Partnerships for Inclusive Growth
Non-Compulsory Tender Briefing
3rd July 2019
DBSA
Generic CSP2 Theory of Change: ED Component

Metros capability built to drive economic development through partnerships, investment retention and promotion and strong urban management.

IG system for cities to function.

Grants aligned, new fiscal instruments developed, NT city support capability built.

Policies aligned, city support capability built, assignments concluded.

To deliver effective township economic development programmes, industrial estate management, inclusive growth coalitions and competitive business environments.

To change the productivity, connectivity and accessibility of people and core and marginal economic spaces within the metro.

So that we have productive, inclusive and job creating cities.
CSP 2 ED Component Objectives

Institutionalisation within all spheres of govt & SoEs of collaborative space-sensitive ED plans & programmes that generate connected, conducive & competitive business environments

Strengthened global competitiveness of SAn cities through targeted interventions
CSP 2 Focus

- Implementation
- Institutionalisation
- Impact
ED Component Intervention Levels

LEADERSHIP AND PLANNING

- Partnering for Inclusive Growth Support
- City Economic Strategies and partnerships

CITY SUPPORT

- Township Economic Development
- Institutionalising the “SNDB” Survey
- SNDB Reform
- Inward Investment Promotion

ENABLING ENVIRONMENT

- Economic & Urban Development Financing
- Incentives
- Economic Data Available
This project will provide technical assistance to metros to:

• build inclusive growth partnerships around private and civil society place-based initiatives
• harness City and other public sector support instruments, and
• institutionalise such partnership effort.
Background

- WB’s **Competitive Cities for Jobs and Growth Report** showed that a Competitive city:
  - successfully facilitates its firms and industries to create jobs, raise productivity and increase the incomes of citizens over time
  - Growth of private sector firms typically accounts for around 75% of all job creation
  - Growth coalitions amongst public and private stakeholders are present in all competitive cities case-studies
  - As such, it is imperative for city leaders to understand the factors that help to attract, to retain, and to expand the private sector
  - City leaders should nurture public-private coalitions to assist in solving problems
  - Growth coalitions can be amongst local firms, business chambers, credible business leaders, the City, universities and broader civil society groupings
• In South African cities, stakeholders often work at cross purposes with parallel strategies, duplicated functions and even competing mandates
• In the public sector this is symptomatic of complex administrative procedures and lack of coordination
• Between public and private sectors, this is usually a symptom of a lack of trust and divergent interests
• New ways of working together are needed to enable greater and more inclusive economic growth
CSP 1 Response

• Used the WB’s Competitive Cities Executive Development programme launched in 2017 to pilot a Partnership for Growth approach in Nelson Mandela Bay, Tshwane and eThekwini

• Different approaches to collaboration adopted:
  – Typical economic development participatory processes leading to shared stakeholder vision and development objectives; and
  – “Stretch collaboration” processes where trust is lacking and conflict levels are high (Based on Adam Kahane’s approach described in his book “Collaborating with the Enemy”)  
    • approach embraces both conflict and connection, experimentation and iteration
    • recognises the role of all stakeholders as part of both the problem and solution

• Focus was on:
  – learning-by-doing,
  – creating environments to nurture trust and common purpose and change mindsets; and
  – building technical capacity, quality relationships and motivating local change agents to collaborate
CSP 1 Pilots

- **eThekwini:**
  - ‘eco-system for innovation’ focused on improving public private relations fraught because of racial, political and sectoral differences

- **Nelson Mandela Bay:**
  - initial focus was the city economic system - key project was the revitalisation of the Baakens River Valley

- **Tshwane:**
  - innovation in municipal processes, urban regeneration and unlocking the potential of government inner-city assets

- Various learning products were developed during the programme by both the CSP and World Bank team
- Decision to continue the project into CSP 2
  - CSP 1 projects may be reconsidered
Pilot Process

- **Initial Scoping & Application**: Month 0
- **Pre-visit and Interviews**: Month 2
- **Enrolment & Convening**: Month 3
- **Learning event**: Month 4
- **International Sharing and Mini-events and Check-ins**: Month 8, Month 10
- **Peer learning workshop**: Month 16
- **Pilot Team Work and Collaboration Support**
The focus of the CSP 2 programme will be to:

- Support the forging of project-focused “inclusive growth coalitions” at City level
- Provide technical support to cities as to how to engage and harness City and other public sector support instruments around such collaborative and “inclusive growth coalitions”
- Institutionalise the collaborative approach and also the “inclusive growth coalitions” where appropriate
- Identify regulatory and institutional blockages to collaboration and “inclusive growth coalitions” and identify constructive and legal ways to overcome them; and
- Facilitate peer learning that draws from global and South African experiences
Request for Assistance

