

Section 2: Planning Reforms

Section 2.2:

Outcomes-Led Planning



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Contents

1	Introduction	24
2	Outcomes-led planning Definition and Purpose	24
2.1	What is Outcomes-Led Planning?	24
2.2	Components of an Outcomes Led Approach	25
2.3	The Spatial Restructuring Imperative in Outcomes-Led Planning	26
2.4	Case Studies	28
3	Planning for Built Environment Outcomes in Cities	30
3.1	Enabling legislation, regulations and guidelines for achieving spatial outcomes	30
3.2	Outcomes-led planning, spatial targeting, budgeting and reporting in the BEPP	31
3.3	Cape Town's Strategic Management Framework	32
3.4	Planning and Spatial Targeting	33
3.5	Intergovernmental Programme Pipeline	35
3.6	Catalytic Land Development Programme (CLDP)	36
3.7	CLDP Resourcing and Project Preparation	37
3.8	Targeted Urban Management	37
3.9	Reporting: Built Environment Indicators	38
4	Institutionalising Outcomes-led planning	39
5	Concluding Observations	42
6	References	44

1. Introduction

This section is intended to distill and communicate the “outcomes-led planning” approach that has been established by the Department Planning, Monitoring and Evaluation (DPME) in 2010 and is implicit in the formulation of the National Development Plan (NDP):-

“The outcomes approach is designed to ensure that government is focused on achieving the expected real improvements in the life of all South Africans. The outcomes approach clarifies what we expect to achieve, how we expect to achieve it and how we will know whether we are achieving it. It will help spheres of government to ensure that results improve the lives of citizens rather than just carrying out our functions. It will help us to track the progress we are making in achieving results and it will help us collect evidence about what worked and what did not, to help us improve our planning and implementation on an annual basis.

Outcomes planning means planning backwards from the outcome we need to achieve to work out how best to achieve it. It starts with identifying what outcome must be achieved to improve lives and then working out what outputs will ensure we achieve it, what activities we must do to achieve the outputs and what resources are needed to achieve the activities. If the focus is on the outcome, it is clear which role-players will need to be involved to ensure the outcome is achieved. Plans will involve identifying what outputs are needed to achieve the outcome and will be implemented by whichever government entity is responsible for the area of work each output involves. We should be able to connect every resource used and every activity undertaken to real improvement in people’s lives.

Monitoring and Evaluation of outcomes creates the basis for accountability and learning. Systematic assessment of what impacts and outcomes were achieved will enable us to identify what works and what does not. It will enable us to learn and continually develop our capacity to use scarce resources more efficiently and effectively to achieve the greatest benefit for the citizens and communities. Clear statements of the outcomes expected and clear indicators, baselines and targets to measure change will ensure we have reliable information we can use to monitor progress, evaluate how successful we were and plan to improve. (DPME, 2010, pg.10).

In the context of this module the outcomes approach complements the parallel pursuit of budget and fiscal reforms, as well as reporting reforms for metropolitan

municipalities over the last five years. The aim of this section is to provide an overview of the “outcomes-led planning” approach that forms part of this ongoing processes of planning, budgeting/fiscal and reporting reform. It is meant to offer public and private sector stakeholders operating within the built environment insight into the purpose, tools and application of outcomes led planning. Outcomes-led planning is framed in relation to the broadly stated national policy and legislative objectives in relation to spatial transformation of South African Cities which seek to achieve inclusive economic growth, overcome the social and economic dysfunction of apartheid spatial planning including poverty and unemployment.

The preparation of this section includes a review of the BEPP outcomes-led planning approach and tools, and the related indicator components as contained in [MFMA C88 2017](#). The outcomes-led components of associated strategic and policy documents such as the 2016 IUDF and 2017 IUDF Implementation Framework and earlier research and policy guidance on effecting, measuring and testing the outcomes and impacts of planning in the built environment were scrutinized.

The international policy landscape was scoped for best practice relating to spatial transformation, specifically seeking best practice approaches promoting and motivating inclusivity, sustainability and resilience as well as more effective planning processes (including the Ford Foundation, Brookings Institute, Strong Towns Movement, Massive Small and the Project for Lean Urbanism).

The section is informed by insights on the purpose, application and mechanisms of outcomes-led planning gained from the preparation of the 2013 DRDLR SDF Guidelines (in terms of SPLUMA), a subsequent review of the guidelines arising from the 2017 BEPP evaluation process, the compilation of the Integration Zone Toolkit (2017), contributions to spatial targeting working modules in 2013 and Urban Hub Precinct Evaluations for the National Treasury’s Neighbourhood Development Partnership (NDP) Programme as well as the Cities Support Programme (CSP).

2. Outcomes-led planning Definition and Purpose

2.1 What is Outcomes-Led Planning?

As stated in the Introduction above “Outcomes planning means planning backwards from the outcome we need to achieve to work out best to achieve it. It starts with identifying what outcome must be achieved to improve lives and then working out what outputs will ensure we achieve it, what activities we must do to achieve the outputs and what resources are needed to achieve the activities (DPME, 2010, pg.10).

The primary source documents for this overview of Outcomes-Led Planning are:-

- The Guide to the Outcomes Approach (DPME Outcomes Approach 2010),
- The Guidance Note: Framework for the formulation of BEPPs, 2017 (referred to as [BEPP Core Guidance](#) in the rest of this section), and
- The MFMA Circular No. 88 on Rationalisation of Planning and Reporting Requirements, 2017 (referred to as [MFMA C88 2017](#) in the rest of this section).

This above-mentioned documents should be read with these two documents since this section only distills the essential aspects of the rationale, approach and tools for outcomes-led planning.

BEPPs may be agreed as the nexus of planning and budgeting within SDFs, fulfilling the SPLUMA requirement for a capital expenditure [investment] framework. The outcomes-led planning approach and BEPP Integrated Outcome Indicators are central to the [BEPP Core Guidance](#).

