



MANGAUNG
METRO MUNICIPALITY
METRO MUNISIPALITEIT
LEKGOTLA LA MOTSE

OFFICE OF THE
SPEAKER

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Your Ref:

Our Ref:

Room 701, Bram Fischer Building

Date: 22 February 2018

Speaker

Councillor MA Siyonzana

MANGAUNG METROPOLITAN MUNICIPALITY AND SOUTH AFRICAN CITIES NETWORK – APPROVAL OF FUNDING MODEL

1. PURPOSE

To request the Council approval of the Memorandum of Agreement between South African Cities Network (SACN) and Mangaung Metropolitan Municipality for the period 2017/18 to 2020/21.

The Memorandum of Agreement (MOA) between SACN and Mangaung Metropolitan Municipality is attached as Annexure A to this Memorandum.

2. INTRODUCTION AND BACKGROUND

- 2.1 The South African Cities Network (**SACN**) is a non-profit company that promotes good governance and management of South African cities by undertaking the activities set out in its MOI and SACN Protocol. These activities include research, collection of information, analysis of information and facilitation of cooperation between spheres of government, all with the purpose of addressing urbanisation and urban management through research and exchange of information and experiences. Amongst others, the SACN compiles the *State of South African Cities Report*, which is “a medium to long-term perspective on the performance and conditions of the SA Urban areas or largest cities, with a focus on the member cities of the SA Cities Network.”
- 2.2 The SACN provides a unique offering to its stakeholders, which include urban municipalities of South Africa, government departments at national and provincial level concerned with local government and organized associations of local government.
- 2.3 The SACN is in a unique position to provide these services due to its relationship with its stakeholders. It further plans and undertakes its activities in five year strategic planning cycles to coincide with the term of office and planning horizon of municipalities in South Africa.
- 2.4 The SACN has recently decided to change its structure from that of a non-profit company (**NPC**) with member municipalities to that of an NPC without members, specifically allowed for in the Companies Act and is becoming a common vehicle for

NPCs. As part of its restructuring, the board of directors of the SACN established an SACN Council that is responsible for directing the strategic research agenda and related business activities of the SACN in terms of a SACN Council Protocol adopted by it.

- 2.5 The Municipality is a Council organisation in terms of the SACN Council Protocol. As a result of this status, the Municipality is able to ensure that SACN continues to properly serve its stakeholders and administer its resources in an appropriate manner.
- 2.6 The SACN Council has control over the SACN in a number of ways, including the following:
 - 2.6.1 It is responsible for directing the strategic research agenda and related business activities of the SACN by providing input into and approving the five (5) year strategic research agenda and related business plan prepared by the SACN;
 - 2.6.2 It appoints and removes directors of the SACN;
 - 2.6.3 Its representatives may participate on the SACN's Audit and Risk Committee and Human Resources and Remuneration Committee.
- 2.7 In view of the above, the City has comfort that the SACN's mandate aligns with its priorities as an urban municipality. Further, it is satisfied that it is able to contribute to the research agenda and related activities of the SACN and has control over the SACN's governance in terms of the SACN Protocol.
 - 2.7.1 As such, the City has decided to contribute to the SACN's funding by concluding with the SACN the Memorandum of Agreement (**MOA**) and funding regime for SACN - 2017/18 to 2020/21, attached as Annexure A to this Memorandum.
 - 2.7.2 The City is satisfied that the funding of the SACN complies with the relevant sections of the Local Government Municipal Finance Management Act 56 of 2003 (**MFMA**), as is set out in more detail below.

3. DISCUSSIONS

- 3.1 Council confirms that the requirements relating to municipal budgets in Part 4 of the MFMA will be complied with in respect of the funding provided for in terms of the Memorandum of Agreement, in particular, that the particulars of the grant funding by the Municipality to the SACN will be tabled with the Municipality's annual budget in terms of section 16(2), as is required by section 17(3) of the MFMA.
- 3.2 Council confirms that the requirements of section 67 of the MFMA have been complied with in respect of the provision of funding to the SACN; in particular, that the Municipality's accounting officer is satisfied that the SACN has the capacity and has agreed.
 - 3.2.1 Council to comply with the MOA for the period of the MOA to comply with all reporting, financial management and auditing requirements as may be stipulated in the MOA;
 - 3.2.2 SACN to submit its audited financial statements for its financial year to the accounting officer promptly;
 - 3.2.3 To implement effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement; and

