women, black people and informal workers) were the worst affected. Shack dwellers were disadvantaged socioeconomically, due to increased unemployment, and in terms of their health, being unable to access the sanitation required to prevent the spread of COVID-19. The most vulnerable groups have had the lowest recovery of all groups since the hard lockdown, although employment levels and food insecurity have generally stabilised for most people since the initial shock in 2020.

http://opensaldru.uct.ac.za/bitstream/handle/11090/981/2020_265_Saldruwp.pdf?sequence=3; <https://doi.org/10.17159/sajs.2021/8939>; <https://cramsurvey.org/wp-content/uploads/2021/07/1.-Spaull-N.-Daniels-R.-C-et-al.-2021-NIDS-CRAM-Wave-5-Synthesis-Report.pdf>

CASE STUDY: UNDOING THE SPATIAL LEGACY OF APARTHEID

Cornubia is a mixed-use and mixed-income development, strategically located in the north of Durban between the CBD and the airport. The development aims to provide an inclusive urban settlement that offers a range of complementary uses (incorporating industrial, commercial, residential and open space) to diverse income groups. Cornubia is a catalytic development being spearheaded jointly by the eThekweni Municipality and the private company Tongaat Hulett Developments.

Cornubia is an example of a development that, at its core, is trying to undo the spatial legacy of apartheid, both through its positioning within Durban and through its mixed-income residential use. At the scale of the city, Cornubia is positioned to connect Durban's wealthy northern area with lower-income areas such as Phoenix, Ottawa and Waterloo. Unlike apartheid planning which sought to create barriers between areas of different race and income, Cornubia is trying to stitch these areas together. The development itself plans to accommodate over 25 000 new homes – 10 000 to be affordable/middle-income and another 15 000 to be government subsidised units. Locating affordable and subsidised units in such a mixed-use development demonstrates a different way of thinking about affordable housing that is connected to areas of economic opportunity as well as public facilities that include, schools, clinics, police stations, post offices and multi-purpose halls.

https://www.sacities.net/wp-content/uploads/2020/03/Built-Environment-Integration-Practices-Report_WEBLatest-1.pdf

¹⁷ https://www.sacities.net/wp-content/uploads/2021/01/Rules-of-the-Game-Report_final-draft-1.pdf

Ensuring the safety and inclusion of vulnerable groups

Vulnerable groups include women, youth, LGTQI persons, older persons, persons with disabilities¹⁸ and migrants. Over half (51.1%) of South Africa's population are female, while over a third (34.4%) are aged 17 years or younger; 8.4% are older persons, and 7.7% of the population are people with disabilities. Youth aged 15–35 years (35.1% of the population) are the most affected by unemployment, which ranges from 41.3% (25–34 years old) to 63.3% (15–24 years old), while women face worryingly high rates of gender-based violence (GBV), which has been described as South Africa's second pandemic¹⁹.

South Africa's Constitution states that everyone is equal before the law, and no person, including the state, may discriminate against anyone on the grounds of race, gender, ethnic or social origin, or marital status. The country also has a range of institutions, policies and programmes aimed at vulnerable groups.

- The Constitution establishes institutions to guard democracy and protect the rights enshrined in the Bill of Rights (Chapter 2), in particular for vulnerable groups. These include the Commission for Gender Equality (CGE), which aims to advance, promote and protect gender equality in South Africa, and the South African Human Rights Commission (SAHRC), which is committed to promoting respect for, observance of and protection of human rights for everyone – disability is one of the SAHRC's seven focus areas.
- South Africa is a signatory to the UN Convention on the Rights of People with Disability (CRPD), an international human rights treaty adopted in 2006.
- The National Youth Commission was established to assist the government in developing a comprehensive youth development policy and to put in place measures to redress the imbalances caused by the various forms of disadvantage suffered in the past by youth.
- The National Department of Women, Youth and People with Disability has developed the National Strategic Plan on Gender Based Violence (NSP on GBV), which is a multi-stakeholder and coordinated response across all spheres of government aimed at achieving a South Africa free from GBV directed at women, children and LGBTQIA+ persons and a diverse and socially cohesive society with one common national identity. The NSP on GBV provides guidelines for municipalities to include measures to address Grievous Bodily Harm in their Integrated Development Plans, for example, improving street lighting and safety of public facilities including parks.



COVID IMPACT

The COVID-related lockdowns had the greatest impact on the “forgotten agents” (Moteane, [forthcoming]) who are mostly daily-wage workers, casual labourers and migrant workers, as restrictions on movement and the shutdown of industry left them unable to afford basic utilities and food. Prior to the pandemic, in 2016, South Africa had the fourth-highest female interpersonal violence death rate out of the 183 countries listed by the World Health Organisation. Evidence has now emerged that suggests cases of violence against women are increasing. Compared to 2018/19, in 2019/20 *daily* cases of sexual offences increased by an average of 146 and specifically rape by 116.

<https://globalriskinsights.com/2021/03/south-africas-secondary-pandemic-a-crisis-of-gender-based-violence/>

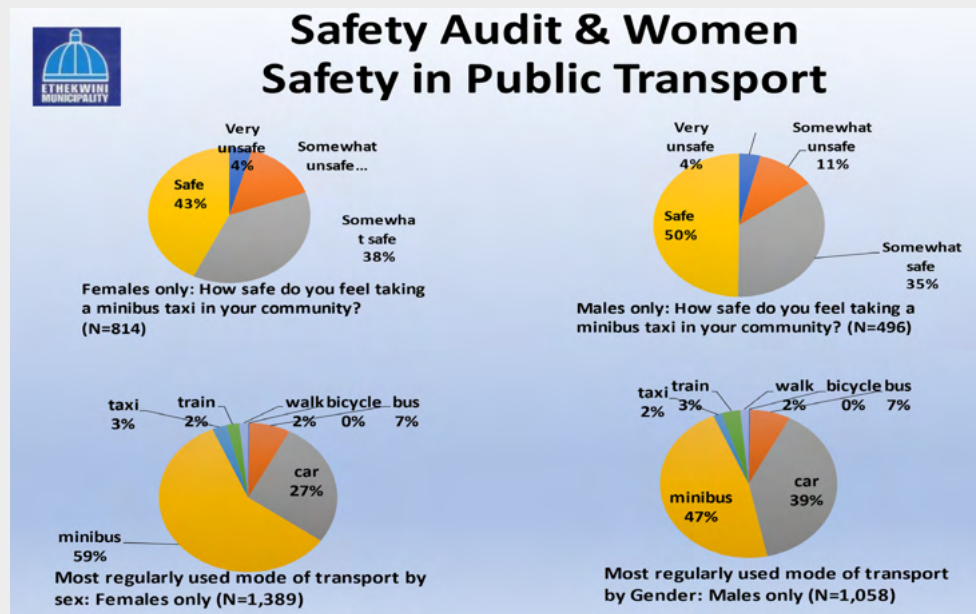
¹⁸ <http://www.statssa.gov.za/publications/03-19-05/03-19-052019.pdf>

¹⁹ <https://www.gov.za/speeches/dialogue-mark-16-days-activism-26-nov-2020-0000>

CASE STUDY: SAFETY AUDITS IN ETHEKWINI

eThekweni Municipality has a memorandum of understanding with the non-governmental organisations (NGOs) Safetipin, Masiphephe Network and Save the Children South Africa to improve GBV responses in the city and to promote the sustainability and effectiveness of social integration interventions. A city safety audit was conducted at six taxi ranks in KwaMashu, Ntuzuma and KwaNdengezi areas.

Figure 2: Safety in public transport



The audit identified areas for improvement that would result in safer and more inclusive public spaces. These included the lack of streetlights, shelters at taxi ranks, safe places for children to wait to be collected, and visible law enforcement. Parks and exit routes were found to be particularly hazardous for women and children.

Developing safe, accessible public spaces

Streets, sidewalks, markets, parks and public transit facilities are important public space assets. However, many South African cities lack quality public spaces, and much of the public space is unsafe. This is largely due to the apartheid spatial planning, which left a legacy of inadequate public space in townships and informal settlements – unsurprisingly, white citizens live on average 700m from a park, compared to 2.6 km for black African citizens.²⁰

South Africa has signed the UN Charter on the Rights of People with Disabilities, and the national Department of Transport has committed to implementing Article 9 of the UN Convention on Accessibility: Public Transport. Cities have developed policies in this regard. For example, the City of Cape Town's Universal Access (UA) Policy for Cape Town (2014²¹) and the City of Johannesburg's Complete Streets Policy²² that provide guidelines in terms of access for all modes of transport and all users. Johannesburg has also set up a unit with the Johannesburg Roads Agency to ensure Universal Design principles are reviewed and approved in road design submissions.

²⁰ <https://doi.org/10.1016/j.landurbplan.2020.103889>

²¹ [https://resource.capetown.gov.za/documentcentre/Documents/Bylaws%20and%20policies/Universal%20Access%20Policy%20-%20\(Policy%20number%2017958\)%20approved%20on%2029%20May%202014.pdf](https://resource.capetown.gov.za/documentcentre/Documents/Bylaws%20and%20policies/Universal%20Access%20Policy%20-%20(Policy%20number%2017958)%20approved%20on%2029%20May%202014.pdf)

²² https://www.joburg.org.za/departments_/Documents/transport/departments%20project/Complete%20Streets%20Design%20Guideline%20Manual.pdf

The Spatial Planning and Land Use Act (SPLUMA) requires all local governments to assess environmental pressures and opportunities, and to make available land for parks as part of residential developments. To give effect to these two requirements, many cities have developed open space systems or frameworks to ensure the protection of natural resources and to govern development of formal public spaces. For example, the Tshwane Open Space Framework, Johannesburg Metropolitan Open Space Policy and Durban Metropolitan Open Space System.

CASE STUDY: URBAN SAFETY IS A CROSS-CUTTING ISSUE

High levels of crime and violence are a significant developmental challenge for South Africa, especially in urban areas. Addressing this challenge requires an integrated approach which recognises that safer cities require more than just policing.

South Africa recognises the importance of urban safety as a cross-cutting issue in the Integrated Urban Development Framework and has ratified the UN System-wide Guidelines on Safer Cities and Human Settlements. The country's Integrated Safer City Project brings together the South African Police Service (SAPS) and major cities, including eThekweni, Mangaung, Cape Town, Johannesburg, Nelson Mandela Bay, Tshwane, Rustenburg, Sol Plaatje, Emalahleni and Polokwane.

In addition, the Urban Safety Reference Group (USRG), convened by the South African Cities Network, provides a platform for structured collaborative learning, exchange and advocacy among city practitioners and other government stakeholders on issues of urban safety.

One programme to emerge from the USRG learning and discussions is the Park Activators Training Programme (PAC), which is co-piloted by Johannesburg and eThekweni. The PAC capacitates participants in public employment programmes (e.g. Expanded Public Works Programme) and leverages existing skills to make public parks inclusive, safe and accessible. Park activation coordinators are trained to conduct safety audits and implement sport, games, reading clubs and debates that involve children and parents of different neighbourhoods in the inner-city and contribute to the well-being and social cohesion of residents. (<https://www.sacities.net/usrg/>)

Access to Adequate Housing

Since the transition to democracy in 1994, South Africa's government has prioritised access to housing. Enshrined in the Constitution is the progressive provision of adequate housing, which the 1994 Housing White Paper defines as “viable, socially and economically integrated communities, situated in areas allowing convenient access to economic opportunities as well as health, educational and social amenities²³”. Initially, government's emphasis was on access to “adequate housing” as a basic need,²⁴ but in 2004 the Breaking New Ground policy signalled a shift in approach. The Breaking New Ground policy emphasised the delivery of integrated human settlements, not simply housing, and the upgrading of informal settlements – it encapsulates the need to integrate housing with other opportunities, services and facilities. The N2 Gateway Project in Cape Town was one of the first catalytic human settlement projects under the Breaking New Ground policy. The following section outlines the developments in respect to improved access to adequate housing.

Providing adequate and affordable housing

Since the transition to democracy, the Republic of South Africa has delivered almost 4.8 million houses through several different housing programmes and has facilitated the registration of 2.2 million houses. Government-subsidised housing accounts for a substantial portion of affordable housing stock in South Africa: in 2019, a third (31% or 2 204 204 units) of properties in South Africa were government-subsidised, compared to 29% in 2009²⁵. Between 2002 and 2019, the number of households receiving some form of

²³ <https://www.gov.za/documents/new-housing-policy-and-strategy-south-africa>

²⁴ <https://wiredspace.wits.ac.za/handle/10539/11842>

²⁵ <https://housingfinanceafrica.org/app/uploads/2021/03/Citymark-National-Property-Market-Report-3-March-2021-FINAL.pdf>

government housing subsidy increased from 5.6% to 18.7%, with 23.1% of female-headed households and 15.5% of male-headed households receiving subsidies.

An entity within the Department of Human Settlements, the Housing Development Agency (HDA), supports municipalities in the management and development of housing under the subsidy programmes. In partnership with the provincial and local government, the HDA has delivered around 15 000 homes to communities in five precincts, with 12 000 units handed over to beneficiaries in phase 1.

The Integrated Residential Development Programme (IRDP) provides an individual housing subsidy for households earning under R3500 a month to access a house or a serviced plot. The subsidy applies to the planning, land acquisition, township establishment and provision of serviced stands; housing construction and individual ownership for qualifying households, and the sale of stands to non-qualifying households and to commercial interests. Other subsidies that target smaller specific groups include:

- The **Community Residential Units Programme** for the upgrading and secure tenure of hostels.
- The **Enhanced People's Housing Process** for households to enhance their housing subsidies by building their own homes.
- The **Subsidy Variation for Extraordinary Development Conditions and Disabled People**, which ensures that housing units delivered through the National Housing Scheme accommodate the needs of disabled beneficiaries.

26

Several housing programmes are designed to address the “gap market”, which is generally defined as households that earn too much (more than R3500 a month) to qualify for a state subsidy but too little to access formal credit. These include the Financed Linked Individual Subsidy Programme (FLISP), which is covered under the “Access to sustainable housing finance options” section, and the Social Housing Programme, which is overseen by the Social Housing Regulatory Authority (SHRA). Established in 2010, the SHRA is an entity of the Department of Human Settlements whose role is to regulate and enable private sector social housing institutions to be accredited and access capital grants to develop social housing, thereby addressing the lack of “sufficient social and rental housing for the lower end of the market, especially on well-located land with good access to socio-economic opportunities²⁷”. Furthermore, in 2007, government published the National Inclusionary Housing Policy, which is aimed at incentivising the private sector to provide affordable housing in areas of economic opportunities. Inclusionary housing policies are also being localised at city level: the City of Johannesburg has approved and is implementing a policy, while the Western Cape Province and City of Cape Town have drafted policies.

However, despite the many housing initiatives, the backlog of housing continues to grow, as people move to urban centres: in 2018, the housing backlog was 2.1 million.²⁸ South Africa's housing policy acknowledges the important role of backyard housing and seeks to support the informal market through developmental planning approaches. Some private companies, such as Bitprop and Indlu Place, have recognised the advantages of backyarding and are working to formalise and empower small developers, providing financing, training, architectural design and building application assistance to micro-developers in the townships.

26 For a full list of subsidies see: <http://www.dhs.gov.za/content/programmes-and-subsidies>

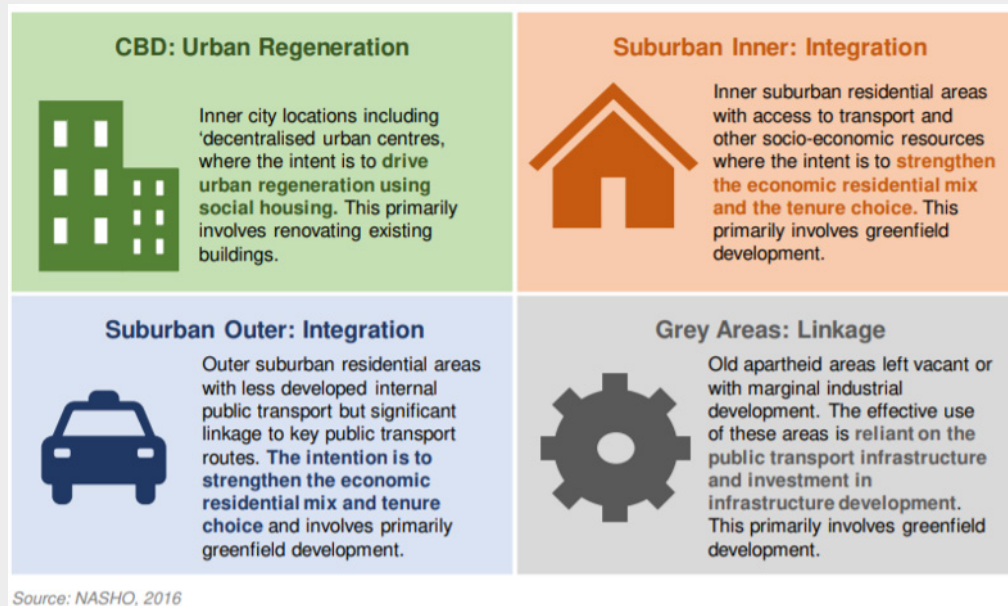
27 <https://iudf.co.za/about/iudf/>

28 <https://apsdpr.org/index.php/apsdpr/article/view/372/739>

CASE STUDY: SOUTHERNWOOD SQUARE SOCIAL HOUSING

The Social Housing Regulatory Authority's (SHRA) mandate includes using social housing as a spatial transformation tool through restructuring zones (Figure 3).

Figure 3: Social housing restructuring zones



Southernwood Square is a Social Housing Estate that consists of 249 units situated in the old suburb of Southernwood, East London in the Buffalo City Metropolitan Municipality. The Own Haven Housing Association, which is a Social Housing Regulatory Authority-fully accredited social housing institution (SHI), implemented and managed the project. The project was funded by the Department of Human Settlements, with land contributed by the municipality and the Social Housing Institute (SHI). The complex comprises of multiple blocks of housing varying in height from two to nine storeys. Southernwood Square Social Housing Estate contributed to local economic development during the construction phase, through using local labour, suppliers and small and medium-sized businesses, and now employs local people for security, maintenance and other services.

Access to sustainable housing finance options

South Africa has a well-developed mortgage market, but the vast majority of South Africans do not qualify for a mortgage: in metros, banks require a minimum monthly income of at least R20,000, whereas in 2018, only 22% of households earned more than R26,000 per month²⁹. As described in the previous section, the national housing subsidy programme was introduced to address this market failure and the historically distorted and unequal access to housing finance. Under the programme, households earning less than R3500 per month (and meeting the qualification criteria) may access a fully subsidised 40m² house, while households earning R1500–R15,000 may access rental social housing in inner city developments. The Government Employees Housing Scheme also offers a housing allowance to government employees. <https://housingfinanceafrica.org/countries/south-africa/> - ^{ftn}1

Government-subsidised houses have contributed hugely to formalising entry to housing in the lower end of the South African market. At the end of 2019, there were 6.6 million residential properties registered on the National Deeds Registry. Of these, 31% (two million) are properties financed and delivered by the state as part of the housing subsidy programme since 1994³⁰. This would rise to 43% if the 1.1 million government-subsidised houses which have not yet been formally transferred are included³¹. However, accessing private-

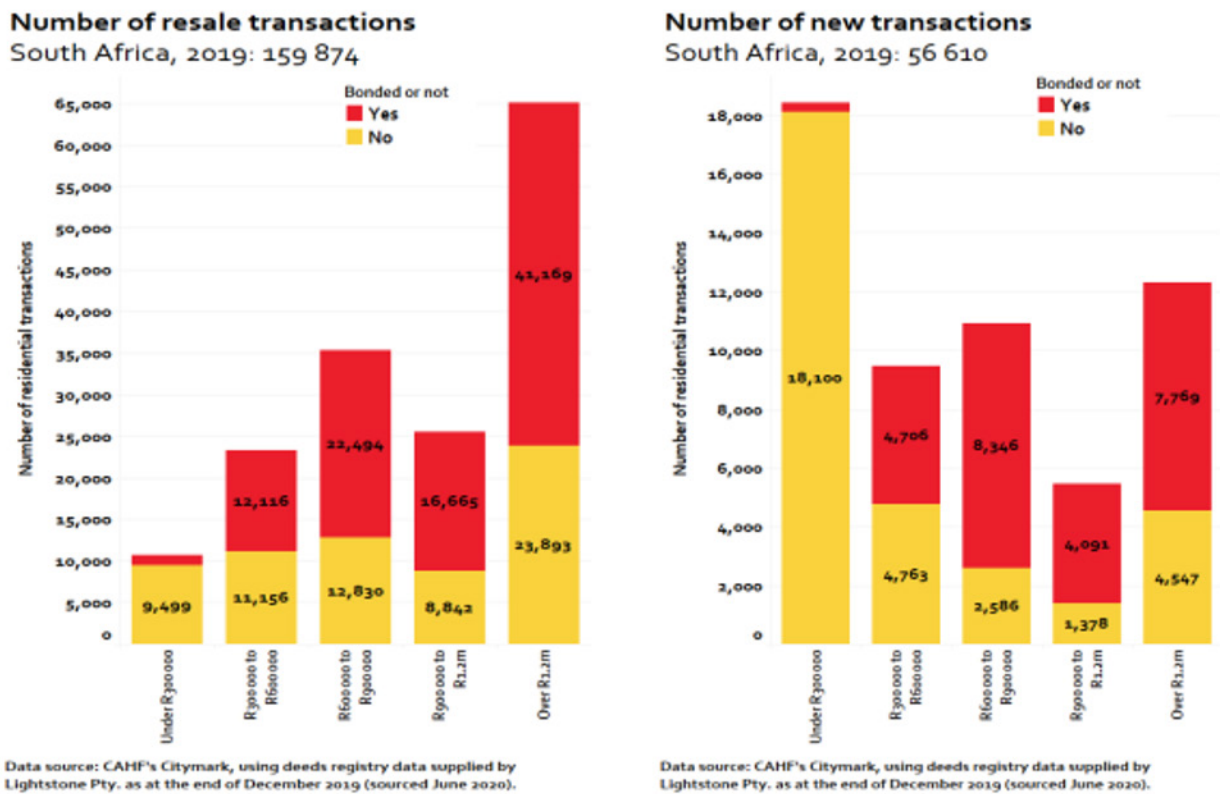
²⁹ https://housingfinanceafrica.org/app/uploads/Rust_SA-housing-market-opportunity_14092018-1.pdf

³⁰ <https://housingfinanceafrica.org/countries/south-africa/#>

³¹ *ibid*

sector financing remains a challenge for this entry market, which is defined here as houses under R300,000: in 2019, only 11% of resale transactions in the entry market were bonded³². The affordable market, which is defined here as properties worth R300,000–R600,000, has a better chance of accessing a bond: an average of 51% of both new-build and resale transactions are financed through a bond.³³

Figure 4: Number of residential transactions



The Finance Linked Individual Subsidy Programme (FLISP) is a subsidy developed for the gap market. It is designed to assist first-time home buyers earning between R7501 and R22,000 per month to purchase affordable housing and works in combination with a home loan from a bank³⁴. Subsidies vary, based on the household's income bracket, and can be used to reduce the monthly home loan repayments. Between 1994 and 2017, government delivered 11 618 FLISP subsidies. However, delivery is low compared to targets and compared to the private sector. In 2018/19, government disbursed 1573 FLISP subsidies against a target of 16 870, whereas lenders and development finance institutions (DFIs) issued over 343 000 loans to households in the affordable market³⁵. The limited roll-out of the mortgage-based FLISP is due to various challenges, including “high household indebtedness [...] structural deficiencies in the mortgage finance market, and poorly functioning housing markets”.³⁶

To address the challenges with FLISP, which meant that only households at the top of the qualifying income segment bracket were able to access the benefit of the subsidy, government introduced the option of using the FLISP to service a site. This option has not been without its challenges, from both the demand and

³² <https://housingfinanceafrica.org/app/uploads/2021/03/Citymark-National-Property-Market-Report-3-March-2021-FINAL.pdf>

³³ *ibid*

³⁴ https://housingfinanceafrica.org/app/uploads/SERI_A-Resource-Guide-to-Housing-in-South-Africa_Feb11.pdf

³⁵ <https://housingfinanceafrica.org/countries/south-africa/#>

³⁶ http://www.ureru.uct.ac.za/sites/default/files/image_tool/images/383/The%20FLISP%20Lower-Gap%20Serviced%20Site%20Subsidy-Issues%20and%20Approaches.pdf

supply side, including a lack of available land and capable contractors, as well as consumer resistance and households being unable to raise the finance required.³⁷

In 2018, the Department of Human Settlements made changes to the Finance Linked Individual Subsidy Programme, to make it more accessible:

- Eligibility: Household monthly income threshold increased from R15,000 to R22,000. This change is expected to enable 1.36 million more households to qualify for the Finance Linked Individual Subsidy Programme (FLISP).
- Subsidy amount: Increase in the lower limit (from R20,000 to R27,960) and the upper limit (from R87,000 to R121,626).³⁸ This change will enable poorer beneficiaries to access a much larger subsidy.
- Non-mortgage options for housing finance, such as short-term loans and savings-linked schemes included.

In addition to the Finance Linked Individual Subsidy Programme and mortgages through South Africa's major banks, households access housing finance through microfinance, supported by credit bureaux regulated by the National Credit Regulator. Certain microlenders offer “housing microfinance”, which is funded through the Rural Housing Loan Fund.³⁹

The Trust for Urban Housing Finance (TUHF) is an unconventional commercial property financing company that focuses on financing property entrepreneurs in inner cities for regeneration and increasing the affordable housing stock.⁴⁰ TUHF's financing model works through borrowing money from the capital markets and then investing it in inner-city areas to mostly emerging entrepreneurs. They have recently launched a new rental finance product, uMaStandi,⁴¹ aimed at existing property owners who want to develop rental units on their property. Similarly, other companies such as Bitprop and Indlu Place (mentioned in previous sector) are assisting township micro-developers to build rental units on their properties.

Despite these innovative approaches to micro-development, which increase the affordable housing stock, a barrier to entry is the requirement to have a formal title deed. However, as illustrated earlier, there is a major backlog in the registration and titling of government-subsidised houses and sites. Unable to access any formal financing, owners of such properties may turn to the informal sector for microlending and other creative ways to finance their housing.