As noted above, after more five years of review, alignment and refinement the concept of outcomes led planning, coordination, budgeting, implementation and reporting has been mainstreamed through the publication of [MFMA C88 2017](#). This entrenches outcomes-led planning and specifically the Built Environment as the basis for planning and budgeting across all government sectors and spheres. While the focus is on the rationale, purpose and methodology of outcomes-led planning, this overview also makes reference to (but does not provide an exhaustive synthesis of), the related BEPP Integrated Outcome Indicators that are central to the outcomes-led approach. These indicators have been negotiated and agreed across departments (National Treasury, DCOG, DRLDR and DMPE) and adopted as part of the BEPP process.

This outcomes-led planning review acknowledges the extensive Monitoring and Evaluation policies, protocols and measurement indices such as the Policy Framework for the Government-wide Monitoring and Evaluation Systems. Research for this section included scrutiny of these and other policies, reviews and systems relating to the baseline data collection, quality control and review (StatsSA, DPME and others) but since these relationships have been clearly articulated in [MFMA C88 2017](#) these are not repeated here.

International outcomes-led planning approaches such as the Sustainable Development Goals (SDGs), work by the OECD, Brookings institute and UN Habitat were scanned in researching this section and reference will be made to the cues provided by these for future refinement of outcomes led planning.

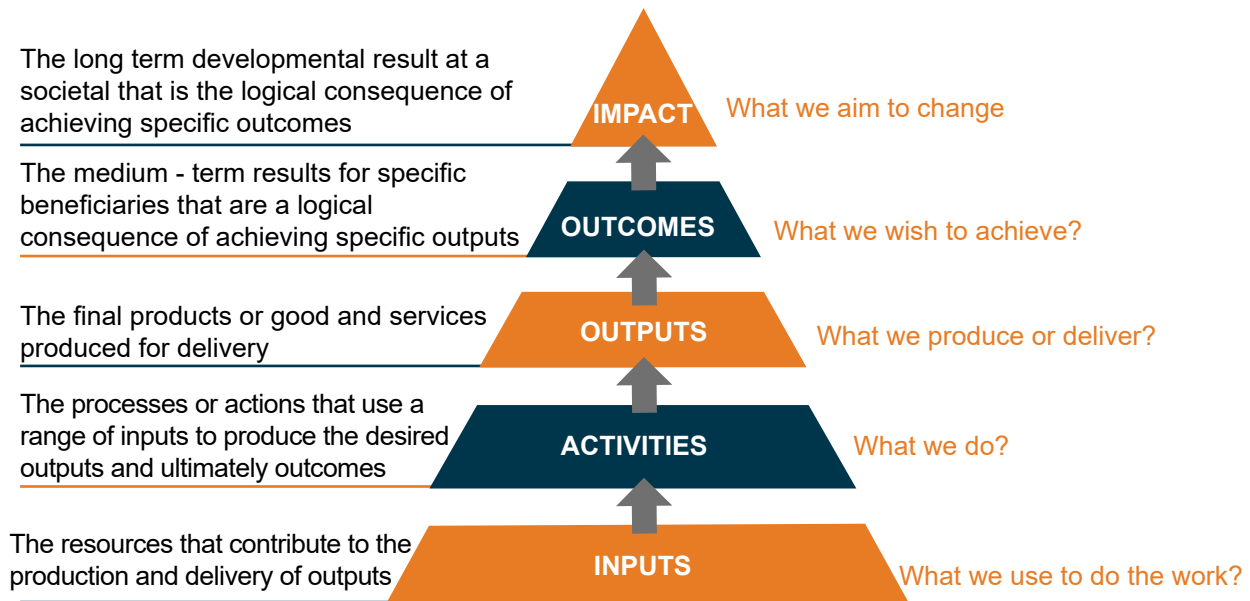
As outlined in the [MFMA C88 2017](#) outcomes-led planning implies the clear articulation of desired outcomes and impacts, practical measurement indices and coherent reporting. These are complex and intensely technical specialist activities, and this is recognized and tackled in the rationalization processes that culminated in [MFMA C88 2017](#). While comment on the current built environment indicators is outside the scope of this overview of outcome led planning, the complexity of connecting planning activities with the measurement of outcomes and impacts, together with quite onerous reporting and compliance requirements raises questions around their applicability and relevance in the South African development context where skilled built environment and management skills remain scarce.

2.2 Components of an Outcomes Led Approach

The 2010 Guide to the Outcomes Approach highlights the need to “think afresh about the logical links between what we do and what we achieve”. It describes the outcomes approach as consisting of the following:

- Focuses on results,
- Makes explicit and testable the chain of logic in our planning, so we can see the assumptions we make about the resources that are needed
- Links activities to outputs and outcome and to test what works and what doesn't
- Ensures expectations are as clear and as unambiguous as possible
- Provides a clear basis for discussion, debate and negotiation about what should be done and how it should be done
- Enables learning and regularly revising and improving policy strategy and plans through experience
- Make co-ordination and alignment easier
- We need to go beyond the work we do and interrogate the impact it has. This approach involves management using a logic model which links inputs, activities, outputs, outcomes and impacts. The triangle below demonstrates these links more clearly” (2010, pg. 11)

Diagram 1: Logical model linking inputs, activities, outputs, outcomes and impacts, DPME, 2010, pg.11



1. **“Problem Analysis:** The first step involves developing a clear understanding of the problem, to ensure that the plan is relevant and focuses on root causes. If our assumptions about causes and their relationships to effects are explicit, we can test and amend them in later cycles of planning based on our experiences and M&E. It is usually important to ensure that the problem is understood from the point of view of the needs and concerns of the intended beneficiaries as well as possible. This will help us ensure that the intervention planned is relevant. Analytical tools such as problem tress can assist with problem analysis.

2. **Theory of Change:** The second step involves developing a clear understanding of the assumptions behind choices about what the key levers of change are and what we should focus our efforts on. This is our “theory of change” based on the best available knowledge about causes and effects. This also needs to be clearly stated so that we can use evidence from M&E to test it through experience and build reliable knowledge about what works in which circumstances.

3. **Intervention Logic:** A clear statement of the intervention logic – the assumptions about what results must be achieved to achieve the outcome, how they will be achieved and what resources will be necessary. The outcomes approach involves a move away from statements of intention to statements which stress measurable results. This chain of logic will enable us to track progress and test whether the outputs are actually a necessary and sufficient condition to achieve the outcome.