- 3.2.4 Has in respect of previous similar transfers complied with all the requirements of section 67 of the MFMA.
- 3.3 Agrees to conclude the MOA and funding regime for SACN - 2017/18 to 2020/21, attached as Annexure A;
- 3.4 Authorises the City to enter into, execute and perform its obligations under the MOA;
- 3.5 Provides that, the Municipal Manager is authorised and empowered, by or on behalf of the City, to:
- 3.5.1 Sign, enter into and/or execute the MOA by or on behalf of the City, as well as all other documents which may be necessary for or incidental to the MOA;
- 3.5.2 Settle any amendments to the MOA which are typographical in nature or comprise a non-material error or omission which do not impose a future financial commitment of the MOA under the MOA or change the nature of the agreement set out in the MOA;
- 3.5.3 Enforce compliance with subsection 67(1) of the MFMA, via the mechanisms provided for in the MOA;
- 3.5.4 Generally do everything that may be necessary for the execution and implementation of the MOA; and
- 3.5.5 provide that, to the extent that the City Manager has already taken any action on behalf of the Municipality which may be necessary for the implementation of the MOA, as the case may be, his/her actions in this regard be and are hereby ratified.

4. RECOMMENDATIONS

It is therefore recommended that:

- 4.1 Council approves the report.
- 4.2 Council approves that MMM should continue to provide funding for its participation in SACN.




Me. Bonga Mncube
Head: Office of the Speaker

Recommended / ~~not recommended~~



Adv. Tankiso Mea
City Manager

Approved / not approved



Councillor Mxolisi Siyonzana
Speaker

MEMORANDUM OF AGREEMENT

Council Grant Funding Agreement

(Hereafter referred to as the **Agreement**)

Entered into by and between

MANGAUNG METRO MUNICIPALITY

(Hereafter referred to as **MANGAUNG**)

&

SOUTH AFRICAN CITIES NETWORK

(Hereafter referred to as **SACN**)

1 Introduction

- A. Whereas** MANGAUNG is a Metro Municipality, located in the Free State Province of South Africa;
- B. Whereas** MANGAUNG was a member of the South African Cities Network (SACN) and following the conversion of SACN into an non-profit company without members, was invited to become a Council Organisation on the SACN Council and **[has/will]** accordingly signed the SACN Council Protocol recording the terms and conditions of its participation on the SACN Council;
- C. Whereas** SACN is a non-profit organisation established as a network of South African cities and partners encouraging the exchange of information, experience and best practices on urban development and city management, an initiative of the Minister for Cooperative Governance and Traditional Affairs (**COGTA**) and the largest municipalities in partnership with the South African Local Government Association (**SALGA**);
- D. Whereas** the overall mission of SACN is:
- To promote good governance and management of South African cities;
 - To analyse strategic challenges facing South African cities, particularly in the context of global economic integration and national development;
 - To collect, collate, analyse, assess, disseminate and apply the experience of large city government in a South African context; and
 - To promote a shared-learning partnership between different actors to support the governance of South African cities.
- E. Whereas** as a Council Organisation of the SACN Council, MANGAUNG participates in setting the Strategic Plan of the SACN in accordance with the SACN Council Protocol;
- F. Whereas** MANGAUNG has agreed, as a Council Organisation of the SACN Council, to endeavour, within its financial and other resources, to make an annual contribution to fund the SACN as per the annual contribution table determined by the SACN with reference to the Strategic Plan of the SACN;
- G. Accordingly**, this agreement is to formalise the grant funding to be provided by MANGAUNG to the SACN in furtherance of the Strategic Plan of the SACN;
- H. And**, this Agreement will record the terms and conditions upon which this grant funding shall be provided which should be read in conjunction with the SACN Protocol.

2 Areas of Cooperation and Funding

The SACN Council, on which MANGAUNG is represented as a Council Organisation, is responsible for directing the strategic research agenda and related business activities of the SACN. In this regard the SCAN Council receives and considers on an annual basis:

- An updated five year strategic research agenda and related business plan prepared by the SACN (**Strategic Plan**); and

- An annual report from the SACN on its activities in the previous year and the implementation of the existing Strategic Plan during the previous year (the **Annual Report**);

This Strategic Plan provides for a number of research products that are directly relevant to the mandate and activities of MANGAUNG and in respect of which MANGAUNG has accordingly determined to provide grant funding over a [three year] period. This funding will include fixed and variable amounts and are described below:

2.1 Fixed annual grant funding

This represents the core of the funding commitment which MANGAUNG is making to the SACN under this Agreement.