37 http://www.ureru.uct.ac.za/sites/default/files/image_tool/images/383/The%20FLISP%20Lower-Gap%20Serviced%20Site%20Subsidy-Issues%20and%20Approaches.pdf

38 <https://housingfinanceafrica.org/documents/2018-changes-to-flisp-will-support-housing-market/>

39 <https://housingfinanceafrica.org/app/uploads/2021/03/Citymark-National-Property-Market-Report-3-March-2021-FINAL.pdf>

40 <https://www.tuhf.co.za/about/>

41 <https://www.tuhf.co.za/introducing-umastandi/>

CASE STUDY: MASAKHE STOKVEL, GUGULETHU CAPE TOWN

In South Africa, households that are excluded from formal credit options are finding creative ways to finance their housing. One way is through community-led housing funding, using stokvels. Stokvels are “rotating savings and credit associations” found only in South Africa. Stokvel members contribute a fixed amount on a regular basis (e.g. weekly or monthly), as a way of saving towards future needs (e.g. groceries, cars, housing, funeral arrangements for themselves or loved ones).

The Masakhe Stokvel is a women-only stokvel that was established to pool funding for purchasing materials to self-build housing structures, which are used both for primary residential purposes and for generating income (backyard rental housing). The stokvel is exploring a formal partnership with the Department of Human Settlements in the Western Cape to extend their programme, take advantage of training in technical building skills and develop some of their own building materials (bricks). This community-led financing scheme may be at its early stages of development, but the power of stokvels should not be underestimated. They have an estimated value of R49-billion and a membership of 11.5 million.

<https://www.vukuzenzele.gov.za/masakhe-stokvel-building-homes>; <https://www.businessperspectives.org/journals/problems-and-perspectives-in-management/issue-333/the-role-of-stokvels-in-south-africa-a-case-of-economic-transformation-of-a-municipality>

Ensuring security of tenure

Since 1994, South Africa has developed a strong legal and policy framework aimed at ensuring security of tenure, especially for vulnerable groups including those who live in informal settlements on occupied land. The Constitution guarantees security of tenure; and no one may be evicted from their home, or have their home demolished, without a court order made after considering all relevant circumstances, and no legislation may permit arbitrary evictions; and recognises the role of traditional leaders and customary law with respect to land. In addition, South Africa has passed the following legislation:

- The Interim Protection of Land Rights Act (IPILRA) (No. 31 of 1996), which provides for the “temporary protection of certain rights to and interests in land which are not otherwise adequately protected by law”.
- The Upgrading of Land Tenure Rights Act (ULTRA) (No. 112 of 1991, amended in 2021), which seeks to elevate “titled ownership”, and freehold in particular, as the pinnacle of legally secure and enforceable rights in land⁴². In line with the progress made globally, the Act also recognises the continuum of tenure.
- The Electronic Deeds Registration Systems, which provides for electronic deeds registration, with regard to legislation regulating electronic communication and transactions.
- The Spatial Planning and Land Use Act (SPLUMA), which promotes an incremental upgrading of tenure as part of incrementally upgrading of informal settlements.
- The Deeds Registries Act (No. 47 of 1937), which regulates the functions and laws related to title deed transfer as well as the successful registration of title deeds.

Since 1994, it is estimated that about three million households received a formal title deed as part of the housing programme, while many households living in informal settlements have some form recognised tenure in terms of the continuum of tenure. This includes administrative recognition through the provision of basic services by municipalities and permission to occupy certificates, which are more common in rural and peri-urban areas.

⁴² https://www.seri-sa.org/images/ISU_upgrading_tenure_publication_2015.pdf

Another major challenge from a land tenure administration perspective is that significant portions of 'homeowners' (estimated as 60%) in South Africa do not have access to registered tenure and do not process housing transactions through the formal deeds registry system. Increasingly housing transactions in the low and affordable housing segment are being processed informally and outside of formal titling systems. Therefore, major tenure reforms and interventions are required in the country, to safeguard and recognise tenure for those buyers and sellers who operate outside of the current legal framework that governs the formal housing market.

CASE STUDY: TRANSACTION SUPPORT CENTRE, KHAYELITSHA, CAPE TOWN

Piloted by the Centre for Affordable Housing Finance (CAHF), the Transaction Support Centre (TSC) aims to address tenure challenges, by facilitating formal residential property market transactions in the affordable housing market. Millions of households in the lower end of the market do not have title deeds to the properties they own, and millions of property transactions are processed informally. In the lower-value market, property transactions are difficult for parties to navigate, take longer than is financially feasible, create more risks and, ultimately, cost more (as a proportion of the property value). As a result of established processes being poorly aligned with the needs of the transacting parties, formal resale transactions in the lower-value property market are less common, participation by mortgage lenders is limited, and the potential for property asset appreciation is undermined.

The Transaction Support Centre coordinates and offers a range of services that enable households to transact formally in the residential resale market. It focuses on making the current regulatory and administrative framework for property transactions work efficiently, in terms of time and cost for the buyers and sellers of residential property in Khayelitsha. The Transaction Support Centre also offers a local focal point from where existing service providers are able to offer their services. These include various non-profit or community-based organisations offering services that support housing and housing finance market activities.

<https://housingfinanceafrica.org/app/uploads/A-transactions-support-centre-05022017.pdf>

Establish slum/informal settlement upgrading programmes

Almost 17% of South African households in metropolitan areas live in informal dwellings. Informal dwellings are most common in the largest metros, which offer the most economic opportunities, such as the City of Cape Town (19.6%), Johannesburg (19.1%) and Ekurhuleni (18.4%).⁴³

South Africa recognises that informal settlements are a significant provider of housing and should be supported. In 2004, the Breaking New Ground policy made the upgrading of informal settlements a priority in government's integrated housing approach.

- The Upgrading of Informal Settlements Programme (UISP) facilitates the structured in-situ upgrading of informal settlements. The grant funding assists municipalities to fast-track security of tenure processes, basic municipal services, and social and economic amenities and the empowerment of the settlement's residents to participate in the housing development.
- In 2009, the National Upgrading Support Programme (NUSP) was established to assist with the UISP implementation, with the objective of building the capacity of municipalities to overcome the slow delivery of subsidised houses through incremental upgrading of informal settlements.

Civil society and grassroots organisations play a crucial role in enabling communities to be part of the decision-making process. For example, in 2013/14, a partnership between the People's Environmental Planning, Development Action Group (DAG) and Department of Human Settlements facilitated the community engagement process and conducted research into 25 informal settlements in Cape Town.⁴⁴ Other grassroots organisations work to legitimise, formalise, advocate for and upgrade informal settlements at the most local level. One example is Abahlali baseMjondolo, a housing activist organisation that advocates

⁴³ <https://www.statssa.gov.za/publications/P0318/P03182019.pdf>

⁴⁴ <http://peoplesenvironmentalplanning.org.za/programmes/national-upgrading-support-programme-nusp/>

for shack dwellers to receive land tenure, basic services and infrastructure upgrades (water and electricity connections). In addition to organised civil society movements and campaigns, ad-hoc and unstructured upgrading of informal settlements happens when communities and neighbourhoods demand and campaign for basic services and, where possible, find ways to upgrade settlements themselves.



COVID IMPACT

Asivikelane (“let’s protect each other”) was started in 2020 by the International Budget Partnership South Africa (IBPSA) in collaboration with several civil society partners, with the aim of amplifying the voices of informal settlement residents during the COVID-19 crisis. By 2021, 15 NGOs and Community Based Organisations were working with Asivikelane across seven metros: Buffalo City, Cape Town, Ekurhuleni, eThekweni, Johannesburg, Nelson Mandela Bay and Tshwane.

The campaign seeks to develop partnerships with metros for monitoring and improving service provision in informal settlements, to improve the wellbeing of residents. The model offers a way to bridge the gap between the municipality and residents around service provision in informal settlements. Residents of informal settlements answer three questions about their access to water (taps), clean toilets and waste removal, and then the results are published bi-weekly and shared with the relevant local government actors. Over the past year, the learning from the initiative has identified challenges around budgeting for maintenance – cities may state that maintenance and repairs of basic services infrastructure are prioritised, but the evidence collected by Asivikelane found that metros are generally slow to repair broken taps and blocked or broken toilets in informal settlements.

Access to Basic Services

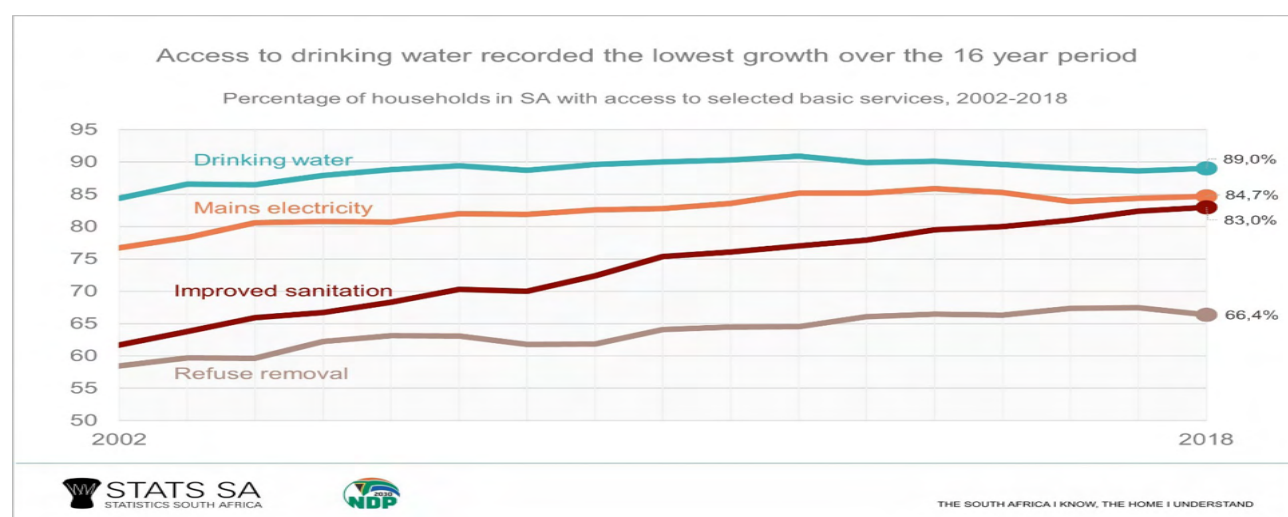
Since 1994, the provision of basic services has been a focus of the government. The Constitution, in conjunction with various legislations, guarantees the right to access to basic services. To give effect to this right, in 2001 government approved the Free Basic Services (FBS) policy, which is aimed at providing free or highly subsidised basic services to poorer (indigent) households, as identified by municipalities. Subsequently, sector departments produced specific policies and strategies: Free Basic Water Implementation Strategy (2002), Free Basic Electricity, Free Basic Alternative Energy Policy, Free Basic Sanitation Implementation Strategy, National Policy for the Provision of Basic Refuse Removal Services.

Water, sanitation, electricity, waste disposal

The delivery of basic services, including safe drinking water, electricity, sanitation and waste disposal, is a local government function, as defined in the Constitution (1996), Municipal Structures Act (1998) and Municipal Systems Act (2000). South Africa has made substantial progress in extending access to basic services (Figure 5).



Figure 5: Percentage of households in SA with access to basic services (2002–2018)⁴⁵



Between 2002 and 2018, South Africa achieved this increase in access to basic services despite the number of households increasing by 48.9%. In 2017, 3.51 million indigent households in South Africa received free basic services (FBS).⁴⁶

CASE STUDY: ACCESS TO BASIC SERVICES

Electrification: Johannesburg is home to 181 informal settlements, comprising an estimated 180 000 households where over half a million people live. As part of its plan to formalise informal settlements, the City has been installing independent power grids and using an energy hybrid mix of solar power and gas stoves:

- At Setjwetla near Alexandra, 1 600 households have benefited from electrification, at a cost of R30-million.
- At Thembelihle informal settlement, near Lenasia, prepaid electricity metres and hybrid power were installed in 7 000 homes, at a cost of more than R90-million.
- At the Lawley Station informal settlement, R79-million was spent on connecting 2 000 homes.
- Over the past five years, more than 10 other settlements were connected to the grid, including Lehae, Lufhereng, Fleurhof, Tshepisoong West, Devland Extension, Elias Motsoaledi Phase 1 and Narens Farm

Safe and efficient public transport system

The Constitution mandates the Department of Transport to develop transport policy, which is governed by the White Paper on National Transport (1996) and the National Transport Act (2009). The National Transport Masterplan (2016) and the Green Transport Strategy for South Africa: (2018–2050) provide the framework for an integrated efficient transport system, while the Draft Non-Motorised Transport (NMT) Policy (2008) has the mission to ensure that “the mobility needs of marginalised communities and NMT users shall be met through the provision of a safe, secure, and reliable transport system”. The policy is clear that cities should prioritise Non-Motorised Transport, especially given that walking is the most prominent mode of transport for about 17.4 million South Africans.⁴⁷

⁴⁵ <http://www.statssa.gov.za/?p=12211>

⁴⁶ <http://www.statssa.gov.za/publications/P9115/P91152019.pdf>

⁴⁷ <http://www.statssa.gov.za/publications/P0320/P03202020.pdf>

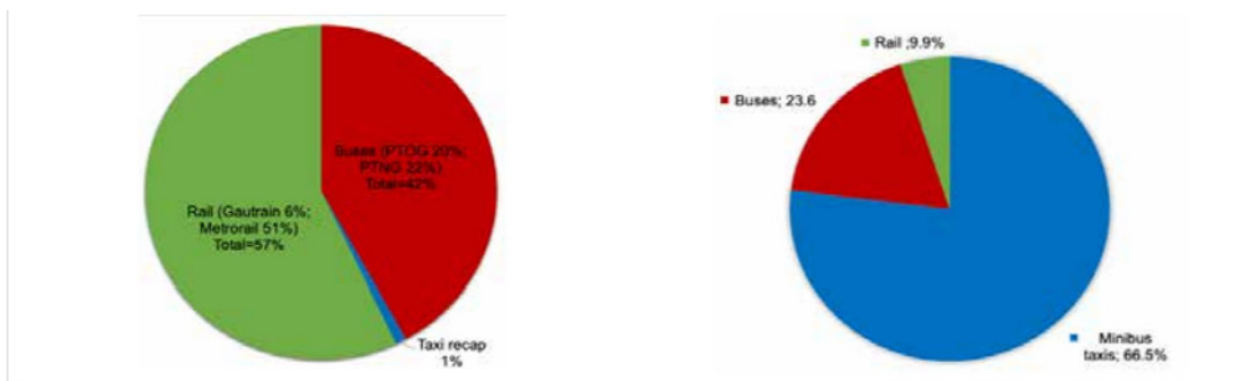
The public transport landscape in South Africa is complex and involves government institutions from all three spheres as well as private sector actors. The public transport modes found in most cities are:

- Commuter rail services, managed by state-owned entities (Transnet and/or Metrorail) and private-public partnerships (e.g., Gautrain).
- Bus services, managed by a range of service providers, including local and provincial government and privately owned operations. These services include bus rapid transport (BRT) systems in the metros.
- Minibus taxis, an informal privately owned public transport system that transports 10.7 million individuals⁴⁸, and more recently e-hailing services.

Bus Rapid Transit (BRT) systems are a key component of integrated transport strategies in metros and intermediate cities. To date BRT systems have been developed (but are not all operational yet) in Cape Town, Johannesburg, eThekweni, Tshwane, Rustenburg, Polokwane, and Nelson Mandela Bay.⁴⁹ They contribute to urban regeneration and are often part of the transit-oriented development (TOD) approach that cities have adopted as a way to prioritise areas of investment for densification and connectivity. Some of the metros, including Cape Town and Johannesburg, have developed Non-Motorised Transport policies and strategies and are exploring tactical urbanism approaches to claiming back roadways for pedestrian usage. Examples include the Hello Joubert Project in Johannesburg⁵⁰ and Open Streets Cape Town.⁵¹

To support the enhancement of public transport systems in South Africa, several transport subsidies are aimed at sectors rather than at commuters, which is the case in other international examples (Figure 6⁵²). Critical enhancements are required in rail services to increase ridership and ensure better use of existing rail infrastructure, while further programmatic interventions are needed to link with the minibus-taxi industry, such as those used in the Bus Rapid Transit (BRT) processes.

Figure 6: Allocation of subsidies (2017/18) and ridership (2015)



Source: National Treasury and Statistics South Africa

Traditionally, the smallest share of subsidies is allocated to minibus-taxis, through the Taxi Recapitalisation Programme, which aims to formalise and regulate the industry by replacing existing vehicles with new vehicles that comply with specified regulations to ensure safety standards. A once-off scrapping allowance of R50,000 for old vehicles is provided, and taxi operators are required to legalise their operations by registering their vehicles and routes with a provincial taxi registrar. The programme also aims to expand the services offered by the industry on lower density, public transport routes through contracts for cooperative or joint ventures, or as subcontractors to bus operators⁵³. In addition, metros fund the provision of ranks and holding facilities for minibus taxis.

48 ibid

49 <https://pmg.org.za/committee-meeting/25012/> and <https://pmg.org.za/committee-meeting/24992/>

50 <https://www.youtube.com/watch?v=xGVRdJl3dw>

51 <https://openstreets.org.za/>

52 <https://www.dpme.gov.za/publications/Reports%20and%20Other%20Information%20Products/URBAN%20INNOVATIONS.pdf>

53 <https://www.dpme.gov.za/publications/Reports and Other Information Products/URBAN INNOVATIONS.pdf>

CASE STUDY: LANGA BICYCLE HUB

When one thinks of the Cape Town cycling scene, Langa - one of the oldest townships in South Africa - might not be the first place that comes to mind. However, Mzikhona Mgedle is on a mission to change that. Mgedle is the founder and director of the Langa Bicycle Hub and is working to create a community of cyclists in Langa. But more than that, he is creating a community of care by using cycling as a means of improved service delivery and community development.

Mgedle, or "Mzi" as he is affectionately known, founded the Langa Bicycle Hub in 2020 at the onset of the Covid-19 pandemic. In a short space of time he has managed to create a hub which provides a number of bike centred services including delivering medicines and food parcels to housebound patients (in partnership with St John's NPO), bike and wheelchair repairs, bike rentals, mentorship and skills training for youth, and a community

centre of sorts where local youth can go to study, work, relax and have fun.

The hub aims to be a home for all cycling needs. By increasing access to bicycles, Mgedle is helping to make the citizens of Langa more independently mobile and connected to the space around them, as well as providing a space for exercise and recreation.

Mgedle's "just do it" attitude and his deep understanding of community dynamics have been key ingredients for his success thus far. Mgedle says of the hub, "We have created a community of care," and the evidence in support of that is clear when one visits the space.

The vision is for the hub to one day be a profitable social enterprise, but as of now a lot of the work put in by Mgedle and his partners is done at their own expense. Thulani, one such partner, makes a living outside of the hub by working for the Red Cross Children's Hospital's Child Safety Programme.

Prior to the formation of the hub, Mgedle was involved with the Langa Safety Patrol, the Langa Community Action Network (CAN) and Open Streets Cape Town.

Mgedle has faced numerous challenges and obstacles. He has made many applications through the formal bureaucratic channels in order to formally set up the hub. While this has been a slow and painstaking process, it has not diminished his enthusiasm. Mgedle identified a well-located space as part of a local playground and adjacent to a school which had long been unused and largely neglected. There he placed a 10m2 container, out of which the hub now operates.

Another ingredient of Mgedle's success is his connection to the community. Mzikhona originally hails from the Eastern Cape but he has called Langa home for many years.

"Those relationships to me are so crucial. To one, understand the ecosystem and the landscape and two, to have the credibility that one needs," says Marcela Guerrero Casas, former head of Open Streets Cape Town. "We can learn so much from people who are doing stuff in their own neighbourhoods...because they understand their environment so well...it is so much more authentic and effective at the end of the day."

Mgedle has demonstrated that effective community development action can and should centre the residents of the area in which development is meant to take place. He has also transformed the role of the bicycle. In Mgedle's hands, the bicycle is a means of service delivery, community building, safety upgrading, recreation, exercise and of course, a means of transport. ■

<https://www.sacities.net/good-hood-stories-newspaper/> Watch the video of the case study here

Modern renewable energy

Sustainable cities need reliable, affordable and renewable energy to function, and having adequate and affordable access to energy sources is crucial for addressing household poverty. 95.27% of households in South Africa have access to mains electricity⁵⁴. Other energy sources used by households for cooking, lighting and heating include paraffin, gas, candles, wood and solar energy.

In most municipalities, many low-income households consuming less than 350–450 kWh of electricity per month qualify for free basic electricity. The Free Basic Alternative Energy Policy⁵⁵ requires municipalities to select suitable off-grid energy sources, and to provide access to these indigent households. The policy lists paraffin, liquid petroleum gas, bio-ethanol gel (or fire gel) and coal as options. Twenty-two of South Africa's 213 local and metropolitan municipalities provide households with free solar electricity systems. In total, about 113 200 households (3.2% of the 3.5 million indigent households nationwide) benefitted from this service⁵⁶. Figure 7 shows solar power usage for South African households.

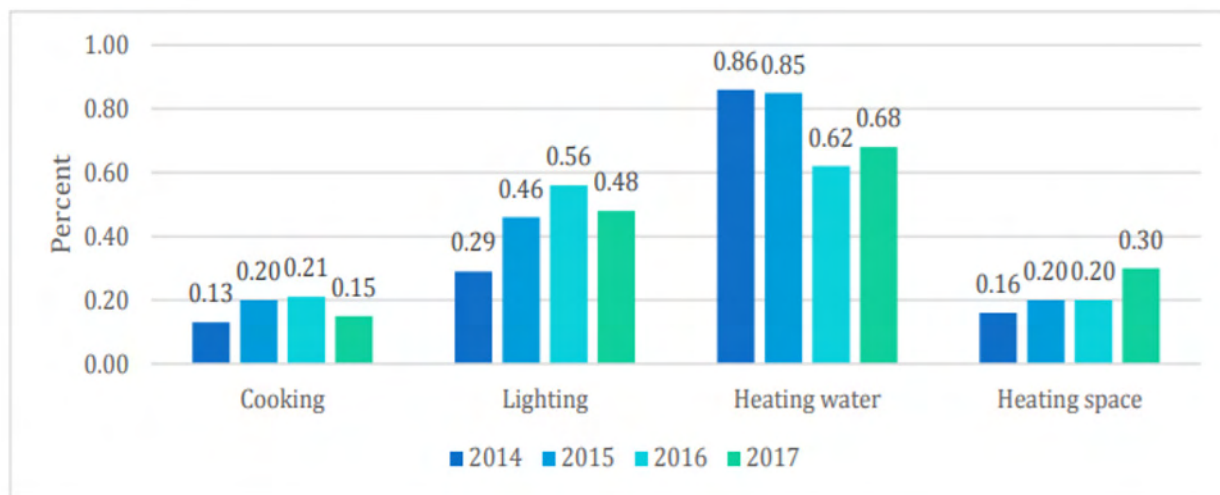


54 http://www.statssa.gov.za/MDG/SDGs_Country_Report_2019_South_Africa.pdf

55 https://www.cityenergy.org.za/uploads/resource_71.pdf

56 <http://www.statssa.gov.za/?p=11181>

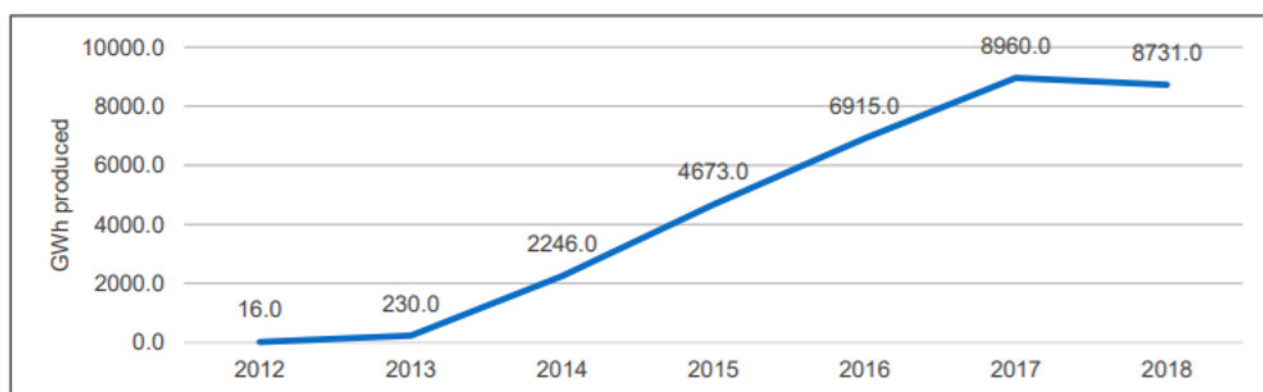
Figure 7: Population using solar energy in South Africa (2014–2017)



Source: http://www.statssa.gov.za/MDG/SDGs_Country_Report_2019_South_Africa.pdf

The increase in use of solar lighting is reflective of a larger share of electricity generation through clean energy sources, which has grown since 2012 (Figure 8).