4. **Clear Indicators, Baselines & Targets:** Finally, indicators are identified in order to provide a clear basis for monitoring progress and evaluating results. Ideally, there should be a set of indicators for each level of the outcome triangle. This will allow progress to be checked along the whole chain for delivery. Each indicator should have a clear baseline, and targets and timelines should be clearly defined. Indicators must be measurable”.

Adopting best practice approaches to effective spatial transformation through planning, implementation and monitoring, outcomes are understood in relation a clearly defined end state (impacts) and the preconditions (inputs, activities and outputs) required for their achievement.

Diagrams 2.1 and 2.2 show the relationship of outcomes to the various plans in metropolitan municipalities.

2.3 The Spatial Restructuring Imperative in Outcomes-Led Planning

Change is not happening as rapidly and effectively as we require. Despite all the achievements since 1994, significant levels of poverty, unemployment and inequality persist. We have made some progress in many areas of our work. Government has successfully improved access to services and increased its expenditure on service delivery; however, we are still not achieving the outcomes necessary to ensure adequate progress in creating “a better life for all”. Many of our communities are rightly impatient with the quality, relevance and adequacy services and delivery.

Diagram 2.1: Integrated (Transformational) BEPP Outcomes in relation to city plans

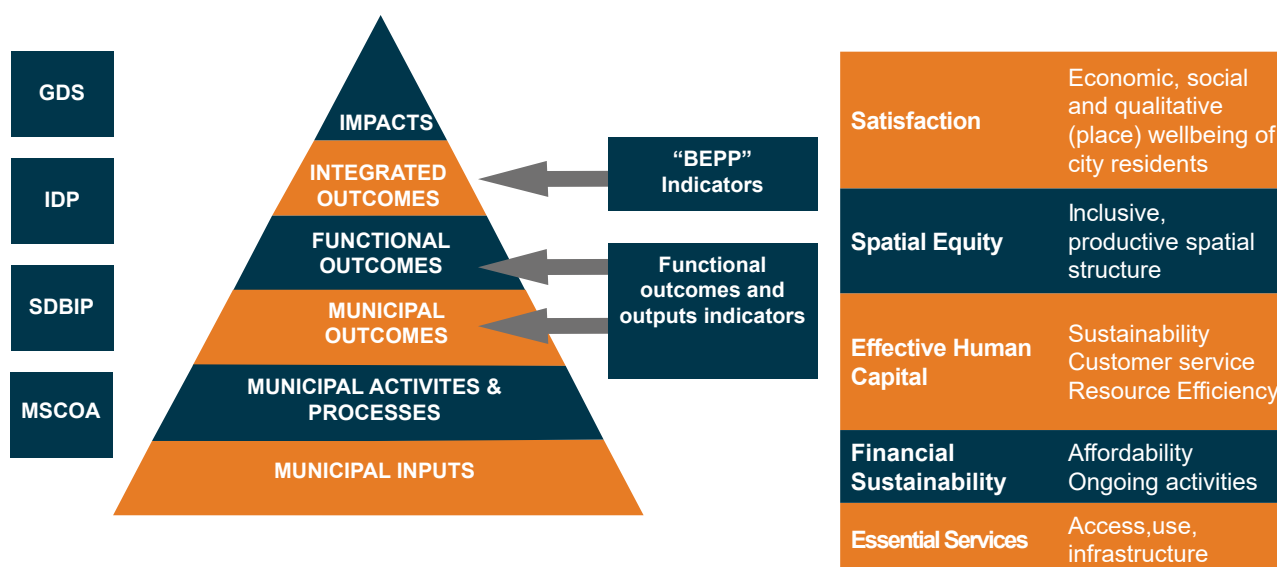
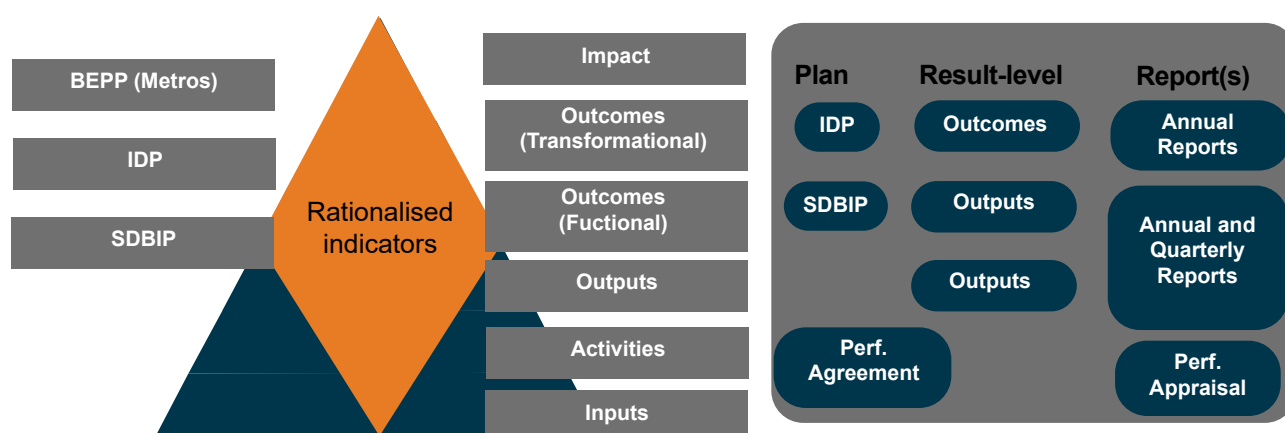


Diagram 2.2: Integrated (Transformational) BEPP Outcomes in relation to city plans



This does not simply mean doing more things and spending more money. We have increased expenditure and increased activities steady since 1994 but this has not always led to us achieving the outcomes we expected. Improving outcomes means doing things differently in order to increase the impact we have on improving the lives of citizens

The situation has not changed significantly since the above quote in 2010 and the above statement still holds true. Frameworks and policy statements relating to outcomes-led planning and the imperative for spatial transformation have been 'on the agenda' for over a decade. Radical new ways of working are imperative to redirect built environment development trajectories and achieve long awaited spatial transformation of more compact, inclusive, productive and sustainable cities that have good governance as their foundation.