MANGAUNG agrees to provide fixed annual grant funding to the SACN in the amount set out in clause 3, as adjusted annually by the SACN Board,:

- 2.1.1. **SACN Foundation Grant:** This amount is determined annually by the Board of the SACN based on the Strategic Plan approved by the SACN Council. It is the funding required to undertake the core functions of the SACN, its infrastructure and operations, the development of the organisational strategy and the provision of spatial, data and knowledge infrastructure for city support.
- 2.1.2. **Strategic Programme Grant** for programmes specified as follows (elaborated further in Annexure B):
 - a) **National Research Foundation (NRF) Chairs:** 5 year research programme in partnership with the NRF (co-funding)
 - b) **StepSA:** In partnership with the CSIR to develop spatial evidence that informs planning at city level / improves intelligence for planning
 - c) **SCODA: South African Cities Open Data Almanac** aimed at providing a city centric approach to monitoring and reporting through more efficient and effective data systems and process.

2.2 Variable grant funding

MANGAUNG agrees to providing additional variable grant funding, in the amount set out in clause 3, as adjusted annually by the SACN Board, to the following initiatives:

- 2.2.1. **CDS development** to guide MANGAUNG's long term strategy and implementation thereof. This will be a partnership approach with BCM, focussing on smaller cities and culminating in a resource document to guide CDS development.
- 2.2.2. **Sustainable Infrastructure & Resource Efficiency:** Focus on long term natural resource planning (especially relevant for MANGAUNG, including a pro-active response to future natural disasters).

3 Budgetary Matters & Funding

- 3.1. The amount of the fixed annual contribution and variable grants set out in clause 2 to be paid by MANGAUNG to the SACN for 2017/2018 is as reflected in the table below.
- 3.2. The amount payable by MANGAUNG to the SACN in future years is estimated in the table below and shall be determined annually by the SACN Board following approval of the Strategic Plan by the SACN Council. MANGAUNG shall not be bound to pay any amount that differs by more than 5 percent from the estimates set out below.
- 3.3. The total estimated portion payable by MANGAUNG is broken down per year, with an annual adjustment of 10% increase in the fixed contribution and variable grant amounts.
- 3.4. The variable amount is provided as an estimated amount for each financial year.
- 3.5. The grant payable is as follows:

	1	2	3	4	5	6
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
FIXED CONTRIBUTION		3,133,510	3,408,011	3,708,555	4,037,648	4,398,039
VARIABLE CONTRIBUTION		1,400,000	1,400,000	1,400,000	400,000	
ANNUAL CONTRIBUTION	2,069,100	4,533,510	4,808,011	5,108,555	4,437,648	4,398,039

- 3.6. The SACN shall invoice MANGAUNG on an annual basis. The fixed annual contribution grant shall be invoiced at the beginning of June of each year and the variable grant shall be invoiced in August of each year.
- 3.7. MANGAUNG shall make payment within thirty (30) (thirty) days of the date of the invoice.

4 Duration and Term of the Agreement

- 4.1. This Agreement is effective for a period of 3 years, from the signature date to 30 June 2020, for renewal for another 3 years, unless terminated earlier by either Party in terms of this clause.
- 4.2. This Agreement may be extended for a further period by agreement between the Parties in writing, and signed for by authorised signatories. In the event that the parties agree to the extension of this Agreement, it will be based on the new 5 year cycle of work and the Strategic Plan of the SACN.
- 4.3. Any Party may unilaterally terminate this Agreement by giving twelve (12) months written notice to the other party that it wishes to terminate the Agreement, without limiting any of the other Party's legal rights.

5 Institutional Arrangements

This Agreement will be managed via the existing reporting and management structures of the SACN, including the SACN Council once established.

- 5.1. The Executive Manager: Governance & Communications will be the key contact point for the SACN in regards to the financial and programmatic coordination, and monitoring & evaluation of this Agreement;
- 5.2. MANGAUNG will identify a key focal point, within the Office of the City Manager, who will be responsible for managing the terms of this Agreement on behalf of the municipality (the **MANGAUNG Representative**). The MANGAUNG Representative shall provide the financial information provided to MANGAUNG in terms of clause 6 below to the accounting officer of MANGAUNG.
- 5.3. The key focal points, for each of the partners, will facilitate bi-annual engagements (over the duration of the Agreement) between the Office of the City Manager and the SACN CEO to update and inform the work that is subject to this Agreement. Relevant reports and outputs emanating from the work of the SACN will be shared at these engagements.

6 Monitoring and Evaluation of the Agreement including obligations under section 67 of the MFMA

The SACN currently monitors both quantitative and qualitative performance through capture on various systems such as Microsoft Access, Excel and Word as well as a shared-drive located on the SACN server that acts as a dedicated central repository for all information pertaining to the organisation's programmatic and administrative functions.