Figure 8: Annual GWh of electricity produced from renewable resources (2012–2018)



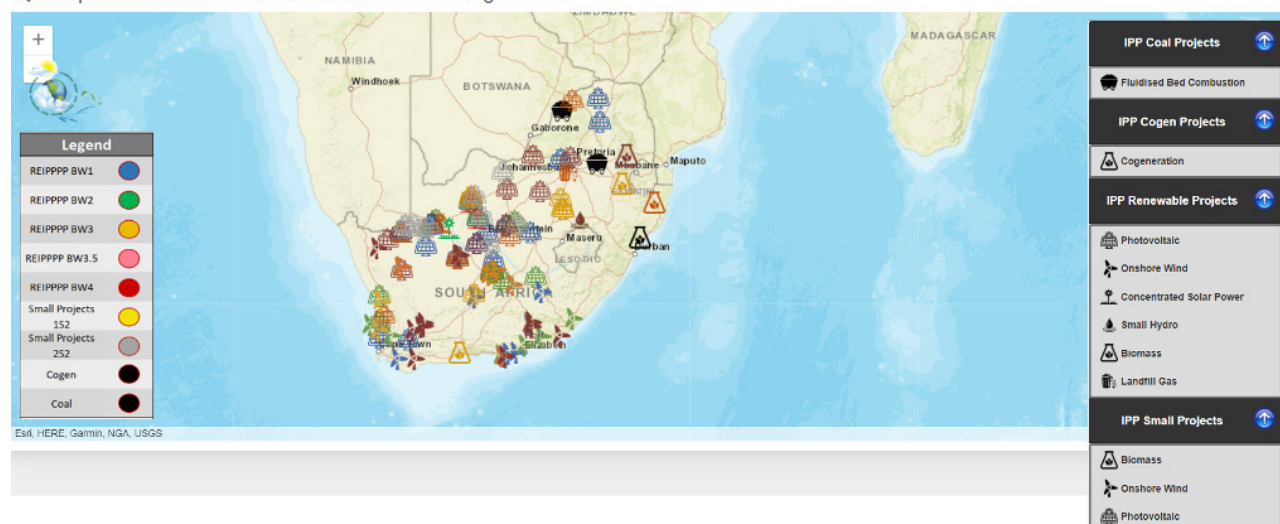
Source: REDIS 2021–2018 Department of Energy

South Africa's Renewable Independent Power Producer Programme is aimed at bringing additional megawatts onto the country's electricity system through private sector investment in wind, biomass and small hydro, among others. The Integrated Resource Plan (IRP) is the country's official electricity infrastructure plan to 2030. The latest plan, in 2019, identifies 39 696 MW from renewable energy sources to be added to the national grid between 2019 and 2030. To give effect to the procurement process and implementation of the relevant capacity allocations of the IRP, the Minister of Mineral Resources and Energy (in consultation with the National Energy Regulator of South Africa) determines new electrical energy generation capacity requirements. The first determination, promulgated on 14 May 2020, calls for the procurement of 2000 MW from a range of technologies, to fill the short-term capacity gap⁵⁷. Figure 9 shows the IPP projects currently underway in South Africa:

⁵⁷ <https://ipp-projects.co.za/Home/About>

Figure 9: IPP projects currently underway in South Africa:

Q Independent Power Producer Procurement Programme



CASE STUDY: GREENING BY EXAMPLE

Tshwane: The city emits about 40% more emissions per capita than the global average. To reduce carbon emissions by 80% by 2050, existing and new buildings will be required to use the least amount of electricity possible, conserve water, minimise waste and enhance biodiversity. The city is leading by example: its headquarters in the centre of Pretoria (Tshwane House) has a Green Star 5 rating for its design. This project is part of the City of Tshwane's broader sustainability agenda and commitment to environment sustainability. The City of Tshwane has signed the Net Zero Carbon Buildings Declaration coordinated by the World Green Building Council and C40 Cities Climate Leadership Group which provides a bold and far-reaching national and city vision.

Buffalo City: The Civic Centre Greening Project is an initiative of the Buffalo City Electricity and Energy Department that is aimed at improving energy efficiency and educating the public about alternative energy sources. The City's energy and financial building, Beacon Bay, is the first municipal building to be retrofitted (at a cost of R1.2-million) and serves as a public education showcase, with information displays and pamphlets in the building's lobby. A hybrid heat pump/air-conditioner pre-heats cold water going into the geyser, which reduces the power required to heat the water by up to 60% and produces air cooling. The solar installation is used to showcase different types of installations 3 Phase 20kW System for Commercial Buildings. As a result of the retrofit, the building has reduced energy demand by 35% and meets 40% of the demand from renewable energy sources. The capital costs were recouped through savings within 18 months. This project also allows the municipality to put electricity back onto the grid and complements Buffalo City's solar lighting project, which has replaced about 15 000 streetlights with LEDs.

Information communication technology (ICT)

South Africa recognises that communications networks are the backbone of the modern economy and society, as articulated in the National Development Programme and various other plans and policies. According to the National Development Plan, by 2030 ICT will underpin the development of a dynamic information society and knowledge economy that is more inclusive and prosperous. The fifth State of ICT Sector Report by the Independent Communications Authority of South Africa (ICASA⁵⁸) highlighted that the telecommunications sector is essential for the country's economy, as it strengthens productivity levels.

58 <https://www.icasa.org.za/uploads/files/State-of-the-ICT-Sector-Report-March-2020.pdf>

The National Digital and Future Skills Strategy⁵⁹, gazetted in 2020, presents a vision of a South Africa in which all its people can benefit from enhanced digital skills, thereby contributing to a significantly enhanced quality of life, improved education, and higher economic growth. It is aimed at fostering the country's ability to engage with, compete within, and benefit from the emergent digital revolution, also referred to as the fourth industrial revolution.

Since 2016, other policies, legislation, strategies and plans have been adopted to increase access to ICT in education, business, government and across the society, including the following:

- National Integrated ICT Policy White Paper (2016)
- The Third National Skills Development Strategy (2016)
- Global Initiative against Transactional Organised Crime (GITOC) Digital Government Strategy (2018)
- Integrated Justice System Digital Transformation Strategy (2017)
- Department of Telecommunications and Postal Services (DTPS) Annual Performance Plan (2017–2018)
- Professional Development Framework for Digital Learning (2017)

Despite the policies, strategies and plans, large numbers of South Africans remain marginalised from the National Development Plan's digital vision. The major obstacle to achieving the envisioned digitally connected South Africa remains the growing digital divide, driven by high costs and unavailability.

By 2021, the overall ICT market in South Africa is forecast to reach R273-billion, compared to R248-billion at the end of 2018, representing a compound annual growth rate of 2.9%, and the IT sector is projected to grow annually by 1.6%.⁶⁰ Access to ICT across the country remains relatively low in comparison to other developing countries, with 63% of households having access to the internet, mainly via mobile devices. Access varies from 43% in Limpopo to 74.2% in Gauteng⁶¹. In 2020, 3G coverage was 99.8% and 5G coverage reached 0.7% of the population.



COVID IMPACT

COVID-19 disrupted every sector of the South African society, and ICT is no exception. The importance of digital technologies to connect people was highlighted during the lockdown. The pandemic and accompanying lockdown affected the broadcasting and postal sectors, in terms of reduced subscriptions, revenue and employment. Between 2019 and 2020, total revenue for the three sectors (telecommunications, broadcasting and postal) increased by 2% (from R238-billion to R243-billion); but the broadcasting services revenue decreased by 6.6% (from R38-billion to R35-billion), postal services revenue and telecommunications services revenue increased by 3.6% and 2.4% respectively. Investment and fixed broadband subscriptions decreased significantly, as did the total fixed internet and data revenue (down by 17.9% in 2020).

59 <https://www.gov.za/documents/national-integrated-ict-policy-white-paper-national-digital-and-future-skills-strategy>

60 <https://www.iitpsa.org.za/wp-content/uploads/2021/09/2021-JCSE-IITPSA-ICT-Skills-Survey.pdf>, page 14

61 [State-of-the-ICT-Sector-Report-March-2021.pdf](#) (ellipsis.co.za)

CASE STUDIES: COLABS, DIGITAL TECH HUBS AND INCUBATORS

Ekasi Bucks: This is an e-payment system and loyalty programme for township businesses aimed at encouraging the community to shop locally and businesses to improve their business. Founded by Lucky Kgwadi, Ekasi Bucks provides blockchain-based digital payment, point of sale, loyalty programmes and inventory management systems to township businesses, and is already active across the country in the townships of Soweto (Johannesburg), Soshanguve (Pretoria) and Khayelitsha (Cape Town). In 2018, the company introduced Ekasi Bucks shuttles and virtual malls. Virtual malls are a multi-vendor platform that allows any township-based business to open an online store and start selling their products within five minutes. Entrepreneurs can advertise directly to customers, track orders, accept orders and payments from the e-commerce platform, which attracted more businesses to join the platform. Ekasi Bucks Shuttles is a transport-on-demand platform for taxis afterhours in the townships, which increased the level of convenience and has digitised the sector. Kgwadi's current project (Ekasi Bucks Properties) is digitising the township real estate sector by building a platform that allows township landlords to list their available properties/space for rental, receive possible leads, set viewing appointments, sign digital lease agreements, and accept rent payment through the platform.

The Innovation Hub, Gauteng: This is the innovation agency of the Gauteng Province and a wholly owned subsidiary of the Gauteng Growth and Development Agency. It offers incubation programmes in smart industries (Information Communication Technology (ICT)) and advanced manufacturing) and green economy (water purification, waste management and renewable energy) and operates various programmes, in enterprise development, skills development and innovation from the science park and throughout the Gauteng region. The Gauteng Accelerator Programme (GAP) Innovation Competition targets innovators, researchers and entrepreneurs who are working on novel technologies that will improve the efficiency of government service delivery, increase the competitiveness of the local economy and enhance the quality of life of ordinary citizens. Categories are ICT, medical, biosciences and the green economy. Winners of GAP receive a share of seed funding and cash prizes; incubation services with technical and business mentors, intellectual property lawyers; and access



I.2 Sustainable and Inclusive Urban Prosperity and Opportunities for All

Inclusive Urban Economies

South Africa's economic policy is firmly grounded in "inclusive economic development", as reflected in the National Development Plan and the Integrated Urban Development Framework. The National Development Plan recognises inclusive economic growth as the only pathway for tackling the country's high unemployment, eradicating poverty and reducing inequality, while the Integrated Urban Development Framework dedicates policy lever 6 to inclusive economic development, envisioning "cities and towns that are dynamic and efficient, foster entrepreneurialism and innovation, sustain livelihoods, enable inclusive economic growth, and generate the tax base needed to sustain and expand public services and amenities".

The Integrated Urban Development Framework calls for differentiated economic development strategies for cities and towns and for the role of municipalities to be strengthened, leveraging partnerships with broader economic stakeholders to drive inclusive local economies. More recently, government has introduced the District Development Model (DDM), as a delivery mechanism for driving inclusive local economic development by coordinating all-of-government and all-of-society efforts around "one district plans" at a local level.

Cities are the engines of the South African economy: nine cities contribute almost two-thirds of South Africa's gross domestic product (GDP) and over half of national employment⁶². The country's powerhouse is the Gauteng region whose three metros (Johannesburg, Tshwane, and Ekurhuleni) account for a third (30.4%) of national gross value add (GVA), while Cape Town (9.7%) and eThekweni (8.8%) are significant urban economic drivers. Buffalo City, Mangaung, Msunduzi and Nelson Mandela Bay play a more important role in their regional spaces, contributing just between 1.3% and 2.9% of South Africa's output⁶³. In 2019, metros and intermediate cities contributed 10 268 444 of the 13 245 040 jobs in the formal sector, or 77.5% of all formal employment in the country.⁶⁴

Over the last five years, urban economies have struggled mainly due to challenging national and global macroeconomic factors. Between 2010 and 2019, the country's annual GDP growth decelerated to 1.7%, before entering a technical recession in 2019. The performance of the national economy has affected urban economies, as a low-growth environment makes it difficult for cities to attract investment and grow their economies. Although economic growth, as measured by GVA varies across cities, between 2016 and 2020, most cities experienced slow economic growth not dissimilar from that of the national economy.⁶⁵

This category covers promoting productive employment for all (including the youth), strengthening the informal economy, supporting small- and medium-sized enterprises and creating an enabling, fair, and responsible environment for business and innovation.

⁶² <https://www.sacities.net/the-state-of-south-african-cities-report-2016/>

⁶³ SACN. [forthcoming]. The State of Cities Report 2021. Johannesburg: SACN.

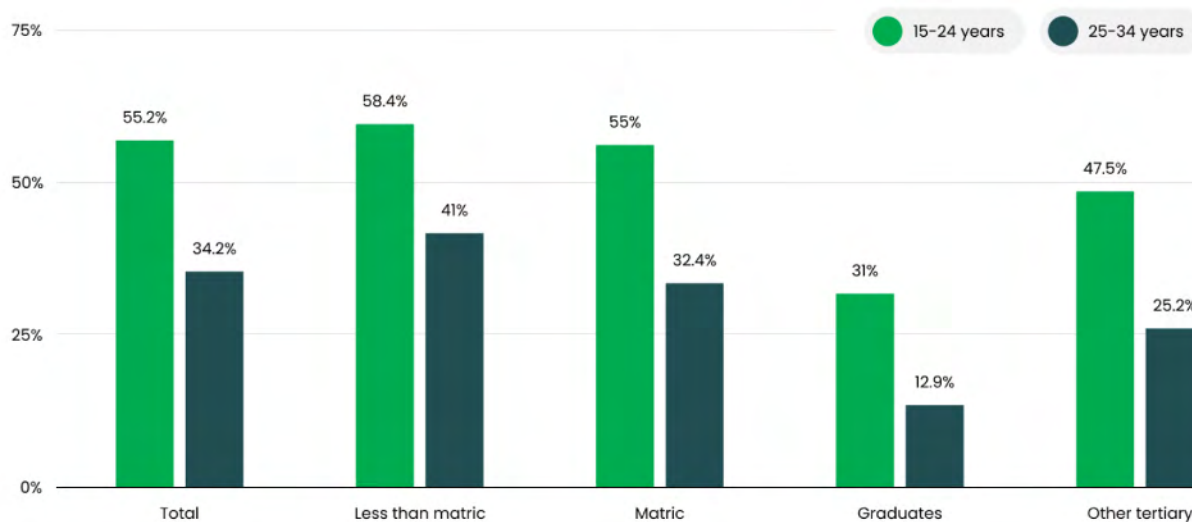
⁶⁴ <http://www.statssa.gov.za/publications/P0318/P03182019.pdf>

⁶⁵ IHS Global Insight. 2020. Gross Value Add by municipality. Accessed via SCODA.

Promoting productive employment for all (including the youth)

Although cities are drivers of productivity, productive employment is unevenly distributed with the youth especially affected by unemployment and precluded from meaningfully participating in the economy. Since 2016, South Africa's unemployment rate has exceeded 25%, reaching 29% in 2019. The COVID-19 global pandemic compounded the problem, with 1.5 million people losing their jobs by end of 2020. In the first quarter of 2020, unemployment stood at 30.1%, but the unemployment rate for youth aged 25–34 years was 37.3% compared to 17.5% for adults aged 45–54 years. More worryingly is that 59% of youth aged 15–24 years are unemployed⁶⁶, and 3.5 million of them are in neither employment, education nor training, with the unemployment rate typically higher for young women⁶⁷. However unemployment is uneven, with education being a key determining factor (Figure 10). This highlights the importance of skills development and education in reducing the rate of unemployment. Attention must be focused on both developing sectors and the labour force.

Figure 10: IPP unemployment rate by education level and age group⁶⁸



Source: Statistics South Africa, Quarterly Labour Force Survey 2019, Quarter 1

South Africa has a range of policies, strategies and programmes aimed at addressing the high unemployment, with a focus on young people.

- The New Growth Path (2010) emphasises the need to focus on areas with the potential to create employment on a large scale or “jobs drivers”, including public infrastructure build programmes and partnerships with the private sector in specific sectors, such as the knowledge and green economies⁶⁹.
- The National Development Plan aims to reduce the unemployment rate to 6% by 2030, by focusing on achieving better educational outcomes, a healthier population, a better located and maintained infrastructure, sound social safety, a capable state and lower levels of corruption.
- The Expanded Public Works Programme (EPWP) and the Community Work Programme (CWP) are national programmes implemented by local government in projects undertaken in collaboration with the private sector, community-based organisations (CBOs) and non-government organisations (NGOs). The Expanded Public Works Programme uses public sector spending and procurement as a lever for including the unemployed, especially young people, in the economy, through creating temporary employment opportunities. These temporary, low-wage opportunities provide income, work experience and training, as well as adding public value by (for example) maintaining public spaces. One of the Expanded Public Works Programme's components is the Community Work Programme (CWP), which is a community-driven employment model involving NGOs and CBOs.

⁶⁶ http://www.statssa.gov.za/?page_id=1854&PPN=P0211&SCH=7889

⁶⁷ https://www.gov.za/sites/default/files/gcis_document/202007/nypdraft-2030-28-july-2020.pdf

⁶⁸ <https://openup.org.za/blog/age-gender-and-unemployment-in-south-africa>

⁶⁹ <https://www.gov.za/about-government/government-programmes/new-growth-path>

CASE STUDY: Expanded Public Works Programme

In 2018/19, the CWP provided 280 000 work opportunities and, in 2019/20, the Expanded Public Works Programme provided 838 000 work opportunities or 267 000 full-time equivalent jobs.

In 2019/20, cities implemented 1514 Expanded Public Works Programme projects across the infrastructure, environment and culture and social sectors, and the total wages paid out for implementing these projects amounted to R907.62 million. Cities focused specifically on work opportunities for youth, women and people with disabilities. Five of the nine South African cities created at least 55% of the work opportunities for youth and for women.

Over the years, cities have managed to institutionalise the Expanded Public Works Programme programme into their existing municipal structures, processes and systems. Although the Expanded Public Works Programme provides people with short-term income, more can be done to develop skills of young people and ensure their absorption into long-term and productive employment.

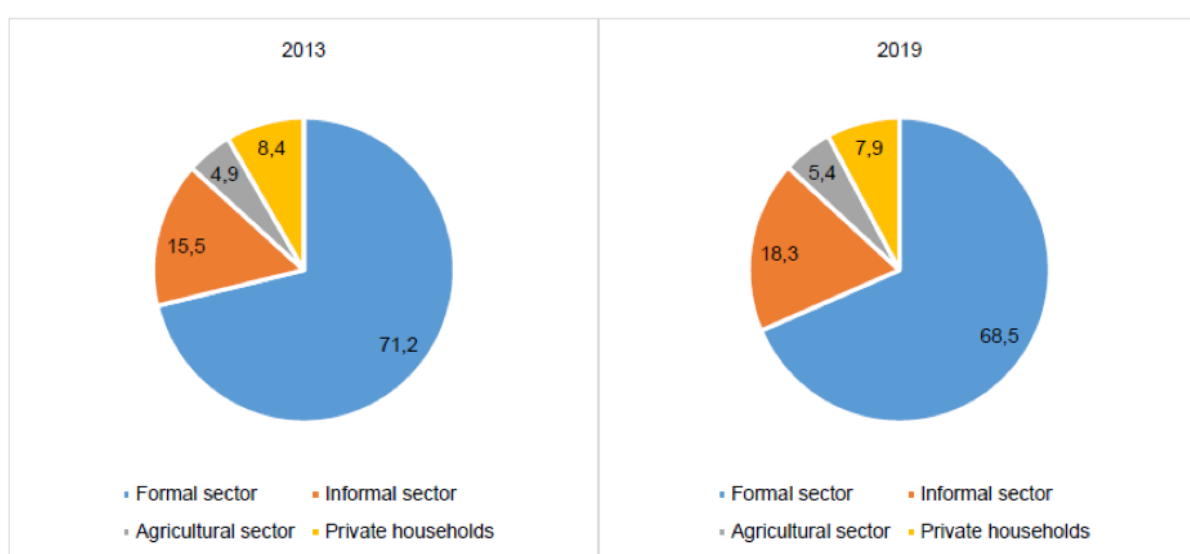


[https://www.sacities.net/wp-content/uploads/2021/06/Expanded Public Works Programme_AR_pages_2808_WEB.pdf](https://www.sacities.net/wp-content/uploads/2021/06/Expanded-Public-Works-Programme_AR_pages_2808_WEB.pdf)

Strengthening the township and informal economies

Compared to other developing and emerging economies, the informal economy in South Africa is relatively small but not insignificant. In 2016, the informal economy's share of total employment was 61% globally and 85.5% in Africa⁷⁰. The picture is very different in South Africa, where in 2019 the formal economy employed 68.5% of the employed population (Figure 11).

Figure 11: Distribution of total employment by sector (2013 and 2019)

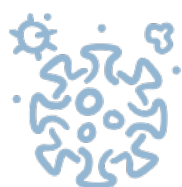


Source: <http://www.statssa.gov.za/publications/Report-03-10-23/Report-03-10-232019.pdf>

70 <https://www.ilo.org/global/statistics-and-databases/lang--en/index.htm>

Informal workers are engaged in retail and trade (40%), manufacturing (16.1%), construction (15.4%), transport (10.9%), finance (8.9%) and community and social services (8%⁷¹). Economic activities include spaza shops, fast food outlets, bakeries, shebeens and taverns, backroom rentals, hawkers, taxis, mechanics and panel-beaters, hair salons, stylists and barbers⁷². Of the metros, Buffalo City has the highest percentage (22%) of people employed in non-agricultural informal work, followed closely by Johannesburg (21%), while Tshwane (10%) and Cape Town (12%) have a relatively small informal sector⁷³.

South Africa's National Development Plan underscores the important role of the informal economy and its potential for addressing unemployment and tackling poverty. The National Development Plan's goal of creating 11 million jobs by 2030 includes the creation of 1.2–2.1 million jobs in the informal economy. The government has launched several initiatives aimed at supporting the informal economy and township economies. In 2014, the National Informal Business Upliftment Strategy was introduced with the aim of uplifting informal businesses and supporting local chambers/business associations and municipal local economic development offices to facilitate access to finance, training and infrastructure. It targets vulnerable groups, including women, youth, and people with disabilities, in townships and rural areas. Subnational initiatives include the Gauteng Township Economic Development, while cities provide support to informal traders in the form of infrastructure, suitable trading spaces and training, services and skills development. However, in some cities, informal street trading is still seen through a law enforcement lens, rather than an economic development lens. Informal traders also organise themselves, as in the case of the African Traders Organisation at the Piles Market near Park Station in Johannesburg.



COVID IMPACT

The Covid-19 was a severe shock to South Africa's economy, particularly the informal sector, which has little capacity for resilience. About 1.5 million informal workers lost their livelihoods, compared to 840 000 job losses among formal workers. Employment decreased by 29% in the informal economy compared to 8% in the formal employment, with job losses being far greater among women.

https://www.wiego.org/sites/default/files/publications/file/WIEGO_PolicyBrief_N22%20UN%20South%20Africa%20COVID%20for%20web.pdf

State and non-state actors in cities supported informal traders by providing sanitisers, hand-wash facilities, masks and general awareness. In partnership with Nedbank, the Department of Small Business Development (DSBD) launched a fund to help 40 000 informal traders restart their businesses and explored a simple, easy and cost-effective mechanism to disburse grant money using mobile wallets. In 2020, the DSBD launched the Township and Rural Enterprises Programme (TREP) to support micro and informal enterprises based in townships and rural areas to restart, rebuild and improve their businesses.

<https://www.sanews.gov.za/south-africa/informal-traders-urged-apply-grant>

71 <http://www.statssa.gov.za/publications/P0318/P03182019.pdf>

72 https://cisp.cachefly.net/assets/articles/attachments/83152_south-africas-informal-sector-in-the-time-of-covid-19.pdf

73 SACN. [forthcoming]. The State of Cities Report 2021. Johannesburg: SACN

CASE STUDY: METRO TOWNSHIP ECONOMIC DEVELOPMENT (TED) PROGRAMME

This initiative, which is driven by National Treasury's City Support Programme in partnership with the Sustainable Livelihoods Foundation (SLF), was launched in 2020 to provide technical support over three years to five metropolitans (eThekweni, Tshwane, Ekurhuleni, Nelson Mandela Bay and Cape Town), to formulate and resource effective township development strategies at a pilot site. The aim is to develop a theory of change for township economic development (TED) through a holistic approach that includes spatial transformation, developing business high streets, strengthening the business ecosystem by reducing policy obstacles, enhancing skills and improving access to business support services, as well as improving safety and security and "liveability" within townships. The programme's three phases are: research and engagement, to establish an evidence base to identify TED opportunities for each pilot; support to metros for co-developing eight TED projects, which include New Brighton, Tembisa, Hammanskraal, Pinetown South and Delft; and advice on institutionalising the TED strategies and project implementation. Other partners include the Department of Small Business Development (DSBD), the Small Enterprise Development Agency, the Small Enterprise Finance Agency, the World Bank and the Aspen Network of Development Entrepreneurs.

https://www.engineeringnews.co.za/article/treasury-progresses-with-mapping-of-township-development-opportunities-2021-08-18/rep_id:4136

Supporting small, medium and micro enterprises

Before 1994, black South Africans were excluded from any meaningful participation in the economy of their country, and the state suppressed and marginalised black entrepreneurs. Notwithstanding the historical challenges, the small, medium and micro enterprises (SMMEs) sector is a crucial part of the country's economy, representing over 98% of businesses and 50–60% of employment across all sectors. The sector also contributes 39% to GDP, although this contribution lags behind other regions including developing and emerging economies.

Government recognises the importance of small, medium and micro enterprises (SMMEs) for the economy and employment:

- The New Growth Path (2010) includes establishing a one-stop shop and single funding agency for small and micro business; committing to pay small business suppliers within 30 days; integrating small and micro enterprise support into all sector strategies; simplifying regulations and procedures (to eliminate red tape); strengthening access to micro-finance; and addressing concerns about access to and cost of space in shopping malls.
- In 2014, government established a department focused on developing small businesses (the DSBD).
- The National Development Plan recommends the following for small and medium-sized firms: reduced regulatory compliance cost; improved support to small businesses, through better coordination of relevant agencies, Development Finance Institutions (DFIs), and public and private incubators; financial services that bring down costs and improve access; government procurement processes that are more accessible; and entrepreneurial skills development.
- Government procurement prioritises SMMEs or exempted micro enterprises to ensure government expenditure supports the growth of the sector⁷⁴

Support available to SMMEs in South Africa includes:

- The Small Enterprise Development Agency (SEDA), an agency of the Department of Small Business Development (DSBD) that works with municipalities to support the growth of small businesses.
- The Ecosystem for Small Enterprise Programme, an innovative, five-year partnership agreement between South Africa and the European Union that is designed to effect meaningful change across South Africa's SMME ecosystem.

⁷⁴ http://www.thedtic.gov.za/wp-content/uploads/PPPFA_Regulation.pdf

- The Debt Relief Finance Scheme, a soft-loan facility designed to keep small and medium enterprises afloat during the COVID-19 pandemic.
- Social Unrest Business Recovery Support Funding, an initiative by Seriti (a development facilitation agency) in partnership with the Industrial Development Corporation (IDC) aimed at assisting small businesses affected by the July 2021 social unrest in the Gauteng and KwaZulu-Natal provinces.
- The Small Enterprise Manufacturing Support Programme, an initiative by the Department of Small Business Development (DSBD), the Small Enterprise Finance Agency (SEFA) and the Small Enterprise Development Agency (SEDA) that aims to build a manufacturing sector for an improved industrial base (productive economy), through a focused import replacement programme; and build the industrial base for both the domestic market and external market (in particular, the African Union market).

Creating an enabling, fair and responsible environment for business and innovation

South Africa has one of the best business environments in Africa and ranks 84 among 190 economies for ease of doing business, according to the latest World Bank annual ratings in 2020. The country ranks high in terms starting a business and protecting minority investors and has made the enforcing of contracts easier by introducing a specialised court dedicated to hearing commercial cases. Government initiatives include the following:

- The online Bizportal platform developed by the Companies and Intellectual Properties Commission, which has made registering a company easier, – it now takes four procedures and 8 days to register a company, instead of to seven procedures and 40 days⁷⁵.
- The South African Revenue Service (SARS) has decreased audit turnaround times and improve turnaround times for VAT refunds and corporate income tax corrections.
- The Ease of Doing Business Bill (2020) is aimed at cutting and reducing red tape associated with doing business in the country and promotes the integration and coordination of multiple policy objectives, enhanced competitiveness by reducing regulatory burdens, increased transparency and consultation when developing regulatory measures, and the monitoring and evaluation of policies.