Twenty four years into the post-apartheid era, the outcomes and impacts of the forces of racially based segregation and the "functional separation of land uses remain entrenched in the spatial structure of South African cities in spite of policy and legislation promoting integration, inclusion and compaction (DFA 1995, BNG 2006, NDP 2010, SPLUMA 2013). Our cities remain shaped by the forces of apartheid spatial planning and the modernist planning and are thus spatially segregated by race and income, fragmented by mono-functional zoning and sprawl, and un walkable as the result of suburban car dominated suburbs and townships on the urban periphery.

Concerted spatial and development planning, expansion of essential services and spending on housing, social services and transport infrastructure over the past two decades have achieved minimal spatial transformation outcomes and impacts. These features undermine quality of life, further marginalize the poor and vulnerable and

erode economic prospects. Publicly funded and private sector driven development patterns and infrastructure investments are escalating strains on municipal operational viability and essential ecosystems in a context of a shrinking national fiscus. South African cities are becoming increasingly vulnerable to climate change and global economic shocks. Together these factors diminish the capacity of cities to work effectively as the engines for inclusive growth of the national economy.

2.4 Case Studies

A few cases studies are outlined below in this section: -

- Government capacity and stability; Leadership and Trust -Portland, USA
- Compliance Driven Versus Enabling Developmental State – Massive Small UK

Portland, USA

The UN Habitat's publication, "Steering the Metropolis: Metropolitan Governance for Sustainable Urban Development" (2017) is an expansive global comparative analysis of the capability and experiences of metropolitan governments to give effect to the New Urban Agenda, specifically the "transformative power of urbanization as an endogenous source of prosperity" (p 11). This document provides insights into, among others, the financial, institutional, political, infrastructural and leadership complexities of the "art and science" of metropolitan governance, this document is the assertion that the role of cities is so fundamental to our global future that metropolitan

The core message of this wide-ranging publication is that stronger, more capable, sophisticated technical capacity and more empowered (independent), accountable, inclusive and visionary leadership metropolitan government is necessary for the long term national economic performance and sustainability of nations and even regions.

The publication cites strong institutional capacity as one of the key factors in the successful spatial transformation of Portland, USA. According to Robert Libberty of the Urban Sustainability Accelerator, the autonomy, specialization and scale of the Portland metropolitan authority (referred to as Metro) "has allowed it to develop staff competency to a depth that cannot be matched by most or any of the governments within its boundaries. This is particularly evident today in land use and transportation planning, for which it has developed sophisticated modeling and forecasting capacities of national reputation that draw on immense amounts of local data.

Less appreciated is the way in which its narrow focus on sustainability issues shapes the politics of elections

to the Metro Council. Metro Councillors run primarily on platforms related to Metro's regional sustainability plans: whether they support or oppose additions to the urban growth boundary, how strongly they approve or criticize investments in transit, and the degree to which they back Metro's regional perspective versus deferring to the judgments of local governments.

The trend over the past 20 years has been clear - virtually all successful candidates for Metro Council and Metro President support the general direction of compact growth and environmental protection (p320).

Related and necessary preconditions to effective metropolitan governance, capable of driving outcomes-led planning is consolidating institutional memory and by implication incentivizing administrative stability. At present there are no penalties in South Africa for ongoing, ad hoc organizational redesign, staff turnover and administration hopping and no incentives for the opposite.

The target audience of the 2012 UN Habitat Urban Planning for City Leaders highlights the need for inclusive, accountable and visionary leadership that is not obstructed by compliance, over legislation, coordination challenges. The document predates the New Urban Charter foreshadowing the now global acceptance of significance of cities in relation to economic development and sustainability. The existence of the guide highlights the absolute necessity that city leaders understand the importance of planning in achieving desired development goals.

The Portland Charter, is cited in UN Habitat 2017 (p316) as an example of a commonly agreed vision that set the scene for over 24 years of consistent, concerted outcomes-led planning that flew in the face of US planning practices at the time (promoting compact development and public transport) but resulted in remarkable economic, social, environmental and fiscally resilient outcomes. Through committed leadership and a sustained focus on clear initial outcomes "...Portland is the second fastest growing metropolitan economy in the [United States]" (Redden, 2015).

According to a Bloomberg News article published in February 2016, Oregon "had the best performing economy in the nation measured by employment, home prices, personal income, tax revenues, mortgage delinquency, and the publicly traded equity of its companies, according to data compiled by Bloomberg" (Winkler, 2016).

Rather than detracting from its economic development, the region's commitment to urban sustainability and environmental protection is an important reason it is able to attract the young, college-educated people who are in the tech and creative industries and who start new

businesses. According to Badger (2014), “young people are drawn to the compact living, the easy access to nature, the possibility that a farm might actually be near your table, the emphasis on communal assets—parks, public transit, tool shares—over individual ownership.” (UN Habitat, 2017, pg.320)

Compliance Driven Versus Enabling Developmental State – Massive Small (UK) and Lean Urbanism (USA)

In his 2016 book “Radical Incrementalism”, Kelvin Campbell cites examples of the successes of The Massive Small Movement, which recognizes that even in the UK, with the highest per capita ratio of planners, the planning system is too complex. Recognising the capacity limitations of government, both in terms of skills and finance, the approach argues for a shift in the approach and language of urban management from compliance and predetermined outcomes to clear rules and directive condition making.