To specifically monitor and evaluate its engagements with its member cities, the SACN will base its evaluations on the terms of the Agreement. This will be done via bi-annual as well as annual engagements with member cities and key stakeholders, surveys and session based evaluations. During year 3 there will be a further evaluation, finally followed by a more detailed evaluation process at the end of year 5.

The SACN shall throughout the term of this Agreement implement effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement.

The SACN shall report monthly to MANGAUNG Representative on actual expenditure against the grant funding provided under this Agreement.

The SACN shall be subjected to an annual audit, the outcome of which shall be reported to the SACN Council on which MANGAUNG sits as a Council Organisation.

The SACN shall submit its audited financial statements for its financial year to MANGAUNG Representative.

7 Amendment and Variation

No amendments of this Agreement, variations, waiver, relation, or suspension of any of the provisions thereof shall have any force or affect, unless reduced to in writing and signed by both parties.

8 Confidentiality

8.1. The Parties shall:

- 8.1.1. Treat as strictly confidential any and all Confidential Information given or made known to them arising from this association;
- 8.1.2. Keep all such information confidential towards third parties and only use it in co-operation with each other for the purpose expressly agreed upon by the Parties and to disclose same to their employees only on the basis of the need to know;
- 8.1.3. Accept responsibility for the observance of the Confidentiality Agreement by their employees;
- 8.1.4. If required, cause all of their employees who are directly or indirectly given access to the said proprietary and Confidential Information to execute Confidentiality Undertakings in a form acceptable to the Parties in order to protect the Parties against the unauthorized disclosure of such Confidential Information to any third party and to fully cooperate in the enforcement of such Undertakings.

8.2. The above undertakings shall not apply to:

- 8.2.1. Confidential Information which at the time of disclosure is published or otherwise generally available to the public.
- 8.2.2. Confidential Information which after disclosure by the disclosing party is published or becomes generally available to the public, otherwise than through any act or omission on the part of the disclosing party.
- 8.2.3. Confidential Information which the Parties can show was in their possession at the time of disclosure and which was not acquired directly or indirectly from each other.
- 8.2.4. Confidential Information rightfully acquired from others who did not obtain it under pledge of confidentiality to either of the Parties.
- 8.2.5. Confidential Information which a Party is obliged to disclose in terms of an Order of Court, subpoena or other legal process.

8.3. The provisions of this Clause 8.2 shall continue to apply after any termination/ cancellation of this Agreement, for whatever reason, for a period of 5 (five) years following such termination/cancellation.

9 Breach

If a party to this Agreement (“the breaching party”), breaches any obligation in terms of this Agreement and, after receiving written notice from the other party (“the aggrieved party”) to this Agreement requiring such breach to be rectified within the period stated in such notice (which period shall not be more than thirty (30) days), and the breaching party fails to remedy such breach within the relevant period, the aggrieved party shall without prejudice to any of its rights in law or terms of this Agreement, be entitled to cancel this Agreement forthwith, by means of written notice to the breaching party, in which event the provisions of clause 10 will apply mutatis mutandis.

10 Arbitration of disputes arising from this agreement

- 10.1. Should any differences or dispute at any time arise which the Parties are unable to resolve amicably, whether in respect of the meaning or effect of any term of this Agreement, or the implementation of any party’s obligations under this Agreement, or any other matter arising from or incidental to it, then in that event such difference or dispute shall be submitted to arbitration in accordance with the following provisions:
 - 10.1.1. except where expressly otherwise provided for in this Agreement, arbitration proceedings shall be conducted in accordance with the Arbitration Laws of the Republic of South Africa.
 - 10.1.2. arbitration proceedings shall be held on an informal basis, it being the intention that a decision should be reached as expeditiously and as inexpensively as possible, subject only to the due observance of the principles of justice.
 - 10.1.3. either party shall be entitled, by giving written notice to the other, to require that a difference or dispute be submitted to arbitration in terms of this clause.
 - 10.1.4. the arbitrator shall be a person to be agreed upon between the Parties, and failing agreement, to be nominated by the Arbitration Foundation of Southern Africa (AFSA).
 - 10.1.5. the party referring the dispute or difference to the arbitration shall, within ten (10) days after the selection or appointment of the arbitrator as provided in clause 11.3. above, furnish the arbitrator with an appropriate written notice of appointment, and shall ensure that the arbitrator notifies the Parties forthwith of the remuneration, which the arbitrator shall require for their services.
- 10.2. Within thirty (30) days after delivery to the arbitrator of his/her written notice of appointment, each party shall submit to the arbitrator a full statement of its case in which shall be set out all evidence, sworn statements, facts, submissions and expert opinion as such party may deem necessary to support its contentions in regard to the matter/s in dispute, and shall simultaneously serve a copy thereof on the other party.