Other initiatives by cities aimed at creating enabling environment for businesses and innovation⁷⁶:

- Investment in strategic infrastructure development to support economic growth.
- Investment in place-based catalytic projects that are often in partnership with the private sector or other spheres of government, sometimes leveraging national incentives such as urban development zones or special enterprise zones.
- Incentives in the form of rates and/or consumption rebates for developers (or their tenants) who align with specific spatial or economic objectives, or who need support to retain or stabilise them during crises – the city of eThekweni's incentive policy is particularly sophisticated in its dynamism and breadth.
- Area-based management, urban management, special ratings areas or similar initiatives, which is an approach adopted by Cape Town, eThekweni, Nelson Mandela Bay and to some extent Johannesburg.
- Informal economic activity support, with a particular focus on facilitating informal trade's contributions to local jobs and productivity capacity.
- A focus on township economic development, which is sometimes linked to supporting informal economic activity and sometimes treated as distinct.

⁷⁵ South Africa's Reforms on Ease of Doing Business for 2021 - Doing Business in South Africa

⁷⁶ SACN. [forthcoming]. The State of Cities Report 2021. Johannesburg: SACN.

One of the key challenges for businesses is the unreliable electricity supply, which has also constrained the country's economic recovery and growth. The utility company, Eskom, has been unable to meet demand and is implementing a maintenance programme to improve generation performance. The government has amended Schedule 2 of the Electricity Regulations to allow for embedded generation by households, firms and municipalities. This will enable municipalities to access renewable energy from Independent Power Producers (IPPs).⁷⁷ Several cities have already embarked upon renewable energy projects to ensure reliable electricity supply in their jurisdictions.

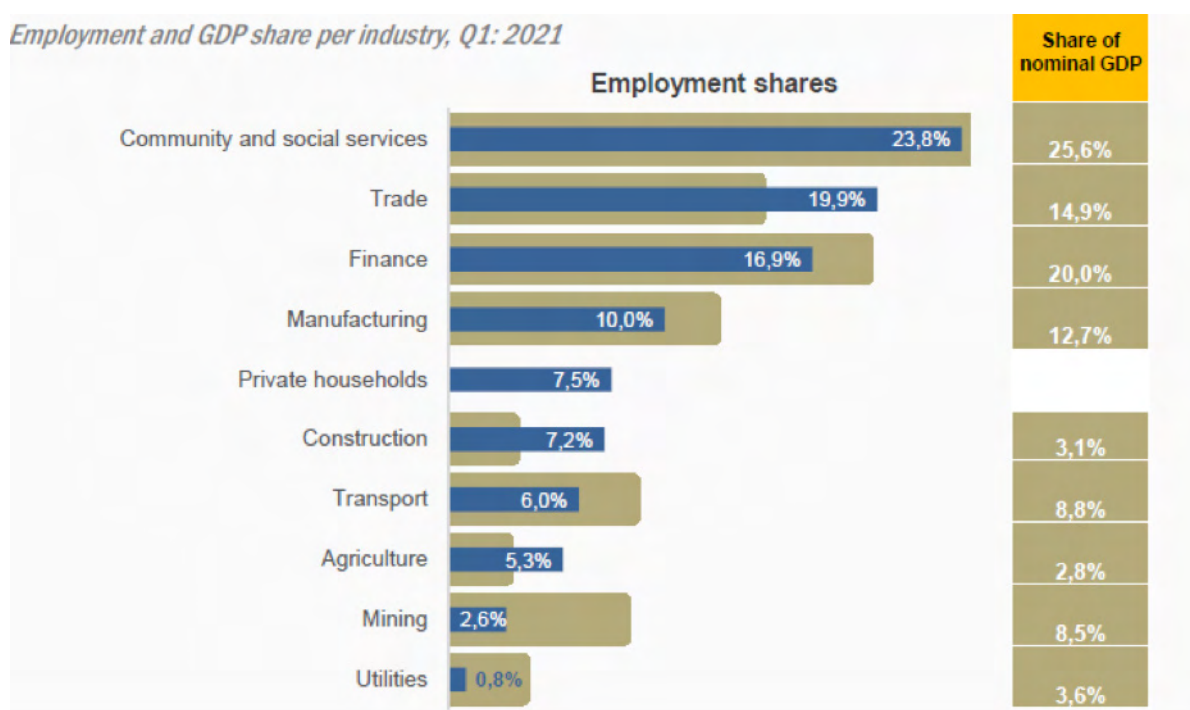
Sustainable Urban Prosperity

This category covers diversifying the urban economy and promoting cultural and creative industries, developing technical and entrepreneurial skills to thrive in a modern urban economy, and strengthening urban-rural linkages to maximise productivity.

Diversifying the urban economy and promoting cultural and creative industries

South Africa has a diversified economy, although the country's economy has been traditionally rooted in the primary sectors. Since the early 1990s, the economy's structure has shifted, with the tertiary sector mainly driving economic growth. The country is now moving more towards a knowledge-based economy as well as new economies including the green and digital economies.⁷⁸

Figure 12: Employment and GDP share per industry (Q1: 2021)



Source: [http://www.statssa.gov.za/publications/P0441/GDP%202021%20Q1%20\(Media%20presentation\).pdf](http://www.statssa.gov.za/publications/P0441/GDP%202021%20Q1%20(Media%20presentation).pdf)

⁷⁷ <http://www.treasury.gov.za/documents/National%20Budget/2021/review/Chapter%202.pdf>

⁷⁸ <https://www.brandsouthafrica.com/play-your-part-category/play-your-part-news/other-news/economic-sectors-agricultural>

Differentiated city economies

Between 2007 and 2015, all cities experienced a structural change in their local economies. The metros each have a distinct industrial mix and are affected differently by sectoral or national changes. Some common trends that emerge are deindustrialisation, a growing tertiary sector and a decline in the percentage of export-oriented firms. The distinctive features (pre-COVID) of the six largest cities are as follows:⁷⁹

- Cape Town: Diversified economy with reliance on tourism and relatively low agglomeration advantages.
- Johannesburg: Business and finance hub of the country, with an economy skewed towards finance and selected business services
- Ekurhuleni: Airport and related logistics, engineering-related services, as well as professional business services.
- Tshwane: South Africa's administrative centre, with retail, construction, utilities, and services industries such as hotels and restaurants.
- eThekweni: Economy based around transport, including seaport and transport corridor to landlocked Gauteng.
- Nelson Mandela Bay: An automobile manufacturing hub.

Cultural and creative industries

South Africa is increasingly recognising the growing importance of the cultural and creative industries. In 2018, the sector added direct value of R74.39-billion, equivalent to 1.7% of South Africa's GDP (compared to 1.5% in 2016) and accounted for 1.14 million jobs (7% of all jobs in the country). Between 2016 and 2018, its GDP contribution grew at an average rate of 2.4% per year, compared to 1.1% for the South African economy as a whole.

80

Green economy

The country has set goals to diversify its economy by investing in the new green economy, including cleaner forms of technology. A key initiative is the generation of 6725 MW of renewable energy through the Independent Power Producers (IPP) programme and the production of an additional 200 MW of solar and wind farm projects by Eskom. These targets support a move to cleaner sources of power and are aimed at addressing the electricity generation supply shortfalls associated with intermittent load shedding since 2008⁸¹.

Developing technical and entrepreneurial skills to thrive in a modern urban economy

South Africa offers a range of post-school education and training programmes, including public and private higher education institutions, technical and vocational education and training colleges, community education and training colleges and private colleges. In addition, the Sector Education and Training Authorities (SETAs) support the development and improvement of skills for both employed and unemployed persons at workplaces, through learnerships, internships, apprenticeships and other skills development programmes. In 2019, there were 503 post-school education and training institutions in South Africa, of which 85 were public (26 public higher education institutions, 50 technical and vocational education and training colleges and 9 community education and training colleges) and 418 were private institutions. In the same year, over 2.2 million students were enrolled in these institutions, with the highest proportion enrolled in the higher education sector (over 1.28 million).⁸²

In 2019, the higher education sector comprised 26 universities and 131 private higher education institutions. In 2019, the total number of student enrolments in public and private higher education institutions was 1 283 890, reflecting an increase of 424 compared with 2018 (1 283 466). In 2019, the highest proportion

79 SACN. [forthcoming]. The State of Cities Report 2021. Johannesburg: SACN.

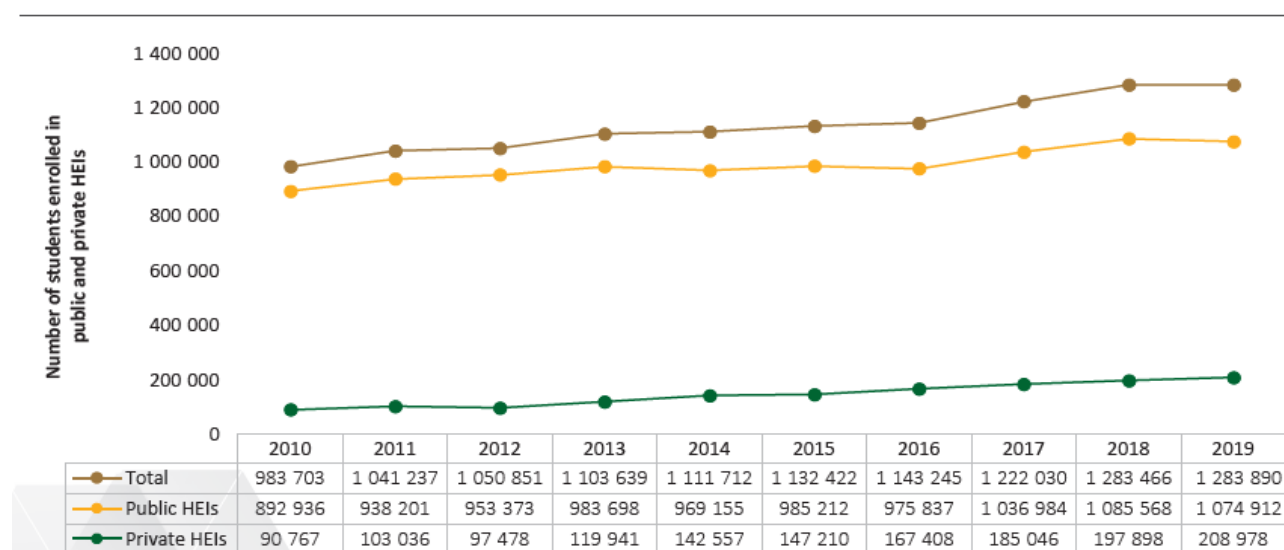
80 <https://www.southafricanculturalobservatory.org.za/article/mapping-the-economic-value-of-the-creative-industry>

81 http://www.statssa.gov.za/MDG/SDGs_Country_Report_2019_South_Africa.pdf

82 <https://www.dhet.gov.za/DHET%20Statistics%20Publication/Statistics%20on%20Post-School%20Education%20and%20Training%20in%20South%20Africa%202019.pdf>

of students enrolled were females (59.6%), while the highest number of enrolments were in science, engineering and technology (323 105), followed by the humanities (274 377) and business and management (265 973), with the lowest number being in education (211 274).

Figure 13: Number of students enrolled in public Higher Education Institutions (HEIs) by attendance mode (2009–2019)



Source: DHET

The country also has hundreds of several business schools that offer entrepreneurship and business development. The following are the most notable ones:

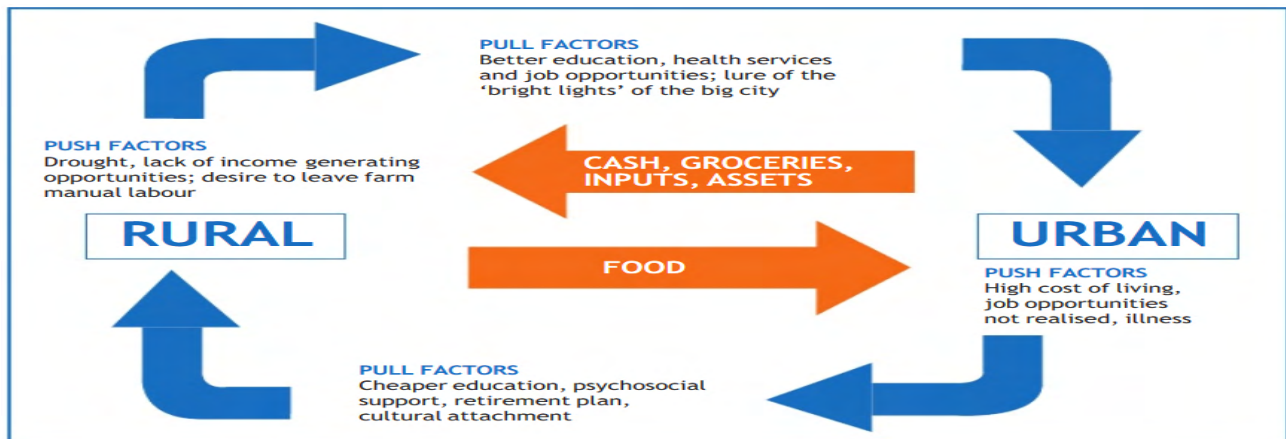
- Entrepreneurship Development Academy at the Gordon Institute of Business Science in Tshwane.
- Raymond Ackerman Academy of Entrepreneurial Development at the Graduate School of Business, University of Cape Town.
- Young Minds Programme at the University of Stellenbosch Business School.

Strengthening urban-rural linkages to maximise productivity

South African cities and towns can be divided into various settlement typologies, based on demographic, economic and spatial trends. The country has large metropolitan cities, intermediate or secondary cities, large towns, small towns and rural areas. Almost 80% the country's population reside in cities and towns, with about 40% found within the four larger city-regions (Gauteng, Cape Town, eThekweni and Nelson Mandela Bay). Over the years, larger metros areas, especially in the Gauteng and Cape Town regions, have experienced substantial net in-migration. However, not all the rural migrants headed to the larger metro areas, with some migrating to small towns and intermediate cities.

The country has a clear urban-rural divide, which is the product of long-term economic and demographic trends, but the linkages between urban and rural areas are complex. The Integrated Urban Development Framework recognises that rural and urban areas complement each other and coexist in production, trade, information flow and governance. This rural-urban interdependence perspective considers and capitalises on the intense flow of public and private capital, people (migration and commuting), goods (trade), services, ideas, and information between the urban and rural areas. Because of migration, road accessibility, Information Communication Technology (ICT), and production flows, new sectoral and spatial patterns are emerging within the rural and urban spaces. Labour migration and flows of information and services, such as education and healthcare, enable people to keep one foot in the rural economy and the other in the urban economy. At the same time, spatial intermingling is occurring in the peri-urban areas.

Figure 14: The rural-urban continuum



Source: https://iuidf.co.za/pdf_downloads/2016-integrated-urban-development-framework/ (page 19)

CASE STUDY: SMALL TOWN REGENERATION STRATEGY

The Department of Cooperative Government and Traditional Affairs, in collaboration with the South African Local Government Association, realised that to move forward and give effect to the regeneration of small towns requires the following:

- A coordinated effort between the various spheres of government.
- An integration and alignment of the efforts of the various policies and programmes.
- The development of a Small Town Regeneration Strategy in order to assist with the coherent and structured implementation of the Small Town Regeneration Programme.

As a result, the Small Town Regeneration Strategy was completed in October 2021. It is an attempt to unlock the inherent investment potential of small towns to break the insistent cycle of rising inequality and declining growth, and to stimulate growth. Therefore, the strategy provides step-by-step guidance on how to initiate the process, and reiterates the importance of an all-of-society approach, which places success in the hands of not only the local authority, but also the community and all other relevant stakeholders.



I.3 Environmentally Sustainable and Resilient Urban Development

South Africa, like elsewhere across the globe, and particularly in the Global South, faces a complex combination of challenges: deep environmental challenges (specifically climate change, resource depletion and ecosystem vulnerability); increasing socioeconomic inequalities exacerbated by the COVID-19 pandemic; and the need for new approaches to cooperative governance appropriate for the complexities of urban development in the information age. These challenges are inextricably linked, and the solutions lie in society's ability to find ways to address all three in an integrated manner.

“Cities are where the battle for sustainable development will be won or lost”.⁸³ Environmentally sustainable and resilient urban development has two major trajectories: the mitigation of climate change and the sustainable management of natural resources. The resource-use implications and environmental impacts of urbanisation parallel the severity of urban climate impacts, and the sustainable management of resources will have a major impact on our ability to mitigate climate change.⁸⁴ What is needed is a “just transition” that ensures that ‘no one is left behind.’ The concept of a “just transition” refers to a process of transitioning to inclusive, equitable, resilient and spatially integrated cities that are decarbonised, resource-efficient and bio-diverse. A just urban transition is not an outcome, but a process inspired by this vision of a sustainable city.

In addition to overarching national policies aimed at addressing environmental sustainability in South Africa, cities are making strides to move towards a just urban transition. They have developed or are busy developing key policy instruments related to climate change mitigation, the protection of critical biodiversity, waste management, and best use of resources (including natural resources, public transport and city densification). South African cities are beginning to demonstrate the integrated manner in which all aspects of development need to be planned for to ensure a just transition (Table 1).

Table 1: Metro climate change mitigation and resource utilisation strategies (2016–2021)

Municipalities	Existing strategies
Buffalo City	<ul style="list-style-type: none"> Integrated Waste Management Plan (Draft 2021-2025)
City of Cape Town	<ul style="list-style-type: none"> City of Cape Town Climate Change Strategy (2021) Cape Town Resilience Strategy (2019) Cape Town's Water Strategy (2019) Inclusive Economic Growth Strategy (Draft, 2019) Municipal Spatial Development Framework (2018) Environmental Strategy (2017) Transit-Oriented Development (TOD) Strategic Framework (2016) Third generation integrated waste management plan
Ekurhuleni	<ul style="list-style-type: none"> Ekurhuleni Climate Change Response Strategy (2017) Draft Green City Action Plan (2021)
eThekweni	<ul style="list-style-type: none"> Integrated Waste Management Plan (2016) Durban Climate Action Plan (2019) Durban Resilience Strategy (2017) Durban State of Biodiversity Report (2019/2020)
Johannesburg	<ul style="list-style-type: none"> Climate Action Plan (2021)
Mangaung	<ul style="list-style-type: none"> Climate Change Adaptation and Mitigation Strategy for Mangaung (2017) Water Conservation and Demand Management Strategy (2018)

⁸³ <https://sustainabledevelopment.un.org/content/documents/8932013-05%20-%20HLP%20Report%20-%20A%20New%20Global%20Partnership.pdf>

⁸⁴ <https://www.resourcepanel.org/reports/weight-cities>

Municipalities	Existing strategies
Nelson Mandela Bay	<ul style="list-style-type: none"> • Integrated Waste Management Plan (2016-2020)
Tshwane	<ul style="list-style-type: none"> • Climate Response Strategy (2017) • Vulnerability Assessment (2018) • Water Services Development Plan (WSDP) 2017-2021 • Sustainable Procurement Strategy 2017

Source: SACN. 2020. *A Comparative Analyses of Sustainability Practices in South African Cities*, updated by current authors

This transformative commitment is grouped into two categories: resilience, mitigation and adaption of cities and human settlements; and sustainable management and use of natural resources.

Resilience, Mitigation and Adaption of Cities and Human Settlements

Climate change is affecting South Africa severely. In 2019, the annual average temperature was about 1.1 °C higher than the 1981–2010 average. This has affected rainfall patterns, which in turn impact water resources, food security and overall public health and wellbeing. In response, South Africa has developed various policy instruments and programmes to ensure resilience of its cities and towns. However, the implementation of these policies and programmes has been slow and requires financial backing and technology capacity-building support.⁸⁵ Despite efforts to respond to the climate crisis, South Africa was given an overall “inefficient” rating in 2021 by the Climate Action Tracker (CAT).⁸⁶

Address urban sprawl and loss of biodiversity

Urban growth and development generate and amplify risks and exposure to hazards, such as floods, earthquakes, infectious diseases, crime, fires, and transport and industrial accidents. This undermines efforts to transform urban areas and to create spaces of opportunity, investment and safety. For instance, economic growth may encourage in-migration and urban sprawl, which, if poorly managed, can drive poverty and the expansion of settlements into unsafe areas, such as floodplains, thereby increasing exposure to hazards and flooding, resulting in losses to communities, government, and the private sector. Investments in reducing disaster risks can protect both the population and national resources from such losses.⁸⁷

Urban sprawl

Municipalities can enforce the urban edge, which is a land use planning tool in their Spatial Development Frameworks (SDFs), to curb sprawl, confine development, and protect environmentally sensitive land and prime agricultural land for water and food security, as well as biodiversity. Compact, connected, integrated and inclusive cities promote efficient services, systems and resource use. However, the ability to enforce the urban edge is challenged by a fragmented fiscal framework for funding how cities are built, which relies on revenue from rates, taxes and development charges gained from new development areas. In addition, several authorities are involved in regulating land use planning, which places city governments in an extremely difficult position, having to manage the complex tension between using resources (such as land) for income versus for transformative and sustainable projects or outcomes.⁸⁸

Biodiversity

South Africa’s National Biodiversity Strategy and Action Plan (NBSAP), which was promulgated in 2015 and funded by the United National Development Programme, identifies priorities for biodiversity management in South Africa, and aligns these targets with the global agenda. The vision is to conserve, manage and sustainably use biodiversity to ensure equitable benefit to the people of South Africa, now and for the future.

⁸⁵ <https://climateactiontracker.org/countries/south-africa/targets/>

⁸⁶ The CAT is an independent scientific analysis that tracks government climate action and measures it against the globally agreed Paris Agreement, which aims to hold global warming below 2 °C and pursuing efforts to limit warming to 1.5 °C

⁸⁷ https://iudf.co.za/pdf_downloads/2016-integrated-urban-development-framework/

⁸⁸ <https://www.sacities.net/the-state-of-south-african-cities-report-2016/>

CASE STUDY: CATALYSING FINANCING AND CAPACITY FOR THE BIODIVERSITY ECONOMY AROUND PROTECTED AREAS

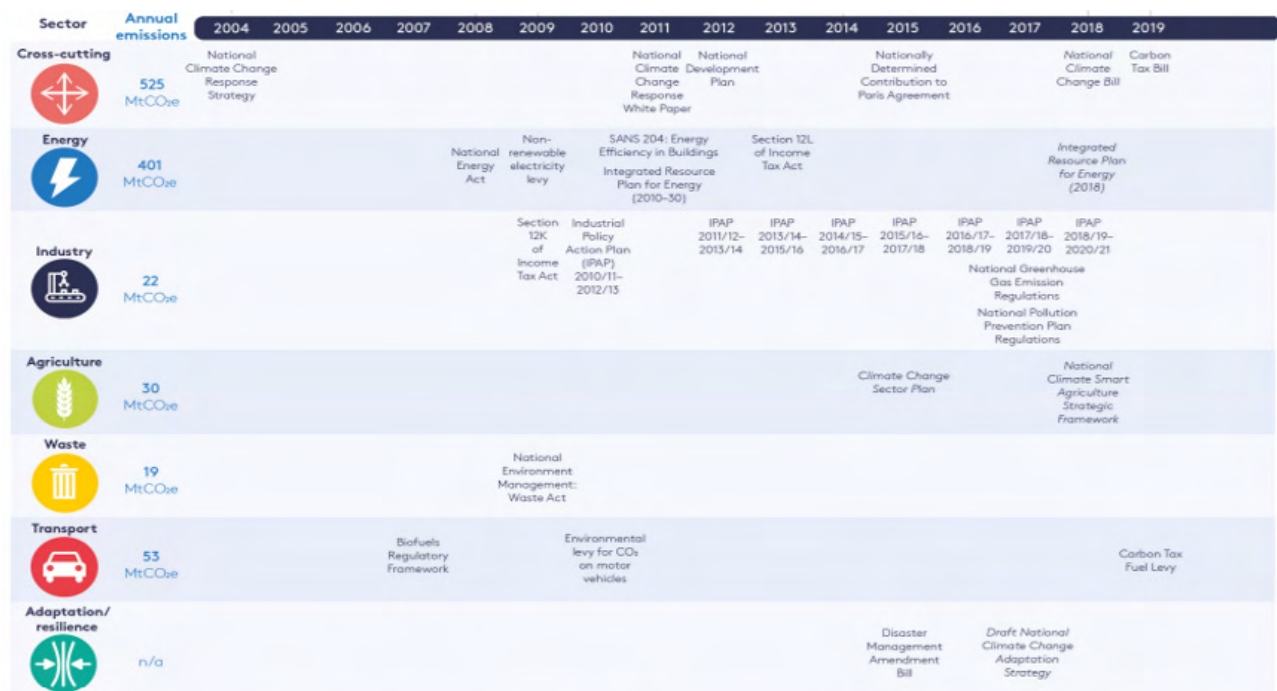
South Africa considers its national parks and provincial reserves as catalysts for socioeconomic development. However, less than 7% of its land is formally protected, which leaves critical biodiversity under threat of degradation and conversion pressure. The protected areas are managed by a range of national and provincial agencies, as well as private and communal structures. The government aims to have a fully representative sample of all ecosystems across the country by acquiring new land and declaring state land. The “catalysing financing and capacity for the biodiversity economy around protected areas” project, which is funded by the World Bank administered Global Environmental Facility, looks at community-based natural resource management. The Department of Environment Forestry and Fisheries has developed a consultative process for communities affected by the expansion of protected areas, which enables them to participate in designing land restrictions and co-defining the impacts and mitigation measures, to avoid any adverse socioeconomic impact from the restricted land use and to reap the economic benefits. The project pays particular attention to the needs of vulnerable groups among those displaced, especially those living below the poverty line, the landless, women and children, ethnic minorities and indigenous peoples who may not be protected through national land compensation legislation.