This approach is not counter to outcomes led planning, in fact, Campbell argues that clearly articulated outcomes connected with simple but firm rules and supported by tools that he refers to as protocols and condition-making are more likely (than prescriptive compliance) to give effect to inclusive change within a resource constrained world. He argues for adaptive and enabling systems that connect top-down, enabling leadership to connect with bottom-up innovation, creativity and the resources of the “massive- small” collective energies of many organisations and individuals. “Massive Small works

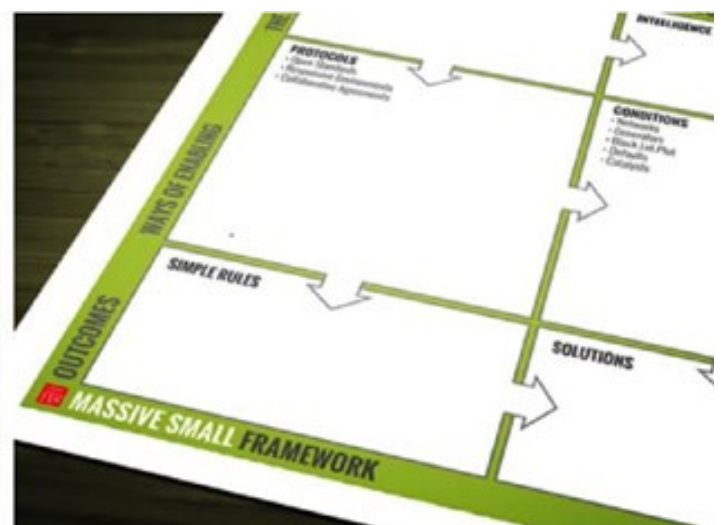
with cities as they really are – deeply complex systems, wherein over prescriptive regulation proves unpredictable and ineffective. As such it offers an alternative to our current highly mechanistic model of urban development”.

The publication “Radical Incrementalism” (2016) is framed as a set of 12 inspirational stories distilled from case studies around the world that present the concepts in an accessible and jargon free language. Core to these lessons is the recommendation that planning requires a code of ethics as a foundation for building an urban society in an inclusive, incremental enabling and responsive way. The notion of rapid and meaningful feedback and correction is also an important component of the narrative.

The “massive small compendium” is an evolving record of practices that have adopted this approach to counter what they describe as the crisis of top down, rigid masterplans. Their website states that “For three generations governments the world over have tried to order and control the evolution of our cities through rigid, top down, single-vision interventions. They have failed. Master plans lie unfinished. Housing standards have declined. The environment is worse off. The urban poor have become poorer. We are in crisis. The problems faced by our rapidly increasing urban populations are as deep and complex as the rich and diverse opportunities that cities foster”

In a similar vein, Lean Urbanism “is an approach to community-building that requires fewer resources. It is a response to the requirements, complexities and costs

Diagram 3: Compliance and Effectiveness



that disproportionately burden small-scale developers, builders, and entrepreneurs. The Project for Lean Urbanism is developing tools and daylighting techniques to better enable small-scale development and entrepreneurial activity by focusing on incremental, successional growth, by reducing the resources required for compliance, and by providing ways to work around onerous financial, bureaucratic, and regulatory processes” (2016, Ditmar & Falk, pg.1). Lean Urbanism has developed the concept of

the “Pink Zone” which they advocated as “a powerful tool for concentrating resources on the task of enabling small-scale, community centered development and revitalization. It defines an area of focus, leverages a suite of available tools, and provides a platform for the community to gather resources, make commitments, and work together on projects that enhance community character and allow existing businesses and residents to remain and profit from the improved quality of life”.

Diagram 4: The Lean Urbanism Approach



One of the Lean Urbanism tools is the identification of “pink zones” – areas where red tape is lightened, and experimentation encouraged within a framework of pre-negotiated (outcomes).

This could be described as spatially targeted radical incrementalism. Tools include simple financing tools (“low fat vanilla financing”), lean infrastructure guides, lean governance guides and techniques for pilot projects and sharing the results of case studies (Lafayette LA, Chattanooga TN, St. Paul MN, and Savannah GA.). A Lean Scan tool is also offered as a technique to scope and unlock opportunities for growth and urban transformation. “The Lean Scan is a new tool for finding latent opportunities in a town, a district or a corridor and leveraging underused assets in a way that unlocks synergies between built, financial, social and natural resources. The Lean Scan is to be applied at the scale of the neighbourhood, corridor or town, and may be commissioned by or for a state, a locality or a community organization.”

3. Planning for Built Environment Outcomes in Cities

3.1 Enabling legislation, regulations and guidelines for achieving spatial outcomes

The 2012 National Development Plan (NDP) was explicit about the need to trigger a virtuous cycle of development enabled by a vision for social cohesion comprising active citizenry, strong leadership and effective government.

Neither the desired outcomes nor the enabling context have been realized and combined with a dramatically changed global context, South Africa’s prospects for inclusive economic growth, built on powerful, well run cities is far from realization.

While the MSA is relatively open-ended on what “explicit spatial restructuring strategies should be pursued, both the IUDF and the BEPP processes have attempted to remedy this by giving greater clarity on the desired end state of spatial transformation (outcomes and impacts) as well as the intended means to measure progress toward and achievement of this end state (indicators).

Similarly, SPLUMA and the SDF Guidelines clarify many previously contentious matters of spatial planning and land use management, but fall short of specific built environment outcomes, outputs and activities required to realise these principles and values in practice. It is accepted that legislation should not go as far as prescribing a planning approach, but Guidelines could do so, especially when the outcomes we seek have been difficult to attain after 24 years. Furthermore, the SPLUMA and the SDF Guidelines do not make provisions for monitoring and review beyond general statements on alignment, compliance and quality. Parallel processes relating to reporting and data were in progress in 2014 in the DRDLR but have not reached the public domain.

What has become clear since 2013 is that for SDFs to achieve the spatial transformation outcomes implied by the SPLUMA principles, SDFs need to be underpinned by

a strong and measurable theory of change and resultant strategy to guide the state and a robust and democratic decision-making system to enable broad and deep participation in its realization. The notion of evidence-based planning that goes beyond generalized normative statements is key.