- 10.3. Within fourteen (14) days of receipt of such copy of the other party's statement of case, either party may submit a further supplementary statement to the arbitrator, and shall serve a copy thereof on the other party. The dispute shall be determined by the Arbitrator on the evidence before him/her without legal representation by the Parties.
- 10.4. If the arbitrator considers that the matter in dispute cannot be decided on the papers before him/her, the arbitrator may call for other evidence or for witnesses to testify at a place in South Africa determined by him/her in the presence of the Parties, who may also question such witnesses.
- 10.5. The arbitrator shall be entitled to make such award, including award for specific performance, an interdict, damages, and costs or otherwise as the arbitrator in his/her discretion deems fit and appropriate.
- 10.6. The arbitrator shall at all times have regard to the intention of the Parties underlying the Agreement, and shall resolve the dispute in a summary manner.
- 10.7. Any award made by the arbitrator:
 - 10.7.1. shall be final and binding on the Parties;
 - 10.7.2. shall be carried into effect by the Parties;
 - 10.7.3. may be made an Order of Court by a party only if the other party fails to heed the terms of the award; and
 - 10.7.4. may include an Order directing the unsuccessful party to pay the cost of the arbitrator and expenses incurred by the successful party.
- 10.8. This clause shall survive the terminations or cancellation of this Agreement.
- 10.9. This clause shall constitute each party's irrevocable consent to any arbitration proceedings and neither party shall be entitled to withdraw from such proceedings or to claim that it is not bound by the provisions of this clause.
- 10.10. If a party fails to take part in arbitration proceedings conducted in accordance with this Clause, such failure shall constitute consent to an award being made against such party.

11 Vis major

If any party should be prevented or restricted, directly or indirectly, from performing all or any of its obligations under this Agreement by reason of strike, labour dispute, lockout, fire, explosion, flood, riot, war, accident, Act of God, embargo, legislation, regulation or directive having the force of law, civil commotion, unrest or disturbance, compliance with any order or instruction of any authority or, without limitation, any other cause beyond its control, anywhere in the world, all or any of which shall constitute force majeure for the purpose hereof, the party which is so affected (the affected party) shall be relieved of the performance of its obligations hereunder during the period that such event and its consequences shall

continue, but only to the extent so prevented, and shall not be liable for any delay or failure in the performance of any of its obligations hereunder, or loss or damage whether general, special or consequential, which the other party (the unaffected party) may suffer due to or resulting from such delay or failure, provided always that notice shall be given by the affected party at the earliest possible opportunity by telex, telefax, or telephone of the occurrence of the event constituting the force majeure, together with details thereof and an estimate of the period of time for which it will endure.

The affected party will use reasonable endeavours to terminate the circumstances giving rise to the force majeure, and upon termination of the force majeure will forthwith give notice thereof, by telex, telefax, or telephone to the unaffected party.

12 Variation, cancellation and waiver

No agreement purporting to vary, add to, delete or cancel this Agreement or any rights in terms of this Agreement shall be effective unless reduced to writing and signed by each Party.

13 Domicilium citandi et executandi

The parties choose the following address as their respective *domicilia citandi executandi* for all purposes of, and in connection with this Agreement:

14.1. Mangaung Metro Municipality
The City Manager
Adv. Tankiso Mea
Bram Fischer Building
Nelson Mandela Drive & Markgraaff Street
Bloemfontein

14.2. The South African Cities Network
The Chief Executive Officer
Mr. Sithole Mbanga
158 Civic Boulevard
Braamfontein
Johannesburg, 2017

DULY EXECUTIVE AND SIGNED AT.....ON

THIS.....DAY OF2017

(City Manager on behalf of __ Municipality)

AS WITNESS

1.....

2.....