<https://www.sanbi.org/wp-content/uploads/2018/03/biodiversity-and-land-use-project-midterm-review-report-november-2017.pdf>

Climate change mitigation and adaptation actions

Climate change is intricately linked to almost all facets of society, particularly socioeconomic progression, as resources such as water, food and biodiversity determine the production potential of many sectors of the economy, which in turn affect human development aspirations of the country. Figure 15 highlights important policy developments in terms of climate change since 2004:

Figure 15: Climate change-related policy development since 2004⁸⁹



Notes: *Full term not completed due to resignation. Only policies related to climate change or specifically targeted at supporting initiatives aimed at climate change action are included. *Italics* denote policies that are in preparation or undergoing consultation but have not yet been formally approved (either by Parliament or Cabinet). Year signifies when draft was first published for consultation. CR – Cyril Ramaphosa JJ – Jacob Zuma KM – Kgalema Motlanthe MJ – Mcebisi Jonas NN – Nhlanhla Nene PG – Pravin Gordhan TM – Thabo Mbeki. MtCO₂e = million tonnes of carbon dioxide equivalent

⁸⁹ http://www.lse.ac.uk/GranthamInstitute/wp-content/uploads/2019/06/GRI_Governance-of-climate-change-policy_SA-case-study_policy-report_40pp.pdf

National Climate Change Bill

South Africa is finalising its National Climate Change Bill, with the intention of taking the country through a low-carbon growth trajectory, where no one is left behind. The 2019 National Climate Change Adaptation Strategy provides a platform upon which national climate change adaptation objectives for the country can be articulated and will be used as the basis for meeting South Africa's adaptation commitments outlined in the Nationally Determined Contributions.⁹⁰ The National Climate Change Adaptation Strategy is a 10-year plan that will be reviewed every five years, and is directed at all-of-society, including national, provincial and local government, the relevant sectoral institutions, the private sector, the research community and civil society. Its vision is to transition to a climate-resilient South Africa.⁹¹ South Africa has also developed various programmes and projects that align with this adaptation strategy, mainly through funding instruments and importantly, locally driven efforts to ensure inclusion in the sustainability transitions. One funding tool is the Community Adaptation Small Grants Facility that is piloting a new mechanism of enhanced direct access for local-level climate change adaptation.

CASE STUDY: THE COMMUNITY ADAPTATION SMALL GRANTS FACILITY PILOT PROJECT

The facility was piloted in the Namakwa District in the Northern Cape and the Mopani District in Limpopo. The projects included 12 small grant recipient projects aimed at building adaptive capability and delivering a range of tangible local benefits for 1921 direct and 9006 indirect beneficiaries. Projects fell into three categories:

- Agricultural adaptation assets: projects in the climate smart agricultural window included introducing hardier livestock breeds, improving grazing management and practices for local farmers and developing climate-smart food gardens.
- Livelihood adaptation assets: projects in the climate resilience window included savings groups that provided additional income, support of adaptation measures, and the establishment of safety-at-sea mechanisms to protect small-scale fishing livelihoods.
- Settlement adaptation assets: projects include the installation of household rainwater harvesting systems, shelters for herders to protect them against extreme temperature and systems to assist with weather prediction.

The 12 projects, which were implemented between 2018 and 2020, demonstrate the efficacy of community-level, context-specific approaches in supporting climate change adaptation.

<https://www.sanbi.org/wp-content/uploads/2021/10/Community-Adaptation-Small-Grants-Facility-project-An-Overview.pdf>

Develop systems to reduce the impact of natural and human-made disasters

Climate change poses significant social, economic and environmental risks and challenges and is likely to increase existing vulnerabilities to disaster risk. Natural disasters include excessive exposure to natural heat or cold, earthquakes, tornadoes, and floods, all of which are increasing in occurrence in South Africa. Human-made disasters, such as oil spills, fires, and exploitative mining practices, compromise the integrity of the environment and often cause irreparable damage. In 2017, 437 people died, were missing, or were directly affected by disasters, compared to 351 in 2011. As of 2019, South Africa has developed and adopted 13 national and local disaster reduction strategies, while municipal Integrated Development Plans are required to have various sector plans.⁹²

⁹⁰ https://www.environment.gov.za/sites/default/files/legislations/session2_draftnational_adaptationstrategy.pdf

⁹¹ https://www.dffe.gov.za/sites/default/files/reports/nationalclimate_changeadaptation_strategyforcomment_nccas.pdf

⁹² https://sustainabledevelopment.un.org/content/documents/23402SOUTH_AFRICA_RSA_Voluntary_National_Review_Report_Final__14_June_2019.pdf

CASE STUDY: SANDMINING IN UMNGENI

Sandmining can be a lucrative business for local communities, but people are often unaware of the government structures (such as the Directorate of Small-Scale Mining within the Department of Mineral Resource and Energy) and regulations governing sandmining. As a result, local communities are excluded and yet bear the brunt of the negative impacts associated with illegal sandmining. The Institute of Natural Resources (INR) project educates communities on sandmining, with the aim of curbing the spread of illegal sandmining and enabling communities to take ownership of their local resources by informing them of the government support available.

In uMngeni, KwaZulu-Natal, communities are actively working to reduce the impact of human activities on the environment. The Institute of Natural Resources (INR) project shared information on the sandmining permit application process with the community, educating them on how to access government support and how to report illegal sandmining. Engagements with traditional authorities on the impacts of illegal sandmining were also held, to workshop the sandmining laws and permit application process. Three communities in the uMngeni catchment area in KwaZulu-Natal now understand the framework regulating sandmining; the social, economic, and ecological impacts of illegal sandmining; and the government support available to small-scale sand miners.

<https://www.sacities.net/inr-sand-mining/>

Build urban resilience through quality infrastructure and spatial planning

South Africa's top priorities are promoting equality and socioeconomic development. The acceleration of climate action has great potential to assist in alleviating the country's social development issues, as investing in low carbon technologies would enable substantial opportunities in value chain localisation, local air pollutant reduction and job creation. These benefits have been articulated in policies, but substantial financial backing and robust institutional arrangements are needed.

Cities in South Africa have set deliberate targets in terms of developing municipal infrastructure in ways that ensure resource efficiency and quality bulk infrastructure, and that support long-term urban resilience. The development of Tshwane's Zeekoegat Wastewater Treatment Works, a combined heat and power biogas plant, is an exemplary sustainable infrastructure project.⁹³

Sustainable Management and Use of Natural Resources

South Africa's Constitution requires government to secure ecologically sustainable development and use of natural resources, while promoting justifiable economic and social development.⁹⁴ Resources include land, which is a valuable resource in urban and rural settings. In 2018, the United Nations Convention to Combat Desertification (UNCCD) reported that 10.71 of the country's land was degraded, which is consistent with global trends, where unprecedented population growth and rapid urbanisation has put pressure on natural resources. Water will continue to be a scarce resource, as droughts are already becoming a reality in South African cities, and so the sustainable management of water bodies and water-related ecosystems will be a major aspect of sustainable resource management.

⁹³ <https://bigengroup.com/project/zeekoegat-waste-water-treatment-works/>

⁹⁴ Section 24, The Constitution of the Republic of South Africa, 1996.

Promote resource conservation and waste reduction, reuse, and recycling

Recycling and waste minimisation models advocate the diversion and recycling of waste, to increase the lifespan of landfills, reduce emissions and provide jobs. Developing and empowering Small, Medium and Micro Enterprises (SMMEs) and communities will ensure the waste sector's continuity and sustainability, while public-private partnerships (PPPs) will play a key role in providing financial and non-financial support.⁹⁵ In 2017, waste exchanges through Industrial Symbiosis in Gauteng and Kwazulu-Natal reused 6160 tonnes of waste destined for landfill. The country has also introduced the Working for Waste programme under the Expanded Public Works Programme.⁹⁶

Implement environmentally sound management of water resources and coastal areas

Climate uncertainty threatens water security in South Africa, which has faced several water crises. Water stress studies indicate South Africa's water stress level to be at 41%,⁹⁷ which is extremely high for a semi-arid country that is highly dependent on freshwater sources. Water conservation, waste reduction and reuse are vital and offer much-needed economic opportunities. South Africa has signed four bilateral corporation commissions with Lesotho, Botswana, Namibia, Swaziland and Zimbabwe with a view of strengthening Integrated Water Resource Management, technology transfer and access to clean water.⁹⁸

In South Africa, dams and estuaries account for 0.17% and 0.23%, and wetlands and lakes for 2.7% and 0.1% of land area. The low land coverage of estuaries and wetland is due to poor protection and severe pressure from intensive agriculture, mining and urban sprawl.

Water management is a challenge in South Africa for various reasons:

- Complex and unplanned spatial layouts make installing water services infrastructure difficult.
- Poor asset management means that infrastructure is not generating as much revenue as it could: currently, non-revenue waste stands at 41% nationally, which includes high levels of leakage in existing infrastructure, mainly due to poor maintenance.
- Poor service delivery discourages payment for services, while poor revenue management means that a high level of income is forfeited.⁹⁹
- Water consumption is very high, at 235 litres per capita compared to the global average of 173 litres.¹⁰⁰

Increasing urbanisation means higher demand for clean, potable, and affordable water from residents and industries, and higher levels of pollution and bacteria in ground water due to the growth of informal settlements.¹⁰¹ In 2017, 52% of wastewater was safely treated and lawfully discharged into the water resources, but this is limited to wastewater treatment works (UN, 2019).

Adopt a smart-city approach that leverages digitisation, clean energy and technologies

Green energy technologies are central to decoupling economic growth from negative environmental impacts and excessive resource use. The smart city approach has been recognised for its wide-ranging principles and flexibility. In South Africa, the smart city vision presented as the solution to the country's challenges is one of high-speed rail, glossy new buildings and cities, and fast technology. This tech-obsessed approach has led many South Africans to question the value of the smart city in comparison to the country's pressing challenges, such as the housing crisis, water shortages and the widening poverty gap. However, technology can be used to improve government service delivery efficiency, citizen engagements and societal inclusion (see information technology and innovation section).

⁹⁵ SACN. [forthcoming]. The State of Cities Report 2021. Johannesburg: SACN.

⁹⁶ https://sustainabledevelopment.un.org/content/documents/23402RSA_Voluntary_National_Review_Report_The_Final_24_July_2019.pdf

⁹⁷ ibid

⁹⁸ ibid

⁹⁹ ibid

¹⁰⁰ ibid

¹⁰¹ <https://www.sacities.net/climate-change/>

CASE STUDY: GAS FROM LANDFILL SITES, JOHANNESBURG

As part of its commitment to reduce carbon emissions, the City of Johannesburg is harvesting gas from landfill sites to produce electricity. This project reduces methane gas emissions that damage air quality. At present, the city sources energy from coal-fired power stations and disposes of waste in landfills, both of which lead to dangerous methane gas emissions. The city's waste-to-energy project covers five landfill sites, with a combined potential capacity of 18.6 MW of electricity, and is the largest municipal-driven renewable energy development in South Africa.

<https://city2city.network/landfill-gas-energy-johannesburg-south-africa>



PART 2: EFFECTIVE IMPLEMENTATION

2.1 Building the Urban Governance Structure: Establishing a Supportive Framework

The New Urban Agenda recognises urban governance as a critical enabling mechanism for achieving the goals of sustainable urban development. It promotes an “urban paradigm shift” that requires all levels of government to rethink the way cities are governed, managed, financed and developed. It also underscores the crucial role of subnational governments in localising the New Urban Agenda, through strengthening the interface among all stakeholders and creating opportunities for dialogue and contributions from all of society.

Under apartheid, South Africa had a racially segregated and highly unequal system of local government, where municipalities functioned as subservient bureaucratic substructures of the central state, serving only white residents’ interests. In the new democratic dispensation, the country has completely transformed its governance system into a rights-based, developmental and participatory approach that includes local governance. The Constitution establishes three spheres of government (local, provincial and national) that work intergovernmentally, and function through the system of cooperative governance, the framework for which is set out in Chapter 3 of the Constitution. The subnational spheres, particularly local government, play a pivotal role in delivering services and driving social and economic development in partnership with local communities.

Devolution to Enable Subnational Governments to Fulfil Their Mandates

Within the cooperative governance system, municipalities exercise considerable authority over many aspects of urban development and city management. The Constitution vests “legislative and executive authority” in municipalities, assigning them significant space for autonomous governance, stating that each municipality has “the right to govern, on its own initiative, the local government affairs of its community”. The powers in municipalities are listed in Schedules 4B or 5B of the Constitution, and various legislation details powers and functions assigned to them. In addition to the Constitution, the following key pieces of legislation govern and regulate the system of intergovernmental relations:

- The Intergovernmental Fiscal Relations Act (No. 97 of 1997) sets out the process for dividing nationally raised revenues among the three spheres of government.
- The Municipal Structures Act (1998) provides for the establishment of different types of municipalities (metropolitan, districts and local) and the division of powers and functions between local and district municipalities.
- The Municipal Systems Act (2000) sets out detailed requirements concerning community participation, integrated development planning, performance management, administration, service provision and debt collection.
- The Municipal Finance Management Act (No. 56 of 2003) provides the foundation for sound financial management principles and practices in the local sphere of government.
- The Intergovernmental Relations Framework Act (No. 13 of 2005) provides a framework for establishing intergovernmental forums and mechanisms to facilitate the settlement of intergovernmental disputes.

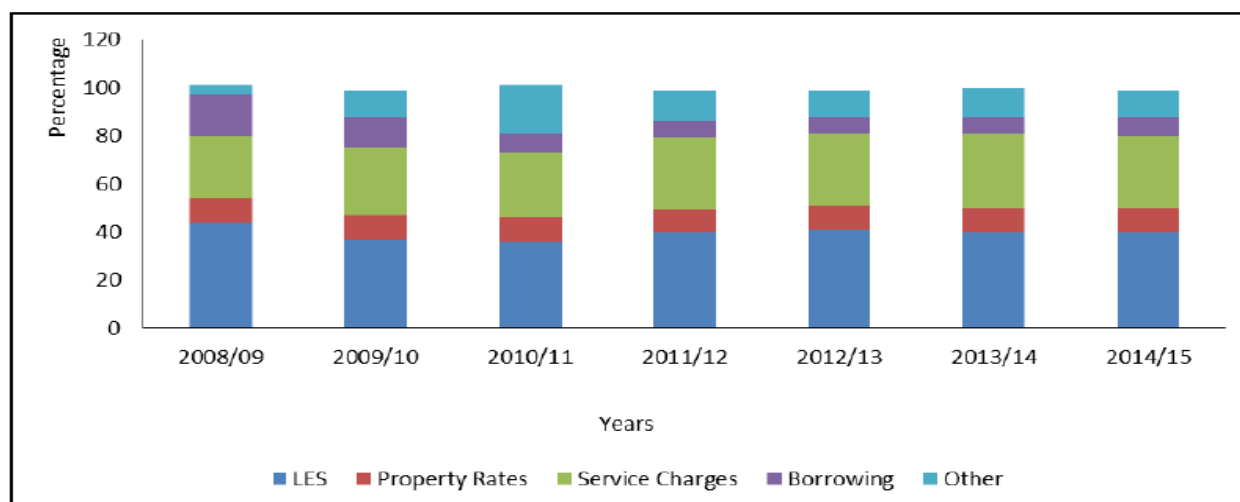
The Constitution and legislation empower the national and provincial spheres of government to work in cooperation, and to support and build capacity in municipalities. Provinces have a direct oversight role, including the Constitutional mandate to intervene in municipal affairs when municipalities fail to fulfil their executive obligations. Provincial spheres of government are empowered to issue directives to municipalities, take over certain municipal functions (such as the provision of essential services) and, under certain circumstances (e.g. failure to pass the annual budget), even dissolve a municipal council (See Section 139 of the Constitution).

Municipalities in South Africa also have a degree of fiscal autonomy. Under the country's fiscal framework, municipalities receive grant funding from national government (transfers) and from own-revenue sources. Transfers are divided into two streams: unconditional (Local Government Equitable Share, LGES) and conditional grants. The LGES is allocated through a formula to the country's 257 municipalities and is intended to subsidise free basic services (FBS) for poor households, enabling municipalities to give effect to the national FBS policy. Conditional transfers fund mainly capacity-building initiatives and capital infrastructure projects of municipalities.

Linking Urban Policies to Finance Mechanisms and Budgets

Overall, Local Government Equitable Share transfers (LES) are by far the largest sources of revenue for municipalities, followed by service charges and then property rates (Figure 16). However, the mix of own revenues and transfers varies substantially by type of municipality. For metros, own revenues account for roughly 75% of total revenues, whereas for district municipalities Local Government Equitable Share transfers (LES) account for 75 - 85% of their total revenues. This is because metros have more diversified economies and higher average household incomes and employment levels, while district and local rural municipalities have few own-revenue sources.¹⁰²

Figure 16: Municipal revenue shares

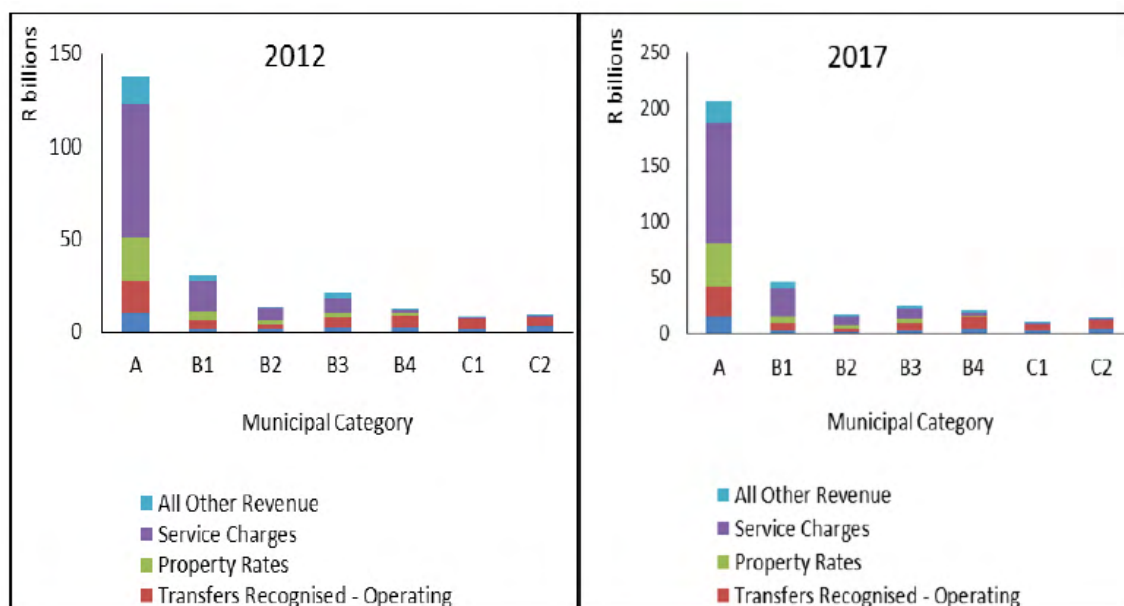


Source: https://ffc.co.za/wp-content/uploads/2021/05/Submission_for_the_Division_of_Revenue_2020-2021-I.pdf

As Figure 17 shows, compared to other categories of municipalities, metros and intermediate cities derive a large share of revenue from own revenues, which comprise mostly service charges (40%) and property rates (18% and 17%). Metros and intermediate cities finance more than half of their capital requirements through debt financing, reserves and other “own sources”.

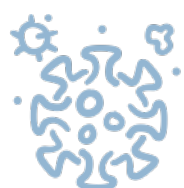
¹⁰² https://ffc.co.za/wp-content/uploads/2021/05/Submission_for_the_Division_of_Revenue_2020-2021-I.pdf

Figure 17: Major sources of revenue by municipality type



Source: https://ffc.co.za/wp-content/uploads/2021/05/Submission_for_the_Division_of_Revenue_2020-2021-1.pdf.

Category A = municipalities: metropolitan municipalities, Category B1 = secondary cities, Category B2 = municipalities with a large town as its core, Category B3 = municipalities with small towns, Category B4 = municipalities that are predominantly rural, Category B municipalities are grouped under District (C1 are not Water Services Providers and C2 are Water Service Providers (WSAs)).



IMPACT OF COVID-19 ON MUNICIPAL FINANCE

The COVID-19 pandemic has been a severe shock to the country's economy: in 2020, South Africa's GDP shrank by 7%, and 1.5 million people lost their jobs. An estimated two million people have been pushed into poverty, with the poor and most vulnerable living in informal settlements and backyard shacks, bearing the brunt of the economic crisis. The closure of businesses and the higher levels of unemployment have diminished consumers' ability to pay for municipal services and rates. The negative impact of COVID-19 on municipal finances was felt most in metros and intermediate cities, which rely on own revenues. As the lockdown regulations disrupted economic activities and household incomes, households and businesses defaulted or delayed payment. Revenue collection was further affected when municipalities (especially metros) relaxed their credit control policies to cushion low-income households. However, own revenues have started to bounce back in metros, indicating some resilience.

As a result of the pandemic, national government tightened its fiscal consolidation measures, placing pressure on transfers available to municipalities, and established the R20-billion COVID Relief Fund to assist municipalities in mitigating the impact of COVID.

The Constitution

South Africa has a sound legal system and a world-renowned Constitution that enables the three spheres of government to implement urban policies. The Constitution is rights-based and explicitly developmental and participatory, and enshrines extensive civil, political, social, economic and cultural rights (Chapter 2: The Bill of Rights). These rights, which are legally enforceable against both state and non-state actors (Section 8), include rights of access to adequate housing (Section 26); food, water and health care services (Section 27); and the right to an environment that is not detrimental to health or wellbeing (Section 24). The Constitution vests “legislative and executive authority” and revenue-raising powers in local and provincial governments.

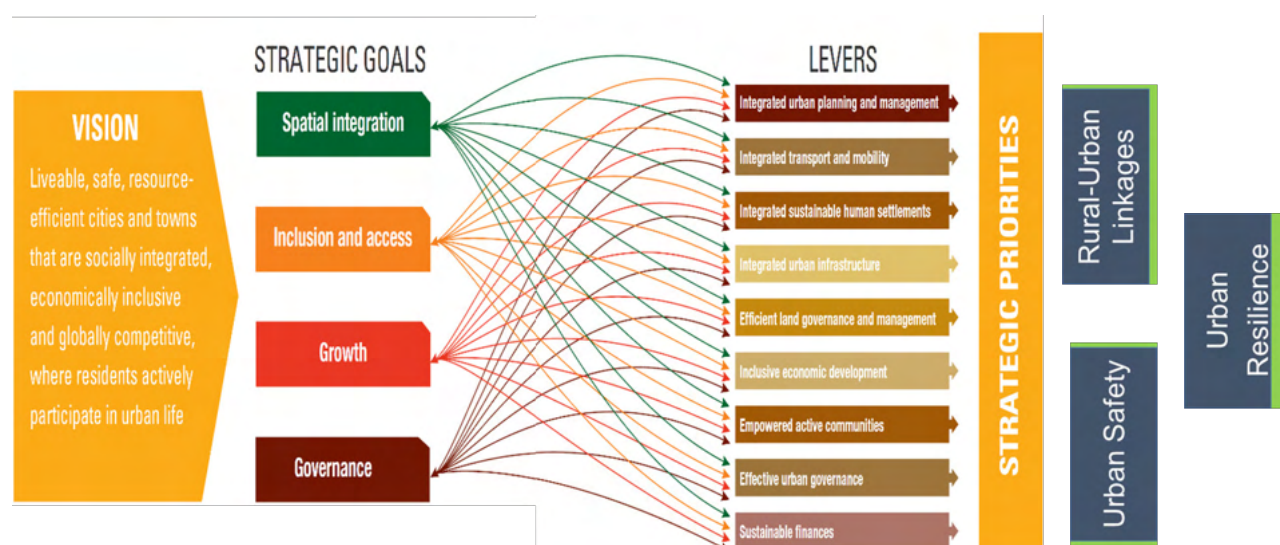
The National Development Plan

Adopted in 2012, the National Development Plan is the country's development lodestar and roadmap, and is strongly aligned to the Sustainable Development Goals (SDGs). Its priorities include job creation, the elimination of poverty, the reduction of inequality and growing an inclusive economy by 2030. Chapter 8 identifies the transformation of urban areas as one of the nine outcome areas, envisioning cities, towns and villages that are well-managed and interlinked offering, among other things, citizen-centred services (including water and clean energy), a mix of housing types and tenure, safe and decent public transport, well-managed infrastructure and public open spaces, a dynamic and vibrant economy, active and engaged citizens and resilient environmental systems.

The Integrated Urban Development Framework

Adopted in 2016, the Integrated Urban Development Framework provides an urban vision and policy framework for the country and articulates how the country can transform urban areas to overcome both historical and prevailing challenges, while working together to ensure more integrated, sustainable and equitable human settlements, as envisioned in the National Development Plan. The Integrated Urban Development Framework presents nine practical interventions and pathways to change (referred to as policy levers) for implementing the policy. These policy levers guide the “all-of-society” interventions towards the vision of inclusive growth, social cohesion, growing and innovative economies, and safe and creative urban spaces.¹⁰³

Figure 18: The Integrated Urban Development Framework



Source: <https://iudf.co.za/>

The New Urban Agenda-Localisation Framework

In 2018 South Africa developed the New Urban Agenda-Localisation Framework, following extensive consultations with urban and human settlements' role players, in particular, during the Human Settlements Summit in Ekurhuleni in August 2017 and the World Cities Day commemoration in eThekweni in October 2017. The New Urban Agenda Localisation Framework is intended to ensure a full alignment of the New Urban Agenda directives with the Integrated Urban Development Framework and seeks to unify the global, continental, and national directives into an actionable programme for South African society.

The Integrated Urban Development Framework Implementation Plan 2020–2025

The country developed the Integrated Urban Development Framework Implementation Plan, which is by extension the implementation plan of the New Urban Agenda. The Integrated Urban Development Framework Implementation Plan seeks to complement and support government's existing efforts through a set of enabling drivers for improved integrated delivery across sectors. It incorporates programmes present in metropolitan municipalities, intermediate cities and small towns, including National Treasury's City Support Programme, the South African Local Government Association's Small Towns Regeneration programme and the Department of Cooperative Government and Traditional Affairs' Intermediate Cities Municipalities (ICM) programme.