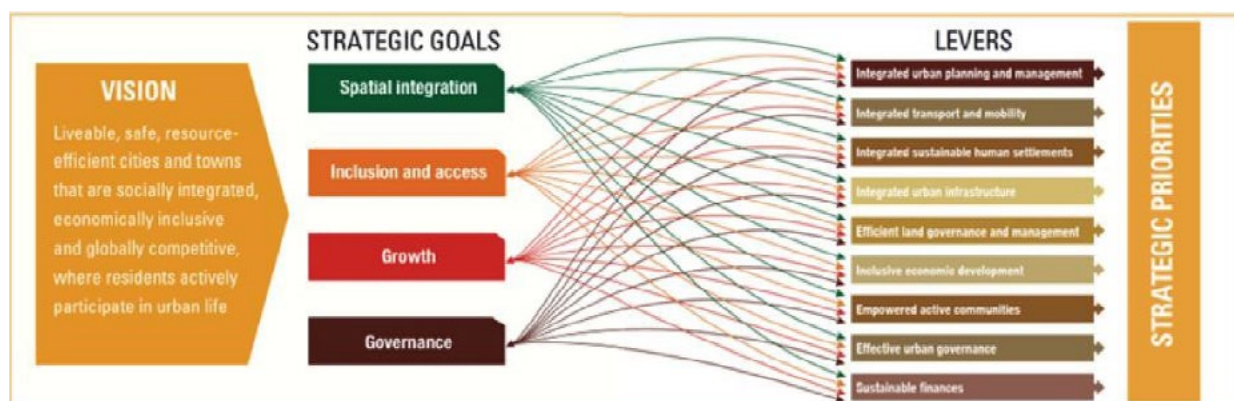
As noted in the 2016 City Budget Forum Memo “Reforming the planning regulatory environment is not sufficient to achieve spatial transformation but it is necessary”. The memo notes the point made in the NDP’s chapter on human settlements that “spatial transformation is a long-term project”, once achieved, however it would “fundamentally transform job and livelihood prospects [and...] reduce travel time and cost between home and work, increase mobility for poor households to access better job and education opportunities. This in turn will reduce poverty and inequality” (NDP, pg. 259, cited in 2016 CBF Memo). To reach this point, a steady stream and consistent programme of legal, fiscal and institutional reform is needed to create an urban spatial planning system that is fit for purpose in the twenty first century South Africa” (2016, CBF, pg.5).

Aiming to resurrect and renew the aspirations of the NDP and reflecting on the factors that mitigated against the realization of the NDP objectives with respect urban spatial transformation, the 2016 Integrated Urban Development Framework (IUDF) from COGTA sets out strategic goals and identifies nine policy levers to realise these. The IUDF has the following four strategic goals:

- Spatial integration - new spatial forms in settlement, transport, social and economic areas.
- Inclusion and access - ensuring people have access to social and economic services, opportunities and choices.
- Growth - harnessing urban dynamism for inclusive, sustainable economic growth and development.
- Governance - enhancing the capacity of the state and its citizens to work together to achieve spatial and social integration

Note the specific strategic goal on spatial integration above and in the Diagram 5 below.

Diagram 5: The Four IUDF Strategic Goals and Nine Policy Levers



While the MSA, SPLUMA and the SDF Guidelines, the NDP and the IUDF all try to address and enable spatial transformation as an outcome, there are some gaps remaining. The BEPP was designed to address these gaps as well as to align planning, budgeting and reporting.

3.2 Outcomes-led planning, spatial targeting, budgeting and reporting in the BEPP

Starting from the premise that outcomes-led planning means planning backwards from the outcome we need to achieve, the identification of the outcomes/s should be followed by ensuring that they are measurable. This would be followed by working out what outputs will ensure we achieve it, what activities we must do to achieve the outputs, and what resources are needed to achieve the activities.

Formulation of the spatial transformation outcome statements and the integrated (transformational) outcome indicators started in 2013, and work on the functional outcome and output indicators started in 2016/17. This was a challenging process since it was agreed that indicators arising out of the process would be a set of standardised indicators applicable to all metropolitan municipalities. This process marked the start of [Outcomes-Led Planning](#) and culminated in the issuing of the [MFMA C88 2017](#) which not only informs spatial targeting and budgeting but also institutionalises the set of indicators for reporting.

The spatial transformational outcome statements and the integrated (transformational) outcome indicators informed the urban network planning in metropolitan municipalities that resulted in identifying spatially targeted areas at a sub-metropolitan scale. These spatially targeted areas, the Inner City or Central Business District; the Primary Hub within the largest disadvantaged township/area;

the Corridor that linked these areas otherwise known as the Integration Zone; Informal Settlements that will be upgraded in-situ; Marginalised Areas; and Economic Nodes become the focus of the intergovernmental co-ordination, planning, budgeting and implementation. It is called the Intergovernmental Programme Pipeline in the BEPP and contributes to infrastructure-led growth by spatially targeting public investment in specific areas. There is a separate section on this theme called Infrastructure-led Growth through Spatially Targeted Public Investment.

The planning and budgeting process outlined above did not exclude the parts of the metro that were not spatially targeted, it simply prioritised the spatially targeted due to its potential to transform the urban form and thus improve the lives of as many citizens as possible. Capital Budgeting was thus informed by the strategy for spatial targeting rather than being a list of projects. Furthermore, the planning and spatial targeting also results in the identification of Catalytic Land Development Programmes (CLDP) within the Integration Zones – generally at the precinct level. The CLDP is an ensemble of a series of related projects (public, private or a combination of the two) that need to be implemented within a specific spatially targeted area. Resourcing, and especially financing the CLDP and development in the spatially targeted areas is what is referred to as Strategy-Led Budgeting.