- Service provider (team of 2/3 professional consultants) appointed to work from August 2019 – March 2022 to:
  - facilitate a process in 3 selected metros that will focus on building stakeholder collaboration and partnerships
  - implement and institutionalise space-specific projects or programmes
- Team with skills and experience in:
  - City economic development, analysis and planning
  - Local government in South Africa
  - Understanding the private sector and economic competitiveness
  - City regulatory environment
  - Stakeholder engagement and facilitation
Scoping Phase

- Metros to identify projects/initiatives driven by private or civil society actors that would benefit from a growth coalition with the City

- Each project/initiative to be assessed in terms of:
  - potential contribution to the economic competitiveness of the City
  - how the project/programme relates to City plans and spatial and development objectives
  - private and civil society contributions to the project/programme
  - leadership role of the private and/or civil society sectors and identification of change agents
  - requirements from the City and other public sector role-players
  - City responses – both relevant political and administrative functionaries – and the identification of possible public sector change agents
  - level of stakeholder trust; and
  - regulatory or institutional blockages to City and other public sector support
Scoping Phase

• Service provider expected to:
  – undertake extensive interviews with relevant city officials, private sector role players, civil society, academia and any other influential role-players

• Scoping phase to ensure that the service provider understands the context and the challenges to be addressed in forging collaborative partnerships and building an inclusive growth coalition around the project / initiative

• Collaborative methodology to consider the level of trust and conflict amongst stakeholders

• **Change agents** to be identified not necessarily in terms of their formal positions but rather in terms of their desire for collaboration and change

• Change agents build up a participant grouping for the project / initiative
Learning Event

• Service provider organises and hosts a 3-day learning and initiation event with participant groupings from all the three metros

• Learning event undertaken in partnership with the World Bank based on the Competitive Cities Training programme

• Scoping findings will inform the customisation of the training programme in consultation with the WB team

• Training to be undertaken by WB appointed trainers

• Training aims to:
  – shake the identified project/programme participants out of their comfort zones, and to build an understanding of each other’s perspectives
  – encourage participants to re-think their own roles and potential to change and impact decisions through collaborative initiatives and actions
3-Day Learning Event

• Training is immersive and experiential, using highly participative exercises, including role-playing, case studies, simulations, games and active debates

• Shares global best-practices and simulates “bottom-up” localised actions

• Five fundamental issues are addressed:
  1. what is city competitiveness?
  2. what does it take to run a competitive business?
  3. what are the development goals and objectives of the public sector and how does this relate to city competitiveness?
  4. what are the impediments to city competitiveness and partnerships?
  5. how do “inclusive growth coalitions” and partnerships impact on competitive cities and how can they be nurtured?

• On the final day of the learning event, participants work within their metros to address issues where close public, private and civil society action is required to unlock growth and competitiveness (Scoping Report findings to assist in informing the discussion)

• More than one project team can be established per city with action plans developed & follow-up project meetings set
Learning Event

Role of CSP Service Provider

• Work with the WB to design the programme;
• Create a conducive learning environment by ensuring that stakeholder buy-in to the learning event process
• Ensure right people attend
• Organise the event for an estimated 80 people
• Co-facilitate; and
• Record the event

Role of World Bank

• Curriculum design and sourcing of content in consultation with the CSP 2 service providers
• Hosting the event and covering the costs of the WB expert team
• Convene the event in consultation with the CSP2 service provider
• Appoint qualified service providers to train & facilitate the event; and
• Undertake capacity building of the CSP 2 appointed service providers and CSP 2 project manager to develop in-country capacity to undertake the Competitive Cities Training
Ongoing Support & Facilitation

• Service provider provides ongoing facilitation and support to the 3 metros and the project teams for the implementation of the project action plans and the nurturing of the “inclusive growth coalitions” for a period of 2 years

• The project teams are “self-directed, but support is provided in term of:
  – drafting more detailed programmes of action and to identify resourcing or support needs
  – securing buy-in of the City leadership to the project team or inclusive growth coalition
  – securing buy in of relevant national or provincial sector departments or SOEs
  – unblocking implementation obstacles
  – Formalising institutional arrangements if required
  – providing administrative support
  – energising the project team when necessary; and
  – Organising and hosting three 1-day peer learning events during the 2-year support period
Ongoing Support & Facilitation

- The planned outputs of this process are:
  - a supported partnering and collaborative initiative;
  - a resourced and implemented action plan around specific issues/ projects; and
  - informal and formal collaborative partnerships and inclusive growth coalitions in place
Evaluation and Knowledge Products

• Service provider to evaluate the programme to assess success in achieving the planned objectives

• Service provider to prepare three knowledge products by the end of year two of the project, namely:

  1) A knowledge product outlining the project process and lessons learnt;

  2) An institutional and regulatory review of obstacles and enablers to inclusive growth coalitions and collaborative city partnerships; and

  3) 2-page Step-by-step guides to the public sector, private sector and civil society respectively, on how to build, drive and institutionalise partnerships and growth coalitions for economic development and competitiveness within cities.