Figure 19: Key Integrated Urban Development Framework programmes targeting metros, intermediate cities and towns

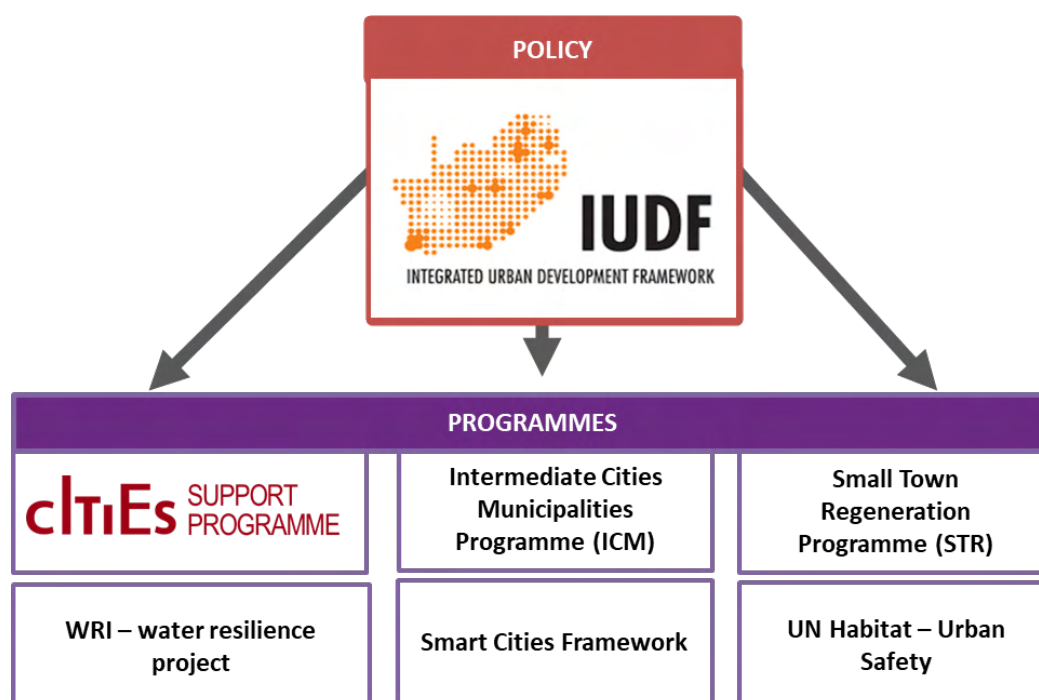
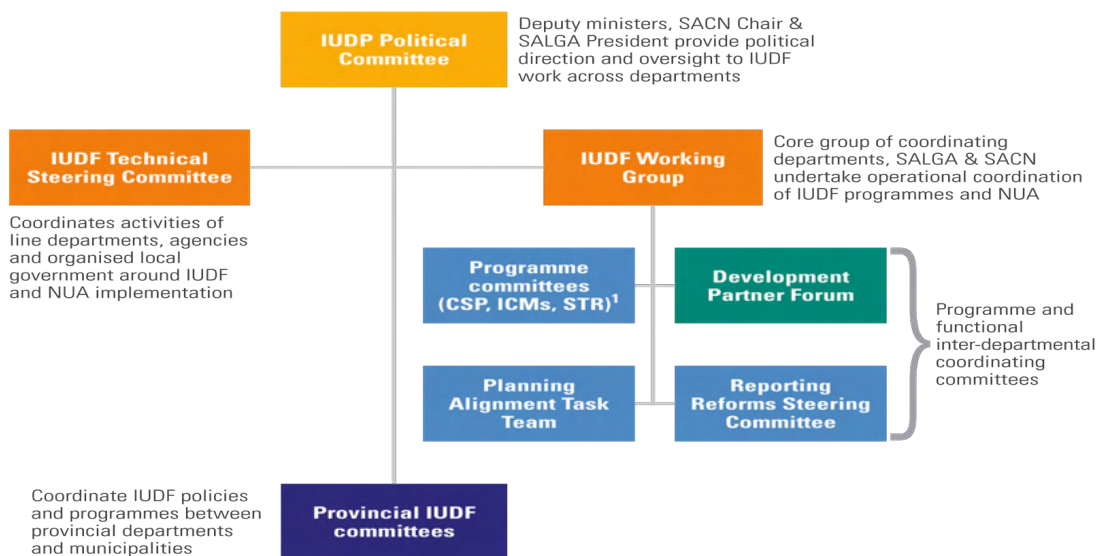


Figure 22 shows the institutional arrangements to champion and drive implementation of the Integrated Urban Development Framework:

- The **Integrated Urban Development Framework Working Group** is a technical structure represented by key national sector departments, and partners including the South African Local Government Association and the South African Cities Network.
- The **Integrated Urban Development Framework Political Committee** is a political structure that comprises Deputy Ministers mainly from the built environment sector.
- The **Integrated Urban Development Framework Provincial Forum**.
- The **Integrated Urban Development Framework Donor Coordination Forum**, which seeks to mobilise support and collaboration from urban development institutions.

Figure 20: Integrated Urban Development Framework implementation structure



¹ CSP : Cities Support Programme; ICMs: Intermediate City Municipalities; STR: Small Town Regeneration

The National Spatial Development Framework (NSDF)

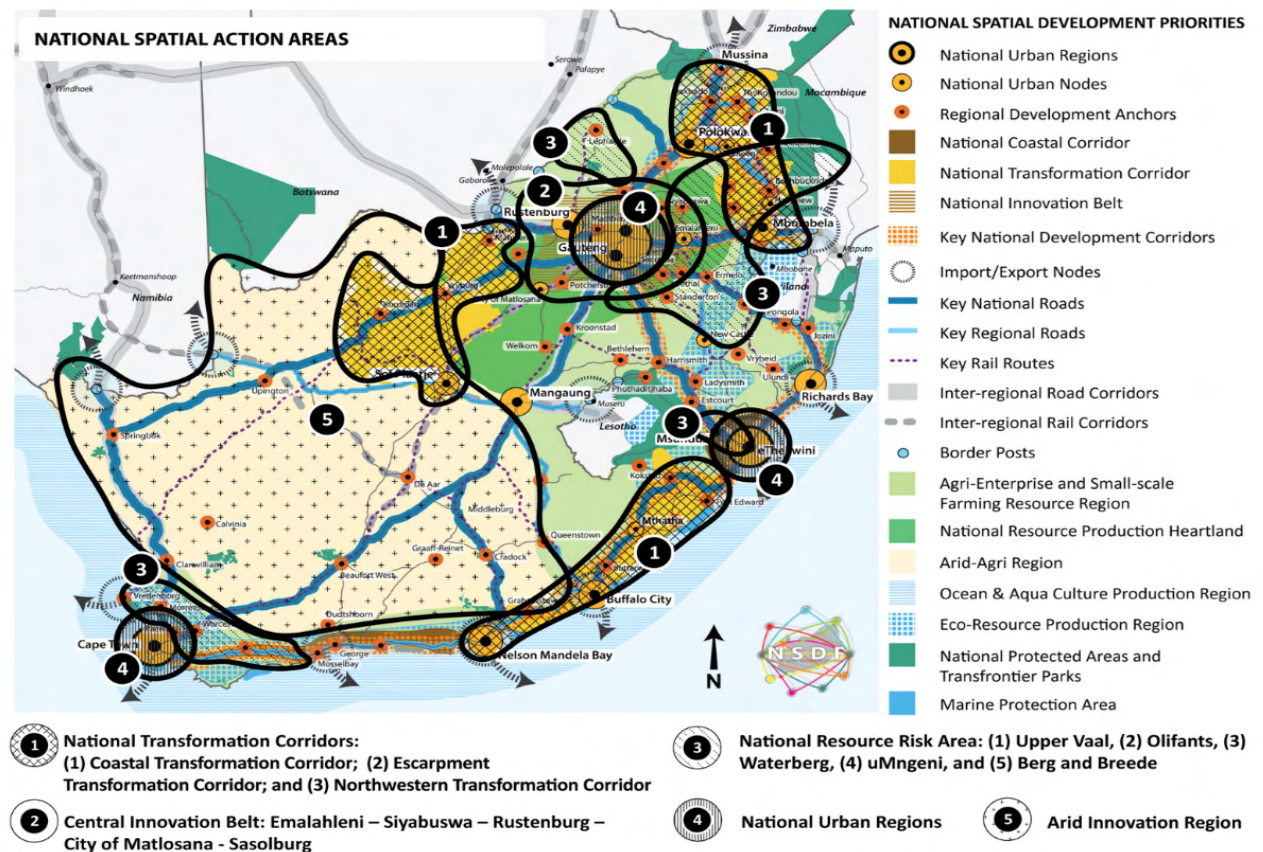
The NSDF is the overarching spatial development framework for the country, with the objectives of:

- Protecting the natural environment and ecosystems for future generations, by demarcating areas for conservation and preservation and identifying environmental risk areas.
- Identifying the future sustainable urban form and dense nodes connected through equally dense corridors.
- Spatially defining and identifying where different sector investments must go, to crowd in investment.

The NSDF defines five spatial action areas, as part of an integrated nodal, region and corridor densification approach (Figure 21).

Municipalities are expected to develop local plans, including Integrated Development Plans and Spatial Development Frameworks (SDFs) that are aligned to the National Spatial Development Framework (NSDF) and the Integrated Urban Development Framework. Practically this entails aligning sector plans, business plans, service delivery budget implementation plans to the Integrated Development Plans and Spatial Development Frameworks.

Figure 21: National Spatial Action Areas



The District Development Model (DDM)

Approved by Cabinet in August 2019, the District Development Model (DDM) is an all-of-government approach to improve integrated planning and implementation across the three spheres of government, with the 44 districts and eight metropolitan municipalities as a focal point. It recognises that a pattern of operating silos within government has led to incoherent planning and implementation, making the impact of government interventions difficult to monitor and assess. The DDM is a “delivery model” anchored on joined, collaborative planning across spheres of government in all the districts and metros.

Strengthen the Capacity of Local and Provincial (Subnational) Governments to Implement Local and Metropolitan Multilevel Governance

The national government invests over R2-billion every year in capacity-building for local government through a range of programmes (Table 2). The funds and programmes are designed to ensure that municipalities have the necessary capacity to govern at a local level, to effectively deliver services, plan and implement infrastructure projects and ensure accountability by building effective systems and having the necessary human capital.

Table 2: Capacity-building allocations in support of local government (2017/18–2020/21)

Capacity-building allocations in support of local government¹				
	2017/18	2018/19	2019/20	2020/21
	Adjusted budget	Medium-term estimates		
R million				
Local government financial management grant	502	505	533	562
Infrastructure skills development grant	141	141	149	158
Municipal finance rehabilitation grant	–	–	–	514
5% of municipal infrastructure grant allocated for project management units	780	751	773	817
3% of urban settlements development grant allocated for capacity building	341	339	356	376
Municipal systems improvement grant (indirect)	103	115	122	128
Municipal Infrastructure Support Agent	382	343	356	375
Municipal Finance Improvement Programme	126	141	149	157
Total	2 374	2 335	2 438	3 087

Source: National Treasury

The South African government, through the Department of Cooperative Government and Traditional Affairs coordinates the capacity-building of local government in partnership with key stakeholders, including National Treasury, the South African Local Government Association, the Local Government Sector Education and Training Authority (LG-SETA), the Department of Higher Education and Training (DHET), sector departments involved in local government service delivery, tertiary institutions, and professional bodies. The government is in the process of exploring the efficacy of establishing a Local Government Learning Centre or Local Government Skills Development Institute, to play a guiding and advisory role for local government capacity-building.

South Africa has implemented the Back-to-Basics programme at local government level, with a focus on building institutional capabilities to deliver services and ensure good governance, effective administration and sound financial management. The government is also implementing the District Development Model (DDM), which aims to facilitate integrated planning, implementation, as well as monitoring and evaluation at a district and metro level. Coherent intergovernmental planning is critical for the success of the 'One Plan' approach for the integrated approach to the development of a region.

In addition, the City Support Programme supports the eight metros through a range of programmes relating to city governance, human settlements, public transport, economic development and climate resilience and sustainability. Support is also provided by the South African Local Government Association, the constitutionally mandated organisation that is tasked with representing the interest of local government and is an active participant in the intergovernmental relations system, providing policy position on governance issues and voicing local government interests. Moreover, the Auditor-General of South Africa (AGSA) is constitutionally mandated to perform oversight through auditing accountability and effective governance in the public sector, including the local government. The AGSA publishes the outcomes of municipal audits on an annual basis.

Other government and non-government institutions that offer programmes to enhance the capacity of subnational governments include: City Support Programme Executive Leadership Course, National School of Government, Executive Leadership Development Programme by the University of Pretoria, the Local Government Women Leadership Development Programme by the University of Cape Town Nelson Mandela School of Public Governance.

Promote Participatory, Age- and Gender-responsive Approaches to Urban Policy and Planning

The Constitution and the Municipal Systems Act require municipalities to create the necessary conditions for communities and community-based organisations to participate in municipal affairs, including planning and the budgeting process. Communities participate in the preparation, implementation and review of municipal Integrated Development Plans. At the beginning of each electoral term, municipalities are legally obliged to draft and adopt a single, inclusive strategic plan for development. This is the Integrated Development Plan, which links, integrates and coordinates the municipality's different sectoral plans (including resource and capacity allocation), and is aligned to Spatial Development Frameworks (SDFs), budgets, departmental business plans and leadership performance plans.¹⁰⁴ However, evaluations of the Integrated Development Plan process have found that Integrated Development Plans tend to be compliance-driven, often with little sector participation and mostly have limited influence over investment and development decisions. In 2021, the Department of Cooperative Government and Traditional Affairs, working with several partners including the South African Cities Network and the City Support Programme, developed metro-specific Integrated Development Plan Guidelines following extensive participation with municipal practitioners and other stakeholders. The District Development Model (DDM) is another comprehensive intervention to address the issue of intergovernmental planning fragmentation.

Promote Women's Full Participation in All Fields and All Levels of Decision-making

South Africa is committed to ensuring equal representation of women in all levels of decision-making including the local government level. The Electoral Act (No. 73 of 1998) sets out the rules and procedures for elections and requires political parties and election candidates to facilitate full and equal participation of women in political activities (Section 6). The Municipal Structures Act requires every party to "seek to ensure that fifty percent of the candidates on the party list are women and that female and male candidates are evenly distributed through the list".

Since 1995, the number of women candidates in local government elections has increased significantly, but there is room for improvement.¹⁰⁵ Between 1995 and 2006, women's representation in local government elections grew from 19% to 40%. In 2016, of 276 sitting mayors, 107 (or 39%) were female, while in 2021, females made up 37% of councillors elected in the local government elections. Notwithstanding the gradual increase in participation, much more still needs to be done in ensuring that women play a far bigger role in local government.¹⁰⁶



¹⁰⁴ <https://www.gcro.ac.za/outputs/map-of-the-month/detail/participation-integrated-development-planning/>

¹⁰⁵ <https://dullahomarinstitute.org.za/multilevel-govt/local-government-bulletin/archives/volume-15-issue-4-december-2020-1/women-as-candidates-in-local-government-elections-what-can-we-learn-from-the-past>

¹⁰⁶ <https://www.salga.org.za/Salga%20News462.html>

2.2 Planning and Managing Urban Spatial Development

Implementing Integrated and Balanced Territorial Development Policies

The Integrated Urban Development Framework provides the blueprint for integrated planning in South Africa and, in combination with Spatial Planning and Land Use Management Act (SPLUMA), charts a new direction for the more deliberate reconfiguration of the imbalances of apartheid planning and places local government at the centre of spatial planning and land-use management decisions. SPLUMA reinforces the national agenda of spatial transformation, as articulated in the National Development Plan and the Integrated Urban Development Framework,¹⁰⁷ and includes the objective of addressing past spatial and regulatory imbalances by developing a “uniform, effective and comprehensive system” of planning that “promotes social and economic inclusion”¹⁰⁸.

At city level, Spatial Development Frameworks (SDFs) are the medium-term frameworks that guide overall spatial distribution of current and desirable land uses, with more immediate detailed localised level planning through area plans, i.e., regional Spatial Development Frameworks and neighbourhood-level plans, such as urban development frameworks and precinct plans. Capital expenditure frameworks ensure the alignment of budgeting required for implementing the various plans. These national and local plans, legislation and frameworks represent a planning suite, which cities can use to implement integrated planning that is territorially grounded in the spatial needs of post-apartheid urban areas.

Integrating Housing into Urban Development Plans

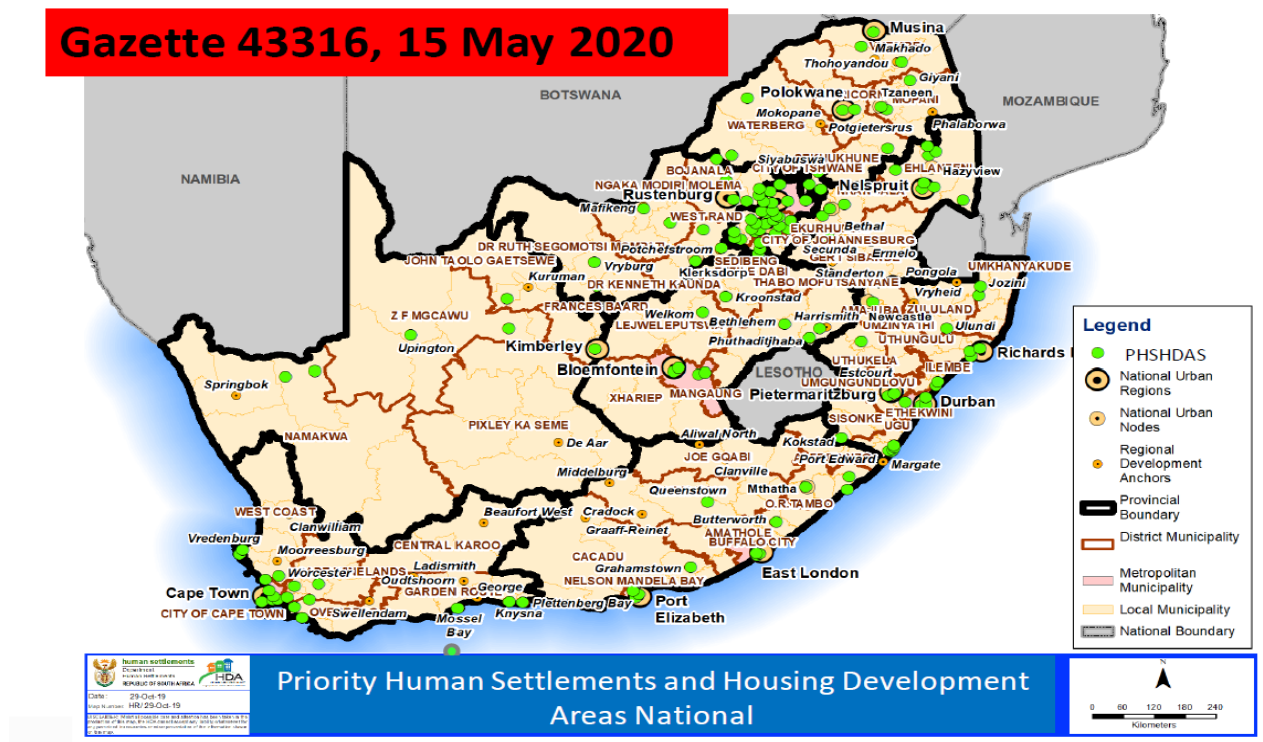
From 2004, with the shift from “housing” to “integrated human settlements” in the Breaking New Ground policy, the approach to housing delivery changed. Instead of only delivering small freestanding houses on the periphery of cities, the aim is to bring housing delivery into urban development plans in order to integrate housing with other planning functions to begin to shape more sustainable, inclusive and spatially just cities. Subsidy options and housing typologies can be development and regeneration catalysts for declining inner cities and to promote densification (in conjunction with a Transit Oriented Development (TOD) strategy) to develop compact and efficient cities.

In 2019, the Department of Human Settlements drafted the Human Settlements Framework for Spatial Transformation and Consolidation, which considers housing development as a means of restructuring and transforming the urban space, and thereby alleviate poverty, reduce inequality, create assets for marginalised communities, strengthen the livelihood prospects of households, and overcome apartheid spatial patterns. The framework works in conjunction with the 2020 Integrated Implementation Plan for the Priority Human Settlements and Housing Development Areas (PHSHDAs). The PHSHDA is a spatial transformation approach to building new, integrated, functional and inclusive settlements within certain geographic territories, using public sector investment and leveraging private investment. There are 136 Priority Human Settlements and Housing Development Areas (Figure 22) that have been identified, as having the potential to spatially restructure urban areas and where mandates between different spheres of government and different sectors, can be aligned through strategic prioritisation. Existing housing programmes, including the Integrated Residential Development Programme, Social Housing in Restructuring Zones, Informal Settlements Upgrading and the Finance Linked Individual Subsidy Programme (FLISP), can be leveraged in developing these priority areas.

¹⁰⁷ <http://award.org.za/wp/wp-content/uploads/2020/05/AWARD-GUIDELINE-Guide-to-the-Spatial-Planning-Land-Use-Management-Act-SPLUMA-2019-v2.pdf>

¹⁰⁸ DALRD. 2013. Spatial Planning and Land Use Management Act 16 of 2013

Figure 22: Priority Human Settlements and Housing Development Areas



Inclusion of Culture as a Priority Component of Urban Planning

The history of discrimination against certain cultures during apartheid has meant that the protection of culture and identities is a critical component of South African legislation. The Constitution recognises and protects all cultures and religions and prohibits the state from unfairly discriminating against anyone based on “religion, conscience, belief, [and] culture” (Section 9(3)).

The preservation of heritage and inclusion of culture in planning are intended both to conserve culture and to promote the arts through built environment practice. The South African Heritage Resources Agency (SAHRA) is tasked with an overall legislative mandate to identify, assess, manage, protect, and promote heritage resources in South Africa. It is an agency of the Department of Sport, Arts and Culture and is governed by the National Heritage Resources Act (No. 25 of 1999), which promotes the management of national heritage resources and empowers civil society to nurture and conserve their heritage resources. Built heritage is defined as resources that are of cultural significance or have other special values for the present community or future generations, and SAHRA can declare places with exceptional qualities and of special national significance as national heritage sites. Provinces also have heritage resource authorities, which are mandated to implement and enforce the national heritage act.

City planners can use developments to promote arts and culture and to revitalise urban areas through public art. For example, the City of Johannesburg has an innovative public art policy, where 1% of capital expenditure budgets should go to public art and the structure of the programme has been to work with local artists through a public call for applications.¹⁰⁹ Such projects are often carried out in partnership, such as a recent project by the Mayoral Fund for Newtown, Newtown Improvement District, Urban Space Management, Museum Africa, Sci-Bono, the Johannesburg Development Agency (JDA) and the Johannesburg Road Agency (JRA). The project includes public murals along the streets of Newtown and the “piano keys” in the middle of Mary Fitzgerald square created by a group of local artists.

109 https://www.joburg.org.za/documents/_/Documents/Policies%20Blayi/Community%20Development/Public%20Art%20Policy.doc

Implement Planned Urban Extensions and Infill, Urban Renewal and Regeneration of Urban Areas

After years of decline and disinvestment, inner cities are now seen as an opportunity for developing social housing and affordable housing that is well connected to economic opportunities and transport options. Policy lever 3 of the Integrated Urban Development Framework: Integrated Sustainable Human Settlements states that “[inner-city] renewal and (re)development should be prioritised, with a focus on providing affordable housing”. The Integrated Urban Development Framework also supports densification through infill development, especially along strategic development and transit corridors. The national Social Housing Programme in Restructuring Zones (in the 2019 Human Settlements Framework for Spatial Transformation and Consolidation) provides for social housing located in strategic urban areas of economic opportunity where affordable housing options are limited and where the provision of social housing can contribute to redressing structural, economic, social and spatial dysfunctionalities.

Inner-city regeneration is a key component of most city development plans, and many cities have incorporated social housing. In more recent years, affordable housing efforts have sought to leverage the private sector, acknowledging that government alone cannot meet the demand for well-located housing.¹¹⁰ In 2019, the City of Johannesburg drafted the first city Inclusionary Housing Policy, while the City of Cape Town is in the process of developing a similar policy. Together, the City of Johannesburg's Inclusionary Housing Policy and its Nodal Review (which identifies areas for densification within the city) regulate and incentivise private developments to include affordable housing units and allow increased densities. This infill approach finds common ground between the city's priority, to provide more affordable housing, and the private sector's priority, to increase profits. Such policies create the tools necessary to implement transit oriented development (TOD) and leverage infill housing along higher-density transport corridors.

Improved Capacity for Urban Planning and Design, and Training for Urban Planners in all Spheres of Government

South Africa has a robust and well-established institutional environment to support urban planning and design and to assist local government in its goal of spatial transformation. Several universities have urban planning, design and governance schools, which are in many cases linked to research organisations. The result is a rich diversity of research and advocacy organisations to support the planning fraternity. They include the Wits School of Governance and the Centre for Urbanism and Built Environment Studies (University of Witwatersrand), the African Centre for Cities (University of Cape Town), Urban Futures Centre (Durban University of Technology) and Dullah Omar Institute (University of Western Cape). Research and advocacy organisations include Gauteng City-Region Observatory, Public Affairs Research Institute, Development Action Group, PlanAct, Isandla Institute and Afesis-Corplan.

In recent years, new research chairs in urban governance and planning have been established by the South African Cities Network, the Department of Science and Technology (DST) and the National Research Foundation (NRF), as part of the NRF South African Research Chairs Initiative (SARChI). Their research agendas include spatial transformation and support the very complex realities of planning practice in South African cities.¹¹¹

Governmental structures that support the capacitation of urban planning, development and governance at the local level include the City Support Programme, the South African Local Government Association and the South African Cities Network. South Africa's professional body for planning is the South African Council for Planners (SACPLAN), which is established in terms of the Planning Profession Act (No. 36 of 2002), and facilitates the engagement of registered planners in continuing professional development, through webinars, training and workshops.