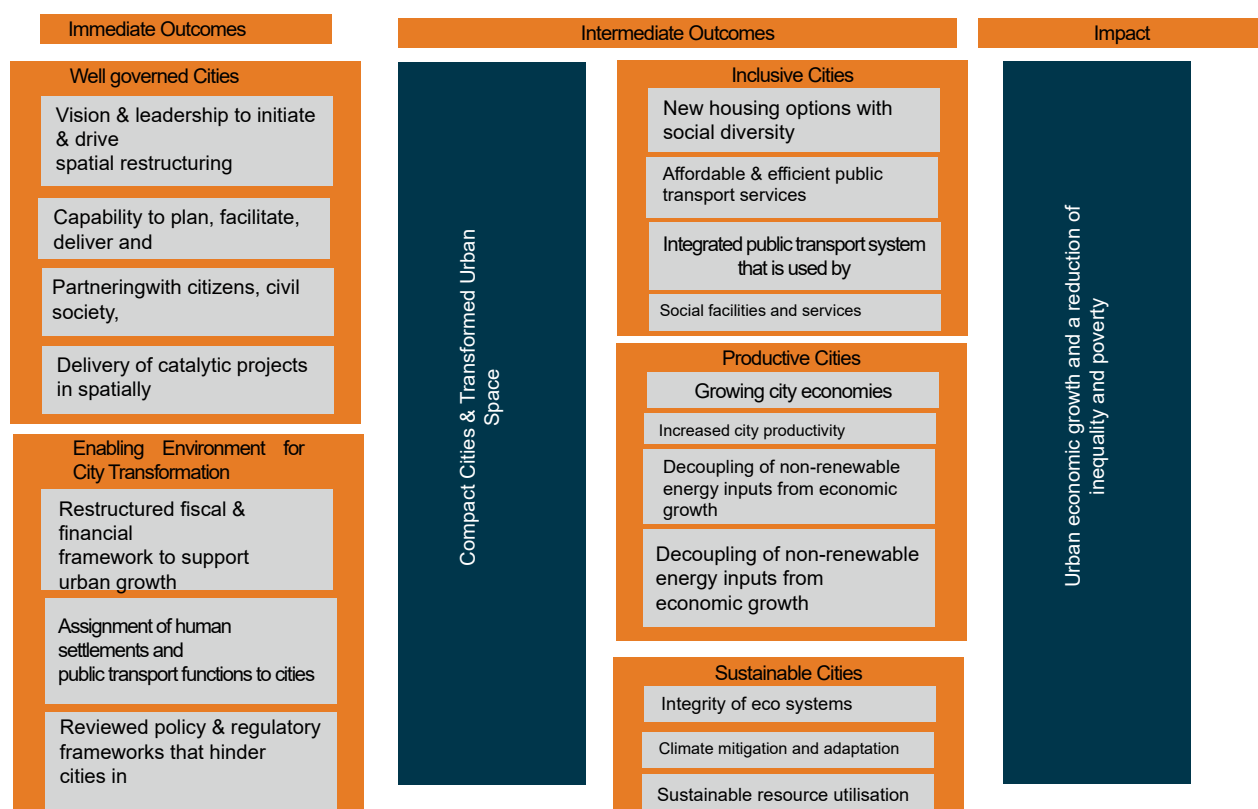
The BEPP is the instrument that holds all three activities together with a clear line of sight across planning, budgeting and reporting.

“Spatial planning and land use management is primarily a municipal function in terms of SPLUMA and the precedent-setting ruling of the Constitutional Court (2010). The BEPPs and its related Guidelines do not usurp the municipal function of spatial planning and land use management. They seek to work collaboratively with metropolitan municipalities to share good practice, within the context of efforts by the national government to introduce a more enabling policy and regulatory environment to achieve more compact cities. The planning alignment and reform advocated by the BEPPs and its related Guidelines (and its inherent approach, tools and instruments) are part of package of reforms complemented by national regulatory, fiscal, monitoring and reporting reforms”. (MFMA Circular 88, pg.8)

3.3 Articulating Desired Outcomes in a Results-Based Framework

“BEPP guidelines have consistently required effort from Metros to adopt a results-based approach, working in terms of a specific intervention logic that follows a spatially target-d planning approach - requiring a behavioral change at the institutional level to achieve the desired outcomes and impact. The desired outcome of spatially transformed cities that are well-governed, inclusive, productive and sustainable is unpacked in the theory of change in Diagram 6.

Diagram 6: BEPP Results-based Framework or Theory of Change



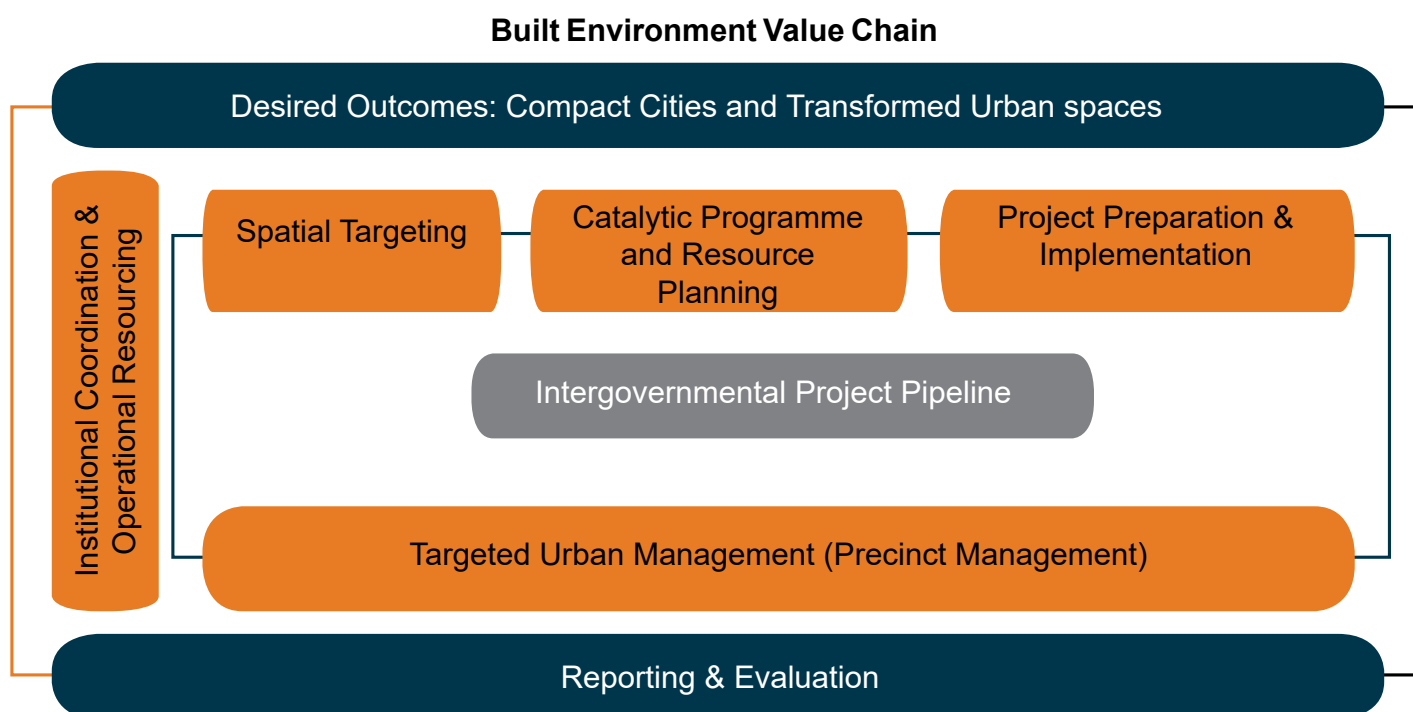
The BEPP challenge is to establish a clear line of sight between setting outcomes, knowing how to measure/report these upfront; planning and budgeting for interventions and investments that build towards these transformations, implementing them and managing the product to sustain the result” [BEPP Core Guidance](#).