DULLY EXECUTED AND SIGNED AT ON THIS.....DAY OF
.....2017

**Chief Executive Officer on behalf
of SACN**

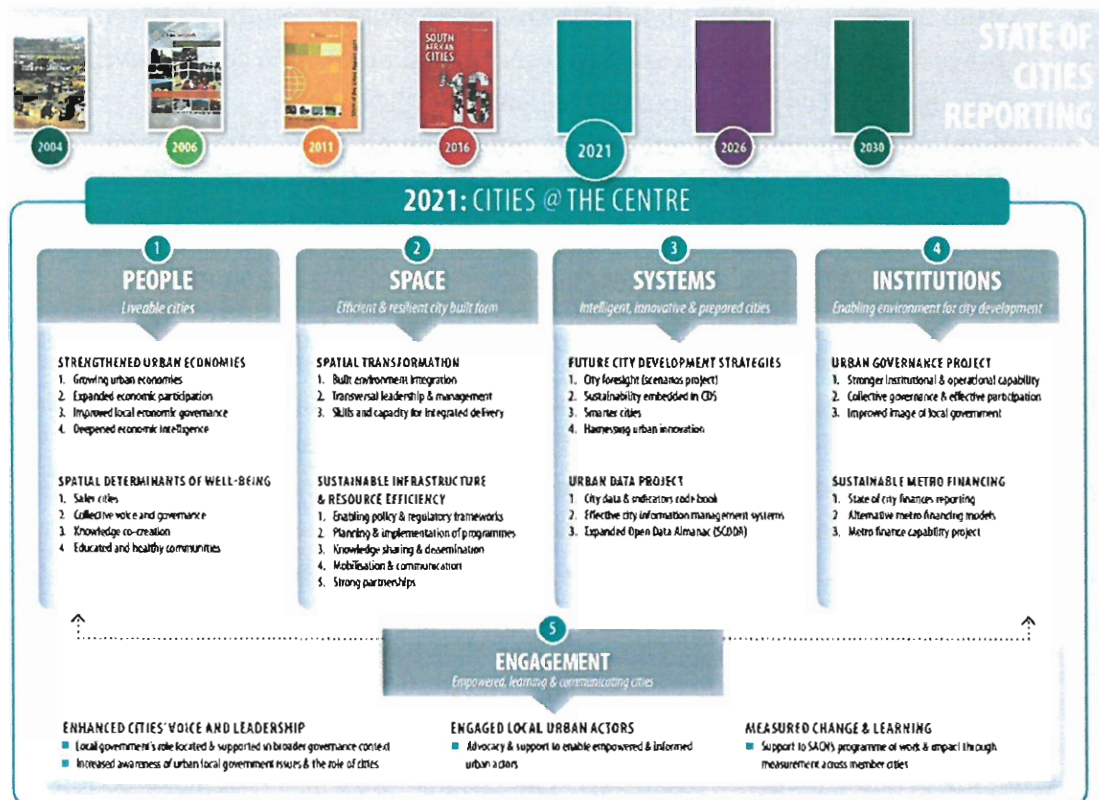
AS WITNESS

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ANNEXURES

A. SACN STRATEGIC KNOWLEDGE AGENDA



B. FIXED PROJECTS BREAKDOWN

i. NRF/SACN South African Cities Research Chairs

The Knowledge Generation function defined in SACN's Strategy2021 is envisaged to comprise of a robust set of research programmes intended to focus on and strengthen relevant capacities in the national knowledge and innovation system to support urban development and cities governance needs. The key mechanism will be leveraging the existing science funding system and programme through a partnership with the National Research Foundation (NRF).

The NRF has an existing infrastructure for Research Chairs defined as: "A strategic intervention of the South African government designed to attract and retain excellence in research and innovation at South African universities. In particular, the programme is aimed at increasing scientific research capacity through the development of human capacity and stimulating the generation of new knowledge. It is also intended to support the realisation of South Africa's transformation into a knowledge economy in which the generation of knowledge translates into socio-economic benefits." Specifically, NRF's South African Research Chairs Initiative (SARChI) is a strategic instrument aimed at strengthening research

and innovation capacity in public universities, enhancing the training of a new generation of researchers and the further development of established researchers in all knowledge areas while responding to national priorities and strategies.

The objectives of SARChI, as outlined by the NRF, are to:

- Expand the scientific research and innovation capacity of South Africa;
- Improve South Africa's international research and innovation competitiveness while responding to social and economic challenges of the country;
- Attract and retain excellent researchers and scientists;
- Increase the production of Masters and Doctoral graduates; and
- Create research career pathways for young and mid-career researchers, with a strong research, innovation and human capital development output trajectory.