¹¹⁰ <https://iudf.co.za/>

¹¹¹ https://www.nrf.ac.za/sites/default/files/documents/SARChI%20Framework%20and%20Funding%20Guide_%20SACN%20Research%20Chairs%20%28Final%29_0.pdf

Strengthening the Role of Small and Intermediate Cities and Towns

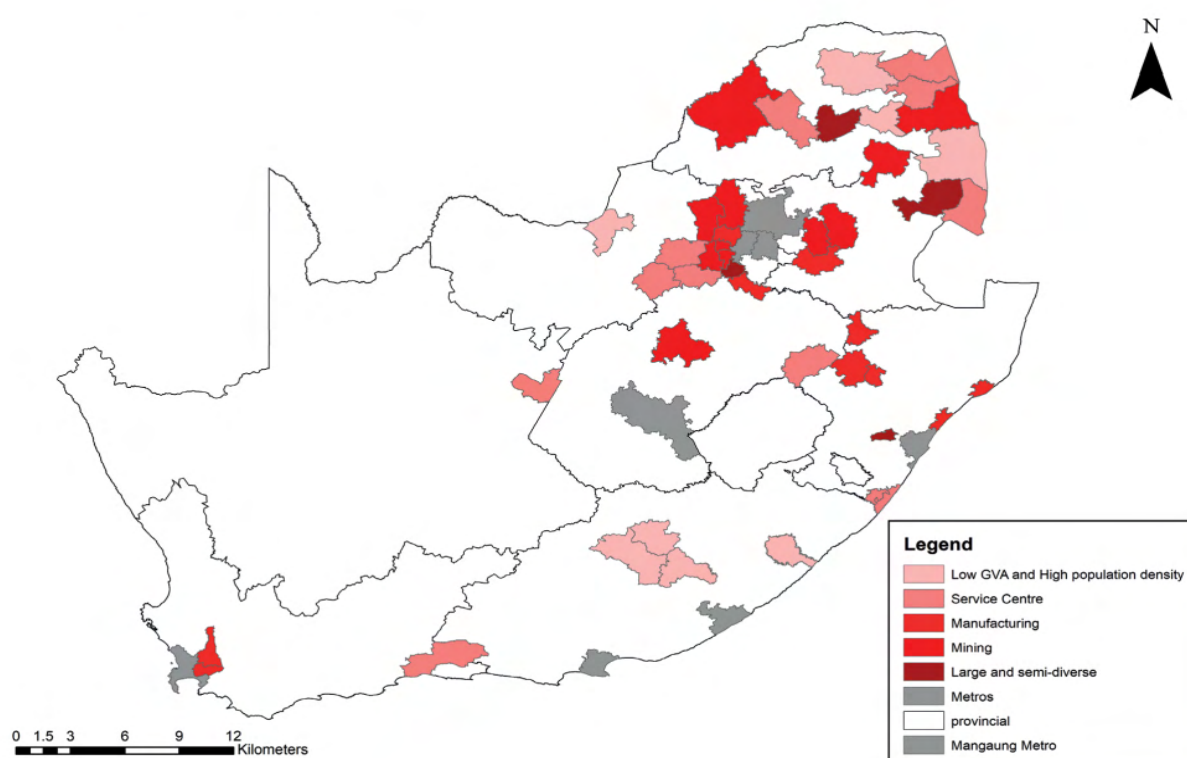
Until the last decade, urban research and planning did not focus on intermediate cities (ICMs) and smaller towns, but this has changed.¹¹²

- Since 2014, the South African Cities Network has been researching intermediate city municipalities, exploring issues of spatial planning and transformation, urbanisation, policy, economic development and mining.
- National Treasury has identified 39 ICMs within five subcategories: large and semi-diverse, mining, manufacturing, service centre, low gross value added (GVA) and high population density Intermediate City Municipalities (Figure 23).
- In 2019, the Department of Cooperative Governance and Traditional Affairs launched the Intermediate City Municipality support programme, which was piloted in two municipalities, Polokwane and City of uMhlathuze.
- The South African Local Government Association is typically responsible for supporting smaller towns and municipalities through its Small Towns Regeneration Programme.

Despite having a slower population growth than metros, Intermediate City Municipalities are home to 27% of South Africa's population (16 million people), and 44% of their populations live on traditional land (compared to 4% in the metros), reflecting their importance to the rural hinterland.¹¹³

Figure 23: Location of the 39 Intermediate City Municipalities in South Africa

Figure 1: Location of the 39 ICMs in South Africa



Across South Africa, small towns generally face huge challenges with regards to poor governance, inadequate service delivery and economic decline. Many are reported to be on the verge of collapse, with little service delivery taking place, high levels of debt and struggles to receive clean audits.

¹¹² <https://www.sacities.net/wp-content/uploads/2021/03/IMC-Report-2021.pdf>

¹¹³ *ibid*

Intermediate City Municipalities and small towns are generally economically vulnerable, with shrinking and non-diversified economies.¹¹⁴ If conceptualised correctly, the District Development Model (DDM) has the potential to strengthen the role of smaller towns and Intermediate City Municipalities through better intergovernmental cooperation and support.

Implement Sustainable Multimodal Public Transport Systems Including Non-motorised Options

Since 2010, transport thinking in South Africa has shifted, towards a more integrated and multimodal approach that places transport and mobility as a key component of spatial transformation in cities. This shift is reflected in the various national development plans and frameworks, such as the National Development Plan and Integrated Urban Development Framework, which include transit oriented development (TOD) as a development trajectory. Most of the larger metros have implemented multimodal and TOD solutions, which incorporate Bus Rapid Transit (BRT), rail, buses, non-motorised transport (NMT) and minibus taxis. The challenge is to integrate the different modes of transport, so that (for example) users can use one transport card/pass for all the transport modes. Johannesburg has perhaps made the greatest progress in using BRT as part of a wider TOD approach, using mobility corridors (Rea Vaya BRT routes) to “stitch together” the fragmented and racially segregated apartheid city spatial form and directing public and private-sector funded mixed-use inclusive development along the transit corridors.

Across the country, cities have been struggling to maintain their rail infrastructure, with many rail lines experiencing cable theft, vandalism and maintenance issues. Governance issues and allegations of corruption at the Passenger Rail Agency of South Africa (PRASA) have further contributed to the decline of rail. The reality is that South African cities are dominated by vehicles, with private cars or minibus taxis being the most common mode of transport. Cities need more non-motorised transport (NMT) infrastructure, although some cities have made efforts to prioritise pedestrians and cyclists. For example, the City of Tshwane is upgrading a major thoroughfare called Solomon Mahlangu Drive and has included Non-Motorised Transport modes (cycle lanes and pedestrian walkways) along this busy road. Civil society is



playing an important role in pushing for Non-Motorised Transport, setting up community bike hubs, such as the Langa Bicycle Hub and Khaltsha Bike Hub in Cape Town, bringing cycling services to their communities and advocating for cycling infrastructure. Open Streets is an organised movement that hosts car-free days and advocates for more rights and infrastructure for pedestrians and cyclists and challenges the centrality of the motor vehicle in urban planning.

MyCiti, Cape Town

¹¹⁴ <https://www.sacities.net/wp-content/uploads/2021/03/IMC-Report-2021.pdf>

2.3 Means of Implementation

Mobilisation of Financial Resources

In South Africa, each sphere of government shares responsibility for the delivery of many of the sector-based services and functions central to the outcomes of the National Development Plan and the Integrated Urban Development Framework, and by extension the Sustainable Development Goals (SDGs) and the New Urban Agenda. Provinces have a concurrent function with national government for such portfolios as social services, education, health, social development, agriculture, small business development, transport, roads, and human settlements. Municipalities are primarily responsible for the provision of basic services and related infrastructure, but may develop sector-based plans in liaison with national and or provincial government, based upon sectoral needs identified, and which may be funded through conditional grants and other mechanisms. .

Recognising the significant disparities among municipalities, South Africa has five categories of municipalities: metropolitan municipalities (A), secondary cities (B1), municipalities with a large town as its core (B2), municipalities with small towns (B3), and municipalities that are predominantly rural (B4). Category B municipalities are grouped under District (C1: these are not Water Services Providers) and C2: these are Water Service Providers, known as Water Service Authorities (WSAs). The C2 WSA Districts receive a far greater share of transferred revenues to manage Water Services in a District area.

- There is a constitutional and legislative framework which divides nationally raised revenue between the national, provincial and local spheres, in proportion to their powers and functions assigned to them by the Constitution, and their revenue raising capacity. The Intergovernmental Fiscal Relations Act prescribes a process for determining the allocation of revenue raised nationally, and calls for the three spheres of government to cooperate on fiscal, budgetary and financial matters.
- National government receives 48.7%; Provincial government: 41.9%; Local Government 9.4% (National Treasury, Budget Review, 2021, Chapter 6)
- The division of revenue is determined by Cabinet and is informed by the recommendations of the Budget Council, the Budget Forum, the Ministers' Committee on the Budget and the Financial and Fiscal Commission (FFC).
- The Division of Revenue Act (DORA) is enacted annually to ensure an equitable division of nationally raised revenue among the three spheres of government.

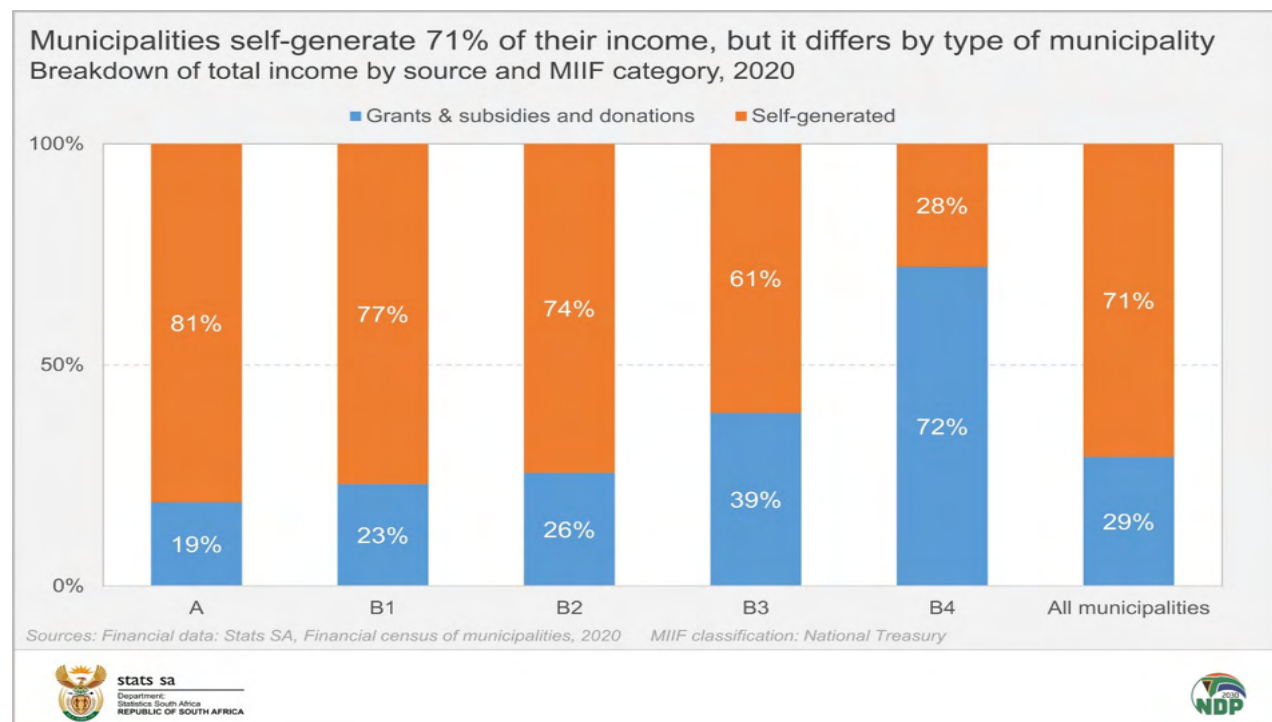
Develop financing frameworks for implementing the New Urban Agenda in all spheres of government

The fiscal framework for local government is made up of own revenues and transfers. The transfers to municipalities include unconditional and conditional grants. The largest unconditional grant is the Local Government Equitable Share (LGES), which is intended to cover the cost of providing free basic services to indigent households in municipalities; it is an unconditional grant, which means that municipalities have complete discretion over how they spend it. In addition, metros receive a share of the general fuel levy and many district municipalities continue to receive a share of the Regional Services Council replacement grant, allocated to them during the period of transitional local government in the mid 1990s, to cover the expansion of their spatial and fiscal responsibilities. Municipalities also receive various conditional grants for capital and operational expenditure, usually related to infrastructure, sectoral projects, and capacity development. Details are provided in the following sections.

Mobilise endogenous (internal) sources of finance and expand the revenue base of subnational and local governments

In 2020, South Africa's municipalities collectively generated 71% of total income from own revenue sources, but this percentage varies according to category. In 2020, own revenues accounted for 81% of income in metros (category A) but just 28% of income in rural (B4) municipalities (Figure 24).

Figure 24: Breakdown of municipal income by source and category



Source: <http://www.statssa.gov.za/publications/P9114/P91142020.pdf>

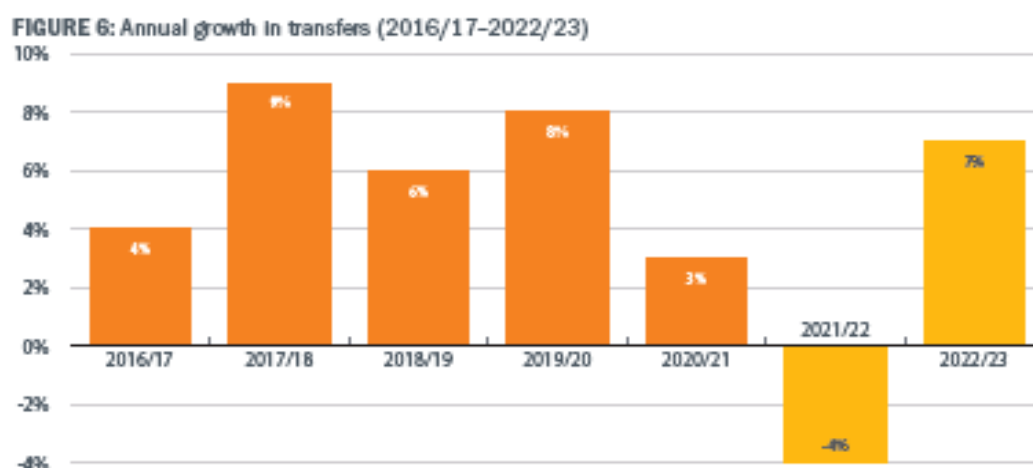
Promote sound systems of financial transfers from national to subnational and local governments based on needs, priorities and functions

The vertical division of the Local Government Equitable Share (LES) between the 257 municipalities is achieved through a formula, which determines the percentage share to be allocated to each municipality. The formula takes into account the number of poor households, non-access to basic services and size of population in a municipality: $LES = BS + (I + CS) \times RA \pm C$, where BS is the basic services component, I is the institutional component, CS is the community services component, RA is the revenue adjustment factor and C is the correction and stabilisation factor.

In 2018/19, local government received 8.9% of the revenue raised nationally, and in 2021 this was 9.4%. It is a share that has remained relatively stable over time. Between 2015/16 and 2018/19, the equitable share allocations grew by 12% per year. In 2020/21, the tightening national fiscus resulted in a slight reduction in transfers to local government as well as additional funds being made available to municipalities to mitigate the impacts of the COVID-19 pandemic. These funds were used for emergency water supply, greater sanitisation of public transport and facilities, and food provision. The R20-billion COVID-19 Relief Fund included an additional R11-billion for the equitable share and over R9-billion in repurposed spending within conditional grants already allocated to municipalities.¹¹⁵

115 <https://www.sacities.net/wp-content/uploads/2021/03/SOCF-2020-Report.pdf>

Figure 25: Annual growth in transfers (2016/17–2022/23)¹¹⁶



The national government also provides conditional grants that are reserved for certain types of expenditures by municipalities and must be spent according to prescribed processes.¹¹⁷

Table 3: Summary of all conditional grants to municipalities

Grant	Grant purpose
Integrated Urban Development Grant	To provide funding for public investment in infrastructure for the poor and to promote increased access to municipal own sources of capital finance in order to increase funding for public investment in economic infrastructure.
Municipal Disaster Relief Grant	To provide for the immediate release of funds for disaster response.
Municipal Infrastructure Grant	To provide specific capital finance for eradicating basic municipal infrastructure backlogs for poor households, micro-enterprises and social institutions servicing poor communities.
Municipal Systems Improvement Grant	To assist municipalities to perform their functions and stabilise institutional and governance systems, as required in the Municipal Systems Act and related local government legislation.
Energy Efficiency and Demand Side Management Grant	To provide subsidies to municipalities to implement energy efficiency and demand side management (EEDSM) initiatives within municipal infrastructure in order to reduce electricity consumption and improve energy efficiency.
Municipal Emergency Housing Grant	To provide funding to municipalities for temporary shelter assistance to households affected by disasters or a housing emergency.
Urban Settlements Development Grant	To supplement the capital revenues of metropolitan municipalities to implement infrastructure projects that promote equitable, integrated, productive, inclusive and sustainable urban development. To provide funding to facilitate a programmatic, inclusive and municipality-wide approach to upgrading informal settlements.

¹¹⁶ <https://www.sacities.net/wp-content/uploads/2021/03/SOCF-2020-Report.pdf> page 17

¹¹⁷ <http://www.treasury.gov.za/documents/national%20budget/2020/Part%203%20-%20Local%20government%20conditional%20grant%20frame-works.pdf>

Grant	Grant purpose
Local Government Financial Management Grant	To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act.
Integrated City Development Grant	To provide a financial incentive for metros to achieve a more compact urban spatial form, through integrating and focusing their use of available infrastructure investment and regulatory instruments, and to support metros to develop a pipeline of investment-ready capital projects.
Infrastructure Skills Development Grant	To recruit unemployed graduates into municipalities to be trained and professionally registered.
Neighbourhood Development Partnership Grant	To plan, catalyse, and invest in targeted locations in order to attract and sustain third-party capital investments aimed at spatial transformation.
Expanded Public Works Programme Integrated Grant for Municipalities	To incentivise the expansion of Expanded Public Works Programme job creation efforts in specific focus areas, where labour-intensive delivery methods can be maximised.
Public Transport Network Grant	To provide funding for accelerated construction and improvement of public and non-motorised transport infrastructure that form part of a municipal integrated public transport network (IPTN).
Regional Bulk Infrastructure Grant	To develop new and refurbish, upgrade and replace ageing bulk water and sanitation infrastructure of regional significance.
Water Services Infrastructure Grant	To facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reductions and enhance the sustainability of services.

iii.1 Mobilise and establish financial intermediaries for urban financing

Financial intermediaries include multilateral institutions, regional development banks, subnational and local development funds, and pooled financing mechanisms. South Africa has a well-established banking sector and a range of Development Finance Institutions (DFIs):

- The Development Bank of Southern Africa (DBSA) is one of Africa's leading DFIs and is wholly owned by the government. Its primary purpose is to promote inclusive and sustainable economic development, growth and regional integration through infrastructure finance and development that improves the quality of life for people in South Africa and the rest of the continent.
- The Industrial Development Corporation (IDC) is a self-financing, state-owned national DFI that provides financing to entrepreneurs and businesses engaged in competitive industries.
- The National Housing Finance Corporation (NHFC) is mandated to ensure that every South African with a regular source of income is able to gain access to finance, to acquire and improve a home of their own.

The Development Bank of Southern Africa is accredited to the Global Environment Facility (GEF) and the Green Climate Fund (GCF). Over the years, it has achieved the following:

- Catalysed third-party funding from the French Development Agency (AFD), the Global Environment Facility and the Green Climate Fund.
- Issued a €200m bond (in 2021) through a private placement with the AFD.
- Been instrumental in the development of the Renewable Energy Independent Power Producers Programme (REIPPP)

- Implemented (in partnership with the Green Climate Fund) large-scale programmes that support the transition to a low carbon economy, involving the Climate Finance Facility (a lending facility set up to encourage private sector investment in climate-related projects in Southern Africa) and the Embedded Generation Investment Programme (a facility to support embedded generation renewable energy projects in South Africa).
- Is an active member of the International Development Finance Club (IDFC), a network of national, regional and multilateral development banks and finance institutions that promotes and leverages sustainable development investment in support of the Sustainable Development Goals (SDGs) and the Paris Agreement.¹¹⁸

b)

Metros and some intermediate cities are able to leverage own revenues to raise funding, including through debt instruments. For example, user charges can support bonds to finance infrastructure. Both Cape Town and Johannesburg have issued Green Bonds.

CASE STUDY: CITY OF CAPE TOWN GREEN BOND

In 2018, following three years of severe drought, Cape Town narrowly avoided running out of water. To ensure water resilience, Cape Town issued a certified Green Bond accredited with the Climate Bonds Initiative. The R1-billion will be used to invest in climate change adaptation and mitigation projects aligned to the city's sustainability goals, including upgrading the municipality's water infrastructure. The Bond was financed by international investors at an exceptionally competitive rate. The City of Cape Town is committed to continuous reporting to bondholders to inform them what the funding is being used for. These initiatives provide investors with additional assurance regarding the ultimate use of the bond's proceeds. One of the key lessons is that there is a significant scope and fiscal capacity for metros to mobilise resources by issuing bonds that are aligned to Sustainable Development Goals (SDGs) and the New Urban Agenda as well as local priorities.

<https://www.gihub.org/resources/showcase-projects/cape-town-green-bond/>

Several South African commercial banks, including Standard Bank and Nedbank, have also issued green bonds. Commercial banks currently provide 45% of South Africa's financing for renewable energy and energy-efficient projects. In 2021, the International Finance Corporation (IFC), a member of the World Bank Group, invested \$200-million in the Standard Bank's Green Bond placed on the London Stock Exchange to date, which was Africa's largest green bond and South Africa's first offshore green bond issuance.¹¹⁹

Capacity Development and Enhanced Knowledge-sharing

- Expand opportunities for city-to-city cooperation and fostering exchanges of urban solutions and mutual learning

The South African Cities Network was established in 2002 specifically to encourage the exchange of information, experience and best practices on urban development and city management among South Africa's largest cities or metros.¹²⁰ An important aspect of its work is to convene reference groups across different thematic areas. These groups provide platforms for city officials to share lessons, challenges, ideas and opportunities in different areas, including built environment integration, urban safety, city communication, waste, energy and water resilience. Reference groups are convened on a regular basis and often include a multi-disciplinary group of city officials from across the metros.

¹¹⁸ <https://www.dbsa.org/press-releases/dbsa-launches-green-bond>

¹¹⁹ <https://pressroom.ifc.org/all/pages/PressDetail.aspx?ID=16888>

¹²⁰ SACN. 2021. 2021-2026 Strategic Business Plan. Available at <https://www.sacities.net/our-strategy/>

National Treasury's City Support Programme hosts task team meetings of multi-disciplinary city officials from across the country. The City Support Programme focuses on reporting mechanisms and support directly related to National Treasury's municipal grant structures. The City Support Programme's Planning and Alignment Task Team brings together reporting, budgeting and planning steering committees for an integrated governance approach across the different metros. Through the PATT, different metros can collaborate on how best to integrate these functions in their own organisation.

South African cities engage with and are members of various international learning platforms and institutions, including: the Cities Climate Leadership Group (C40), Local Governments for Sustainability (ICLEI), The International Society of City and Regional Planners (ISOCARP), United Cities and Local Governments (UCLG). In 2019, UCLG hosted The World Summit of Local and Regional Leaders in Durban, which brought thousands of delegates from across the world to participate in a week of webinars, workshops and panels. In addition, international donor organisations (such as the French Development Agency and the German limited liability company for International Cooperation (GIZ) partner with the South African Cities Network to support learning across cities.

— **Promote capacity development as a multifaceted approach to formulate, implement, manage, monitor and evaluate urban development policies**

South Africa has an excellent suite of urban planning policies that promotes the kind of progressive and pro-poor philosophy enshrined in the Constitution and the National Development Plan. The implementation of policies is often the challenge, not because of a capacity deficit in local government but because the policy might not be best suited to the complex local government environment in which city practitioners have to deal with many competing demands.¹²¹ A multifaceted approach, involving the different support organisations, ensures that policy is appropriate to the prevailing local government context – and therefore implementable – requires the above-mentioned organisations to work together.

In 2019, South Africa reviewed the national Integrated Development Plan Guidelines, holding workshops with city practitioners from each metro to harvest practitioners' real-life experience of working with the Integrated Development Plan and the challenges they face.¹²² These in-depth reflections translated into proposed amendments to the guidelines, which were accepted in 2020. The resulting national guidelines document is better suited to the needs and challenges of city practitioners.

Strengthen the capacity of all spheres of government to work with vulnerable groups to participate effectively in decision-making about urban and territorial development

In South Africa, developmental government is intended to ensure that vulnerable groups can actively participate in planning and development matters and is the basis of the Integrated Development Plan process. All citizens are encouraged to participate in this process through their elected representatives and ward committees, but in reality, vulnerable groups are often not visible, or represented in this process

In practice, civil society is often better placed to be advocates for vulnerable groups and ensure their participation in planning processes. Groups such as the South African Alliance of Community Organisations and NGOs affiliated to Slum Dwellers International (SA SDI Alliance, Reclaim the City, the Socio-Economic Rights Institute -SERI, Ndifuna Ukwazi and Abahlali baseMjondolo) advocate on behalf of evictees, poor residents, tenants and shack dwellers for their inclusion in planning and development decision-making, often with regards to affordable housing and secure tenure. These groups are well versed in utilising the courts to protect the rights of vulnerable groups and often win large legal battles against municipalities. The Sustainable Livelihood Foundation (SLF) supports informal traders by conducting research and advocating for their inclusion in city decision-making processes. The SLF has also developed its own participatory engagement processes designed specifically for vulnerable groups, using techniques such as body mapping, storytelling, filmmaking and photography.¹²³

121 https://www.sacities.net/wp-content/uploads/2021/01/Rules-of-the-Game-Report_final-draft-1.pdf

122 <https://www.sacities.net/wp-content/uploads/2021/07/Integrated-Development-Plan-Guidelines-Review-Support-Practice-Note-.pdf>

123 See <https://www.livelihoods.org.za/>

Support local government associations as promoters and providers of capacity development

The South African Local Government Association is the association of municipalities in South Africa recognised in terms of Section 163 of the Constitution, representing 257 municipalities. Its role is to promote the rights of local government and to ensure that local government is empowered, resourced and capacitated to assume its critical role of delivering quality services. In recent years, the South African Local Government Association has hosted several capacity-building and learning platforms for municipalities:¹²⁴ the Municipal Innovative Infrastructure Conference (2018), Knowledge Management Master Class in collaboration with eThekweni's Municipal Institute of Learning (MILE) (2018), the South African Local Government Association Leadership Conversations (2018) and the South African Local Government Association Innovation Study Tour (2019). The South African Local Government Association also convenes local and international study tours, including to Italy, Uganda and Malaysia (2018) and Canada, Sweden and Spain (2019).

The South African Local Government Association works with academic institutions, such as the Nelson Mandela School of Public Governance at the University of Cape Town and the National School of Government, to train municipal councillors.¹²⁵ The South African Cities Network and the City Support Programme also provide capacity-building, peer-to-peer learning, policy support and development as well as research to cities. MILE is eThekweni Municipality's own learning institution that began in 2009 with the aim of enhancing the professional and technical capacity of local government professionals. MILE helps the municipality to document and record its learnings for enhanced capacity moving forward, such as the development of Durban's Climate Action Plan.