SARChI chairs are held by a qualified professor at a university (possibly in partnership with a public research institution such as another university, a science council, a national research facility or an academic health complex). Universities bid for Chairs in an open, competitive process. The SARChI Chairs are tenable for five years, renewable into two more cycles of 5 years for Tier 1 Chairs (maximum 15 years) and only one more cycle of 5 years for Tier 2 Chairs (maximum 10 years). Tier 1 Chairs are appointed at the level of a full Professor benchmarked nationally, with renowned expertise and international recognition), awarded a research grant of \leq R2 680 000 per annum, while Tier 2 are appointed at the level of an Associate Professor, with potential to develop into Tier 1 and awarded \leq R1 680 000 per annum (2016/17 rates; budgets are adjusted annually per CPI). The research grants cover: Salaries, Postgraduate students' bursaries and post-doctoral fellowships, Research operation costs, Equipment, and University overheads. The programme is professionally administered through the established NRF administrative model, which includes regular performance monitoring and review.

SACN is partnering with the NRF to leverage the SARChI initiative in line with mutual objectives to building critical knowledge and innovation competencies. Through the partnership, four (4) SA Cities Research Chairs will be established through the NRF's SARChI platform focussed on research priorities that the SACN has articulated in its strategic research agenda. The programme will thus recruit Chairs (embedded in relevant institutions) that will be capable of researching and generating knowledge and capabilities in important areas of cities development and governance, overseen by a committee which would include representation from SACN. They will focus on transdisciplinary, action research on specified thematic areas in which they will produce post-graduates, research programmes and output. The initial set of Chairs will be established in the following areas:

- 1) Chair: Sustainable Metropolitan Financing
- 2) Chair: Strengthening Urban Economies
- 3) Chair: Inclusive Cities (Urban inclusion & well-being)
- 4) Chair: Urban Spatial Transformation

Over the initial period of 5 years (2017/8 to 2021/22, renewable), the 4 chairs will thus require a total budget of R59 234 728, of which the NRF and SACN will contribute 50% each.

This initiative will pioneer the establishment of a national research platform driven by cities themselves. This is important for cities because it allows them, through the Network, to specify a strategic city-focused, city-driven research agenda, leveraging the best and full arsenal of the South African knowledge system. This research will be directed by and to the relevant City units / actors, and the member cities will by and large be treated as the subjects and even “Clients” of the research programmes. This will go a long-way to ensuring policy- and practice-relevance of the research and development undertaken, and align programme design to city interests.

In addition to producing relevant research at a greater scale and intensity than the SACN secretariat could do through its traditional contract research mode, it will also enable the specific development of skilled professionals through the training of post-graduate students. These become assets to the local government fraternity as they exit into their related career-paths. In these thematic areas which are relatively under-developed, there is a critical need for new, skilled professionals who can bolster the sector’s current and future capability.

The nature of the Chairs requires long-term commitment, therefore requiring SACN’s ability to enter such a multi-year arrangement at full scale.

ii. Urban Data & Systems Initiative (SCODA)

The existing approach to city-related data collection, extraction and reporting in South Africa is complicated and uncoordinated amongst the different stakeholders. Public, state-owned and private entities that are currently involved in data collection or reporting for cities have their own stand-alone databases for their own mandates and legal requirements; however, these databases are based on the same publicly available data and are all being used to (re)present some common, comparable view of various aspects of city development. Furthermore, the databases are built on the presumption that municipalities should and can lead in populating the datasets. This approach means that cities have a significant reporting burden to manage a complex monitoring and reporting environment and deliver well over 100 reports per year that must be submitted to national and provincial departments, regulators and other entities.

In a process dating as far back as 2006, the following local government challenges have been noted through SACN’s detailed engagement with its member cities:

- Differing mandates between departments results in duplication of efforts and reporting that has no consistency or mutual focus.
- Leadership’s performance bias taints the quality of the data
- Cities are heavily over-burdened with compliance reporting and data requests, which results in important data processing and analysis being outsourced, costing money and jeopardising the quality of the analysis.
- Data generated by national bodies such as StatsSA does not have an adequate city-focus.

- Oversight departments and other development partners / stakeholders thus get frustrated by delays in city reporting and poor quality data.

Although there are numerous initiatives to assist in this space (e.g. around rationalising reporting (National Treasury); improving outcomes reporting (City Support Programme); spatial / GIS systems management (Dept. of Rural Development and Land Reform); etc.), they are not city-driven and therefore tend to focus on an externalised view of what cities can do, how they would in fact do it, and whether the improvements are sufficient to address cities own data and information needs and considerations. This “bottom-up” initiative is what became the task taken on by SACN in the course of its regular State of Cities Reporting efforts since 2006.

The Urban Indicators Reference Group (UIRG) was re-established by SACN in 2012, and the SA Cities Open Data Almanac (SCODA) was initiated in 2016 as a city-centric approach to addressing the planning, management, monitoring, and reporting needs of cities by realising more efficient and effective data systems and processes.

The Urban Data & Systems Initiative in SACN’s new strategy 2021 comprises of the following key elements:

- **The Code Book:** A live listing of common city statistics and indicators, with definitions and methodologies, and a dashboard monitoring which cities are reporting on which of those. (The list will include key common indicators as required by various processes including compliance reporting, BEPPs, SDGs, ISO standards, etc.).
- **SCODA:** The “open data almanac” is an open source information system that acts as a central repository for city data, as stipulated in the Code Book. Data can be fed into SCODA and extracted from SCODA by all stakeholders. All indicators will be publicly available (except in unique cases).
- **Reporting Services:** SCODA and the Code Book will allow for the following services: A Template Engine that allows cities to produce generic reports based on data loaded on to SCODA; automatic generation of a Voluntary Disclosure in compliance with PAIA; assistance in becoming a WCCD member; and meeting all other specified city reporting requirements.
- **Capacity Building:** An oversight and support function that aims to create human systems within cities that optimise data flows from collection, through analysis, to reporting, including collective bargaining, training, software development, and peer sharing.
- **The Urban Indicators Reference Group:** The UIRG is critical to feed back challenges, ensure the system is kept relevant and promote peer learning. It will comprise of both technical and policy functions.

This collective approach does not replace the need for or use of city-own information systems solutions. Rather, it is an initiative that tries to facilitate the establishment of some common rules, approaches and standards with the following envisaged benefits:

- Easing the burden of intergovernmental reporting through standardising indicators and automating reporting where possible

- Helping cities establish and manage central repositories and linkages into SCODA so that all city officials and stakeholders can efficiently access information, and to ensure that cities are PAIA compliant
- Through collective bargaining, cities will have a voice with which to respond to manage data requests and relationships with national bodies, ensuring efficiency and effectiveness of data and indicator systems and reporting.
- Improving access to internationally verified, standardized, comparable, historical data on SA and global cities for effective benchmarking.
- Accessing capacity support through collective and individual arrangements which SACN is helping to broker (e.g. with ISO bodies)
- Reducing reliance on (and cost of) private data and service providers.
- Assisting with efficient public access to city data by journalists, developers and data scientists who can create innovative solutions for the city and its citizens. Cities can also benefit from new, real time, responsive indicators and data visualizations.
- Enabling knowledge sharing and learning through the multi-stakeholder, city-driven UIRG.

iii. Spatial Modelling Platform - StepSA

SACN has partnered with the Council for Scientific and Industrial Research (CSIR) over the past decade for spatial analysis projects. In the early 2000s, this partnership included the development of the first - and possibly still the most credible - definition of the national spatial hierarchy (i.e., defining what various categories of space from cities, to different scales and types of towns and villages are).

CSIR has gone on to create with sponsorship from the Dept. of Science & Technology, and input from its range of partners (including SACN), the Spatial and Temporal Evidence for Planning in South Africa (StepSA) initiative. StepSA is a collaborative initiative aimed at building the capability and evidence base to support investment decisions in SA's cities, towns and settlements.

Understanding of the spatial implication of growth trends and population movement, and profiling of the growth dynamics in settlements and towns clearly enables much more targeted and co-ordinated infrastructure investment. SACN's State of the Cities Reports seek to assess the progress made by South African cities in the last 20 years in relation to development outcomes as well as to identify strategic problems and opportunities facing cities. StepSA has been used to provide evidence-based input for this report, compiling a number of spatial indicators and/or indices, illustrating specific components of change or transformation. These included indicators of three-dimensional spatial change (reflecting demographic and economic information, including of change over time), and place-based comparisons within cities of performance and population dynamics.

It is proposed that SACN continue a long-term relationship with the CSIR to further develop StepSA and leverage the skills and systems to inform, complement and supplement the 2021 research programme of work, better integrating spatial analysis in the work of the Network. The relationship would importantly include ensuring that the GIS-based tools, services and

outputs of StepSA would be made as responsive and accessible as possible to the specific needs of member cities. This means that cities would be able to access and produce certain spatial evidence directly from the main system, and be able to use it for analysis, research, benchmarking, visualisation, etc. as required.

The pro-active (not project-based) partnership also means that CSIR can leverage other funding sources (including from the DST and CSIR itself) to supplement the Cities' investment.

The partnership will require early engagement and a multi-year commitment so that CSIR can make the necessary provisions and commitments, and also so that co-design of the partnership programme can be enabled.