The Government Technical Advisory Centre (GTAC), an agency of National Treasury, provides professional and technical advisory services, as well as programme and project management support to the public sector, including local government.¹²⁶ GTAC uses strategic partnerships with academic and research institutions, civil society and business organisations to provide flexible capacity support, primarily to reduce service delivery constraints in the public sector. In order to fulfil its mandate, GTAC draws on both national departments and international development agencies through a collaborative network, and offers training and capacity-building through the annual Public Economics Winter School and public-private partnership training.

Promote capacity development programmes on the use of legal land-based revenue and financing tools

A relatively new approach to land-based financing is land value capture (LVC), which enables communities to recover and reinvest land value that increases as a result of public investment. LVC is rooted in the notion that public action should generate public benefit and is seen as a way to address the massive challenge of spatial inequality within municipalities that are facing unsustainable fiscal pressures. Many of the tools that form part of a land value capture approach are well established in South Africa. For instance, capital gains tax, property transfer fees, special ratings areas and developers' charges. A relatively new tool is inclusionary housing, which can be an important land-use planning and management mechanism when implemented through a land value capture approach, as well as a way to create affordable housing.

The land value capture approach is being explored through a partnership between the Development Action Group (DAG), the Lincoln Institute of Land Policy, and the City Support Programme.¹²⁷ Several workshops and learning events have been held with city practitioners. As this is a relatively new approach in South Africa, the initial emphasis is on sharing knowledge and preparing metros to begin implementing the policy. Over the past years, three publications have been launched, covering land value capture in relation to inclusionary housing, legal aspects and an inception report. As the land value capture approach gains traction, the partnership between Development Action Group (DAG), Lincoln Institute and the City Support Programme will continue to build the capacity of built environment practitioners and civic organisations to influence the institutional and regulatory environment in order to implement appropriate land value capture tools and strategies.

¹²⁴ <https://www.salgga.org.za/Documents/Knowledge-products-per-theme/MunicipalCapabilitiesnHR/SALGALearningIssue1.pdf>

¹²⁵ <https://www.mcser.org/journal/index.php/mjss/article/view/3197>

¹²⁶ <https://www.gtac.gov.za/about-us/>

¹²⁷ <https://landvaluecapture.org.za/>

Promote capacity development programmes of subnational and local governments in financial planning and management

Policy lever 9 of the Integrated Urban Development Framework is Sustainable Finances, which envisages “cities and towns that are supported by a fiscal framework that acknowledges the development potential and pressures of urban spaces, manage their finances effectively and efficiently, and are able to access the necessary resources and partnerships for inclusive urban growth”. The Integrated Urban Development Framework states that most municipalities fail to plan and spend their capital budgets properly, which needs to be corrected as sound financial management is the backbone to good governance.

National Treasury’s City Support Programme has an entire programme dedicated to addressing the fiscal and financial challenges facing cities. The programme’s three objectives are:¹²⁸

- City capability for planning, financing and implementing investment programmes.
- Financial instruments to support sustainable investment programmes in cities.
- Fiscal policy, national incentives and grants to support financial sustainability that are aligned.

The City Support Programme assists cities with a package of intergovernmental financial measures to support the implementation of city strategies and catalytic infrastructure projects. Nationally, the City Support Programme supports fiscal framework reforms, including increasing own-revenue sources and aligning grant programmes. Projects being rolled out include fiscal policy reform and support, division of revenue reform and support, long-term financial strategy support, and Municipal Borrowing Policy and Strategy Implementation.

Information Technology and Innovation

Smart administration improves efficiency, governance, engagement and service delivery in cities. National government’s role is to create conditions for innovation and support implementation, while local government can use their local powers, functions and legislation to drive smart city agendas.¹²⁹

Develop user-friendly, participatory data and digital platforms through egovernance and citizen-centric digital governance tools

The national e-Government Strategy and Roadmap supports the use of Information Communication Technology (ICT) in delivering basic services, to improve efficiency and effectiveness, and ensure citizens have access to government services.¹³⁰ Cities in South Africa have e-participation (e.g., the City of Cape Town’s CityConnect) and digital platforms that allow residents to access the city administration and pay their rates and taxes and services online. The COVID-19 pandemic accelerated the move to use technology, in particular in prescribed participatory processes, such as the annual Integrated Development Plan process. The pandemic revealed a digital divide, which cities can address by providing free public access to internet (which is available in some municipalities within public infrastructure i.e., Bus Rapid Transit (BRT) stations, libraries, municipal offices, sports centres etc.), to ensure the most vulnerable voices are included in local decision-making.

128 <https://csp.treasury.gov.za/csp/Pages/Fiscal.aspx>

129 https://www.sacities.net/wp-content/uploads/2020/10/Smart_Cities_Papers_Volume_I_Final-Draft.pdf

130 <https://doi.org/10.6000/1929-7092.2019.08.39>. Published: 06 August 2019

CASE STUDY: USING MIXED REALITY TECHNOLOGY FOR INCLUSIVE AND PARTICIPATORY PLANNING

In 2017, the City of Johannesburg partnered with UN-Habitat in the “Building the Public City” project, which built on work that the city had done in End Street North Park, where an innovative technology (Minecraft) was used to enable local stakeholders to redevelop, co-manage and co-activate the park located in the inner city. The City of Johannesburg, through Johannesburg Development Agency, again used Minecraft to redevelop a street and public space in the inner-city university precinct of Braamfontein. The Minecraft participatory process was enhanced by the use of mixed reality technology, which allowed student participants to “see” their Minecraft design tools in the physical space. The use of such tools takes participation from a wish list to detailed input into shaping city spaces, as the project leader said:

People embrace [these technologies], particularly young people in our cities. [...] As a push towards participatory urban planning and design gains momentum on the African continent, more effective tools of engagement are needed to generate meaningful co-design methods and develop appropriate urban responses. Generating interest and fighting perceived powerlessness – particularly amongst marginalised people – demands careful consideration of engagement methods.

Watch online video https://www.youtube.com/watch?v=f65Gf_immrs
https://unhabitat.org/sites/default/files/2019/06/mixed_reality_2019_0.pdf

Use digital tools, including geospatial information systems to improve urban and territorial planning, land administration and access to urban services

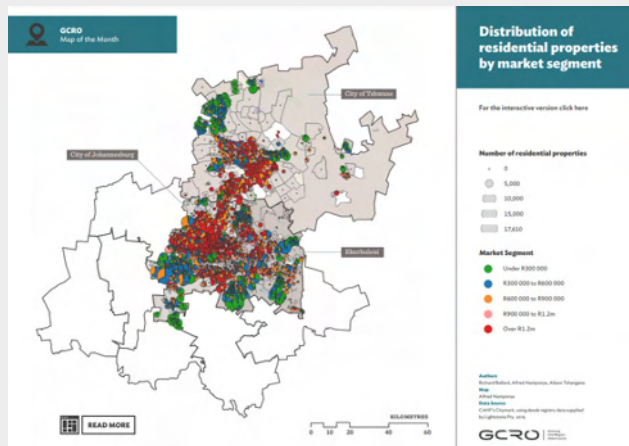
Geospatial Information System (GIS) platforms are a crucial part of spatial planning at municipal level. Over the last two decades, all metros have developed GIS platforms. The layers available in general and to the public may vary from city to city, but usually include the following: public open space systems, the urban edge (including critical biodiversity resources), zoning information, aerial photography, and municipal-owned land. The GIS is used to analyse changes in land use, ownership patterns and public transit systems, and to determine the Spatial Development Framework (SDF) visions for metros. Some municipalities have developed open-source GIS platforms that allow residents to access city-wide and individual property information.



CASE STUDY GAUTENG CITY REGION OBSERVATORY

Gauteng is the country's main economic node containing three metros (Tshwane, Ekurhuleni and Johannesburg) with a combined population of over 10 million. The Gauteng City Region Observatory (GCRO) is a partnership between the Gauteng Province, all local municipalities and two universities. The GCRO uses extensive Geospatial Information System (GIS) analysis to provide relevant research for provincial and local decision-making. This partnership and use of GIS represent a best practice for improving urban and territorial planning, land administration and access to urban services.

Figure 26: Distribution of residential properties by market segment (Gauteng)



The GCRO hosts several open access GIS platforms: Quality of Life Viewer (<https://gcro.openup.org.za/>), GCRO GIS Viewer (<https://gcro1.wits.ac.za/gcrojsgis/>), and Urban Observatory (<https://www.urbanobservatory.org/>)

Strengthen capacities in all spheres of government to effectively monitor the implementation of urban development policies

The implementation of urban development policies is monitored through:

- Statistics South Africa (Stats SA) Goal Tracker,¹³¹ which tracks some but not all Sustainable Development Goal (SDG) indicators.
- The Integrated Urban Development Implementation Framework, which sets key targets for implementation in alignment with the New Urban Agenda and the New Urban Agenda Localisation Framework.
- Various policy instruments, especially the Local Government Municipal Planning and Performance Management Regulations (2001).

Smart solutions for monitoring and evaluation are being applied at different spheres of government. Dashboards have been successful for tracking city progress against key indicators and, when shared on open data portals, ensure government is held accountable. Examples of such tools include:

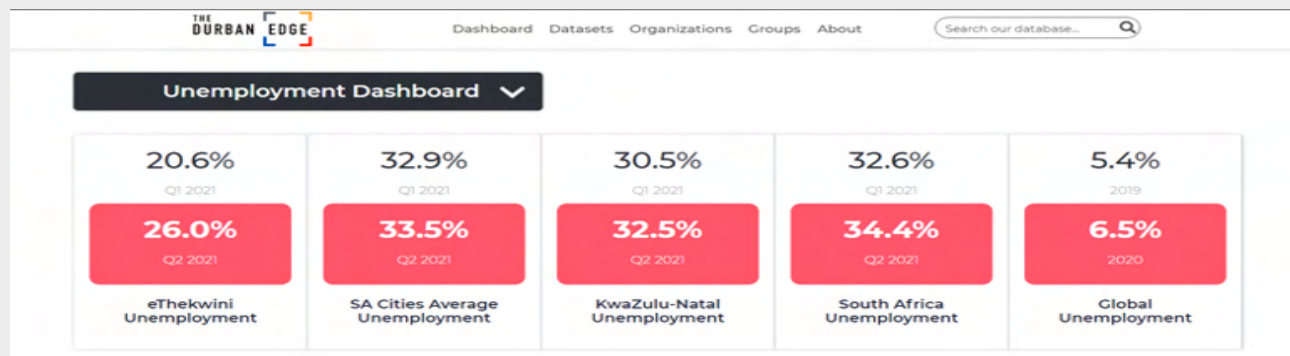
- Municipal Money (<https://municipalmoney.gov.za/>)
- The Municipal Innovation Maturity Index (MIMI) (<https://www.mimi.org.za/>)
- The Durban Urban Edge Dashboard (city-level tool)

131 <https://south-africa.goaltracker.org/platform/south-africa/explorer?indicator=12.2.2>

CASE STUDY: DURBAN EDGE DASHBOARD

In 2011, the City of eThekweni established the EDGE team within its Economic Development Department to produce cutting-edge economic information and intelligence. The EDGE team partnered with the South African Cities Network to develop a city-based version of the South African Cities Open Data Almanac (SCODA) platform. SCODA presents data and analyses of information for its member cities and is one of four components of a Common Data Framework for Cities developed by the South African Cities Network to support cities in improving their data practice and management. The platform includes multiple functions, with the dashboard being a critical tool for monitoring progress against key economic indices (Figure 27).

Figure 27: Unemployment dashboard (eThekweni)



The open-source platform ensures that multiple stakeholders are able to monitor performance and shape their decision based on the information received.

https://www.sacities.net/wp-content/uploads/2020/10/Smart_Cities_Papers_Volume_I_Final-Draft.pdf

Support all spheres of government in the collection, disaggregation, and analysis of data

Stats SA provides important data to all spheres of government and is one of the most valuable data collection, disaggregation and analysis for local municipalities. Data is provided through the national census, in quarterly reports (population estimates, unemployment rates), and in sector-focused reports (national household travel surveys, marginalised groups, migrant movements etc.). Other sources of data include:

- Initiatives such as the Gauteng City Region Observatory (GCRO) – see earlier case study.
- Research organisations (Human Sciences Research Council, HSRC, Council for Scientific and Industrial Research, CSIR).
- National and provincial departments (e.g., state housing subsidy provision).
- Local government (e.g., mobility data for local transport plans, socioeconomic data for urban development frameworks and sectoral economic data for economic strategies).
- Private-sector digital platforms that provide disaggregated data for local government decision-making. For example, the Centre for Affordable Housing Finance in Africa (CAHF), which provides human settlements data from the private aggregation of deeds office property transaction data.

The environment of data collection, aggregation and analysis is complex in South Africa. The Civic Tech Innovation Network together with the South African Cities Network conducted an extensive stakeholder mapping for urban data collection, disaggregation and analysis (Figure 28) to assess the roles of the multiple actors.

CASE STUDY: SPATIAL TEMPORAL EVIDENCE FOR URBAN PLANNING IN SOUTH AFRICA (STEPSA)

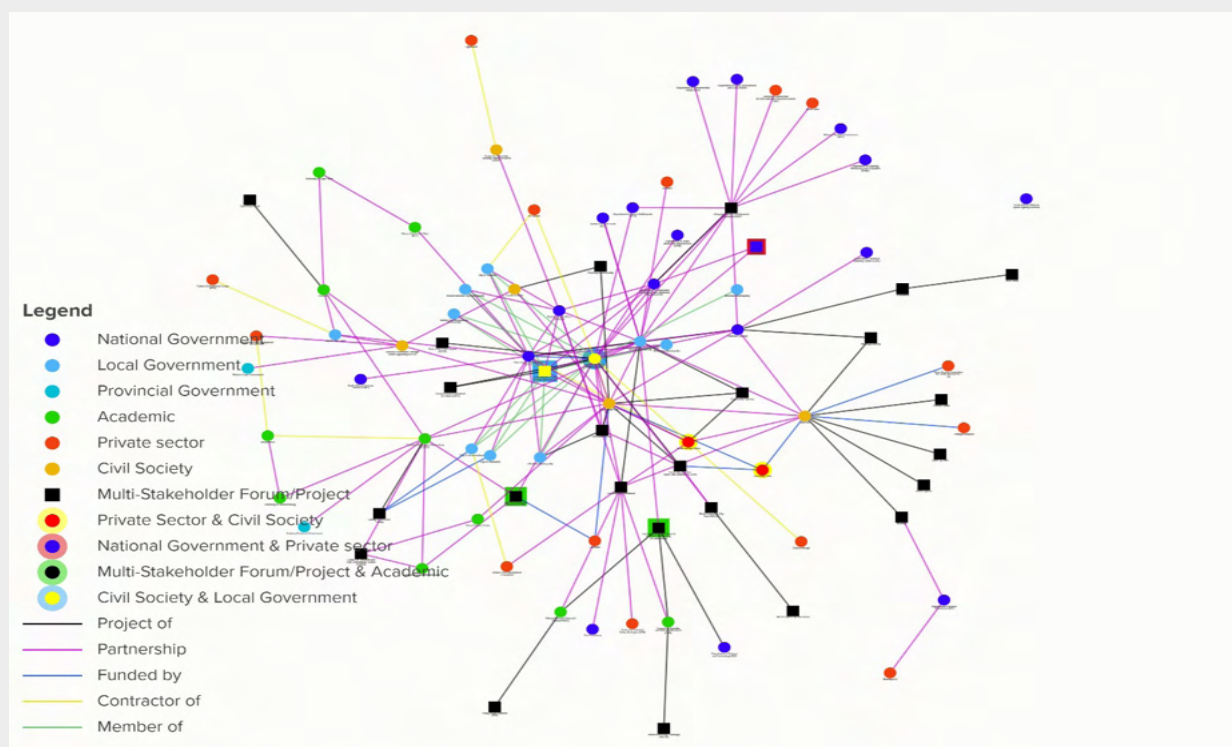
The Spatial Temporal Evidence for Planning in South Africa (StepSA) project emerged from a need for effective, coordinated and spatially targeted interventions and investments, among the various spheres of government and other stakeholders, in order to ensure government is able to address the apartheid spatial legacies and deliver on its targets and vision.

The StepSA project has developed innovative technologies, development indices, and planning and simulation tools for the following:

- Identifying and tracking spatial implications of city and town growth trends, population movement and economic trends.
- Profiling of cities and settlements to understand specific investment requirements and opportunities.
- Exploring the most likely impact of housing and transport investments on spatial transformation and sustainability in cities.

This decision-support system plays a major role in supporting high impact and transformative investment decisions in settlements across South Africa. The modelling foundation created through StepSA enables alternative options to be evaluated for multi-billion-rand infrastructure and service delivery projects, not only based on cost or design, but also on how they support city targets and vision.

Figure 28: StepSA mapping



Source: <http://stepsa.org/>

PART 3: FOLLOW-UP AND REVIEW

This section provides a brief update on the mechanisms, tools, frameworks and/or methodologies that have been developed by all government spheres and stakeholders to monitor and report on the implementation of the New Urban Agenda.

- In 2018 South Africa developed the New Urban Agenda-Localisation Framework, following extensive consultations with urban and human settlements' role players, in particular during the Human Settlements Summit in Ekurhuleni in August 2017. The New Urban Agenda localisation Framework is intended to align with the Integrated Urban Development Framework to ensure the realisation of the New Urban Agenda through the progressive implementation of the Integrated Urban Development Framework.
- The Integrated Urban Development Framework Implementation Plan, which is by extension the New Urban Agenda implementation plan. The Integrated Urban Development Framework Implementation Plan is intended to complement and support existing efforts by government through implementing a set of enabling drivers for improved integrated delivery across sectors.
- Extensive engagements through workshops held across South Africa, including Limpopo, North West, Gauteng, Western Cape, Eastern Cape and KwaZulu-Natal. The workshops were designed to facilitate a country-wide reflection on the New Urban Agenda, including feedback on mechanisms, tools, frameworks and/or methodologies that all government spheres and stakeholders need to develop to monitor and report on the New Urban Agenda's implementation.

The story of the New Urban Agenda in South Africa reveals a multiplicity of efforts, policies, frameworks, funding mechanisms, innovation, collaborative partnerships, rigorous legal and regulatory systems, and actions by all of society.

It also reveals the need for integration and cooperation among actors, programmes and funding, and for more rigorous monitoring and evaluation. In particular, the indices for reporting on urban progress need to be urgently aligned and systematised. Deliberate actions are required to ensure that urban opportunities are accessible to the most vulnerable in society.

South African cities will need to prioritise spatial integration and maximise the available resources to ensure a more equitable and sustainable future. Over the next decade, cities need to focus on four priorities:¹³²

- iv. **To increase investment in public infrastructure.** This includes maintaining and replacing old and deteriorating assets and covers public transport, water, sanitation, electricity, ports and telecommunications. Such infrastructure investment is essential to accelerate economic growth and to improve the living conditions in poor communities. However, it has not received adequate attention in recent years, due to budgetary constraints, mismanagement and shortages of professional capacity to design and deliver effective projects.
- v. **To strengthen city-level institutions to perform a genuine developmental role.** This includes enabling civil society and the private sector to make greater contributions, and having more dialogue among stakeholders, to define clearly the strategic priorities facing each city and to negotiate social compacts for the future. Metros have insufficient influence over housing and public transport policies and hold little sway over industrial policy and the use of surplus public land and buildings within their areas. These factors are longstanding obstacles to urban transformation, compounded by operating in silos and neglecting the importance of location in sustainable and inclusive development. Adapting and sensitising national policies to fit diverse local conditions is vital to well-functioning cities.

¹³² <http://hdl.handle.net/20.500.11910/15995>

- vi. **To implement spatial integration.** South Africa's divided cities impede economic growth and social inclusion. What is needed is much stronger coordination across government, and the reform of certain policies or practices that can undermine the drive for more compact and connected urban development. Land and housing policies urgently need to be aligned to promote infill and brownfield (rather than greenfield) developments. Transport policies need to integrate more effectively commuter rail, different bus services and minibus taxis. Industrial policy needs to be harmonised with spatial planning to reflect the importance of agglomeration for productivity, innovation and dense supplier networks. This includes promoting enhanced linkages, trade and integration with other cities on the African continent.
- vii. **To increase participation at district or neighbourhood level.** Greater grassroots participation in decision-making would make public services more responsive to local needs. International experience shows the important role that residential and business communities play in harnessing people's agency and resourcefulness and building a robust civil society to tackle local challenges.¹³³ Better-organised and empowered communities with access to state resources would help people cope with adversity and provide mutual support, and would also be a valuable mechanism for encouraging experimentation around new forms of enterprise and housing. Area-based management arrangements in pressurised hotspots, such as city centres and well-located townships, could be given the task of coordinating different public services in line with local needs and improving the relationships between state and community.

South Africa remains committed to the continued implementation of the New Urban Agenda for a better urban future for all.



133 <https://journals.sagepub.com/doi/abs/10.1177/0975425321998026>

Annexure A

- Stakeholders participating in the development of this report:

National Government Departments

Agriculture, Rural Development and Land Reform
Cooperative Governance and Traditional Affairs
Environment, Forestry and Fisheries
Human Settlements (lead)
International Relations and Cooperation
Mineral Resources and Energy
National Treasury
Planning, Monitoring and Evaluation
Science and Innovation
Social Development
Statistics South Africa
Transport
Water and Sanitation
Women, Youth and Persons with Disabilities

Provincial Government Departments

Provincial Departments of Human Settlements

Entities of the Department of Human Settlements

Community Scheme Ombuds Services
Housing Development Agency
National Housing Finance Corporation
Social Housing Regulatory Authority

Local Government

South African Local Government Association
South African Cities Network
City of eThekweni
Kgetleng Local Municipality
Madibeng Local Municipality
Stellenbosch Local Municipality
Theewaterskloof Local Municipality

Learning Institutions

Tshwane University of Technology
University of KwaZulu Natal
University of South Africa

Civil Society Organisations

Abahlali Basemjondolo
Afesis Corplan
Built Environment Support Group
Community Resource Organization Centre
Cumulus
Development Action Group
Federation of the Urban and Rural Poor/ Utshani
Habitat for Humanity
Isandla Institute
Masakhane Ladies Stokvel (Cape Town)
Morning Star Development Upliftment Initiatives
MDUI
Poor Flat Dwellers Movement
Sanjo
Seed to Harvest
Slum Dwellers International SA

Social Housing Institutions

First Metro Housing
Yeast Housing
Communicare
Hlalanathi Social Housing Association

Organisations representing Designated Groups

South African Women in Construction
South African Women in Construction Youth League

Private Sector

Beyond Build
Jubilee Contractors
JZE Architectures Pty Ltd
Mangazi Trading
Marabe Projects
MCivil Pty Ltd
Steel South Africa
Sychrocom

Annexure B

- UN-Habitat Reporting Template

The Executive Summary

- 1) Give an overview of the country's progress in implementation of the New Urban Agenda including the status, outlook, successes and challenges in implementing the New Urban Agenda.
- 2) Highlight the coordination at the various levels of government, participatory and inclusive methods used, decentralized meetings, and the composition of the team that created the report

Part 1 - Transformative Commitments for Sustainable Urban Development

Focuses on how Member States are achieving/meeting the Transformative Commitments of the New Urban Agenda. This section contains three parts:

I. Sustainable Urban Development for Social Inclusion and Ending Poverty

- i. Member states are expected to describe the results achieved, challenges experienced, and lessons learnt in these areas.
- ii. The description should also include best practices, case studies, and specific examples.
- iii. Where possible, at least four indicators for the country should be provided in the following areas of progress:
 - c) Eradicate poverty in all its forms
 - d) Reduce inequality in urban areas by promoting equally shared opportunities and benefits
 - e) Achieve social inclusion of vulnerable groups (women, youth, older persons, persons with disabilities and migrants)
 - f) Ensure access to public spaces including streets, sidewalks, and cycling lanes
 - g) Access to housing
 - h) Access to basic services i.e.
 - i) Access to safe drinking water, sanitation and solid waste disposal
 - ii) Access to a safe and efficient public transport system
 - iii) Access to modern renewable energy

2. Sustainable and Inclusive Urban Prosperity and Opportunities for all

- i. Countries are expected to describe the results achieved, challenges experienced, and lessons learnt in these areas. The description should include best practices, case studies, and specific examples.
- ii. Where possible, four indicators should be provided for the categories below:
 - a) Inclusive Urban Economy
 - b) Sustainable Prosperity for All

3. Environmentally Sustainable and Resilient Urban Development

- i. Member states should provide a description that includes best practices, case studies, and specific examples.
- ii. Where possible, four indicators should be provided for the categories below:
 - a) Resilience, Mitigation and Adaptation in Cities and Human Settlements
 - b) Sustainable Management and use of Natural Resources

- iii. Each response should incorporate the inclusion of women and vulnerable groups (youth, older persons, persons with disabilities and migrants).
- iv. Where possible publicly accessible (data) platforms, weblinks, maps, tables etc. should also be included as annexures to this report.

Part 2 - Effective Implementation

Focuses on Member States' enabling policy frameworks at the national level. It should include a narrative for each of the implementation categories with supporting materials.

Each response should incorporate the inclusion of women and vulnerable groups (youth, older persons, persons with disabilities and migrants).

This section contains three parts:

1. Building the Urban Governance Structure: Establishing a Supportive Framework

- i. This section should describe what National Government, Local Governments (including the capital or major city) and other Subnational Governments, in partnership with stakeholders, have done, including results achieved.

2. Planning and Managing Urban Spatial Development

- i. Implementing integrated and balanced territorial development policies
- ii. Integrating housing into urban development plans
- iii. Inclusion of culture as a priority component of urban planning
- iv. Implement planned urban extensions and infill, urban renewal and regeneration of urban areas
- v. Improved capacity for urban planning and design, and training for urban planners at all levels of government
- vi. Strengthening the role of small and intermediate cities and towns
- vii. Implement sustainable multimodal public transport systems including non-motorized options

3. Means of Implementation - This section is grouped into three categories:

- i. Mobilization of financial resources;
- ii. Capacity development and enhanced knowledge-sharing; and
- iii. Information technology and innovation.

Part 3 - Follow-up and Review

Focuses on the mechanisms, tools, framework and/or methodology that have been developed by National Government, Local Governments (including the capital or major city) and other Subnational Governments, in partnership with stakeholders, to monitor and report on the implementation of the New Urban Agenda

The section should include a description of results achieved, the challenges experienced, lessons learnt, best practices and case studies, if any.