The BEPP process is premised on the assumption that spatial transformation of the metros is central to achieving the integration and sustainability impacts that underpin resilient and inclusive economic growth. The integrated outcomes are framed around three intermediate impacts, namely to direct investment so that SA cities become more inclusive, productive and sustainable” (SDF Guideline Review, NT, 2017, pg.7). However, this impact is not direct,

and requires a series of coordinated actions to achieve this objective. The casual chain that provides the logic of spatial targeting, as well as guidance as to what action needs to happen, is at the core of the BEPPs.

Accordingly “The Built Environment Value Chain (BEVC), depicted in Diagram 7 below, is an intervention logic that structures the BEPP as a plan and planning process whose starting point is the identification and definition of the integrated outcomes” ([BEPP Core Guidance](#) pg. 22). The BEVC is an intergovernmental process aimed at achieving the identified set of built environment outcomes in cities. The BEVC activities are linked together in a logical sequence, and form part of an iterative process rather than a linear process”

Diagram 7: Built Environment Value Chain (BEVC)



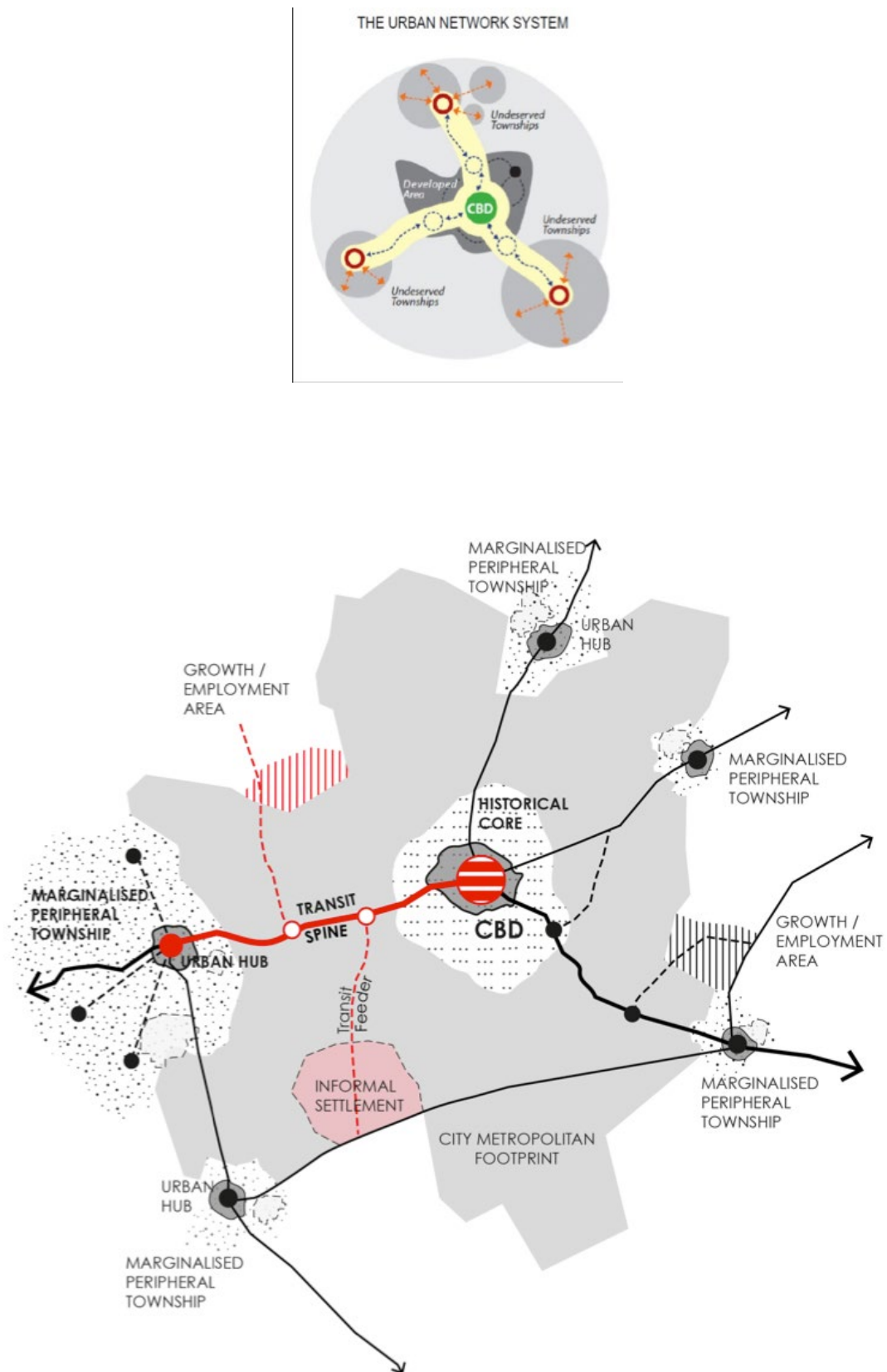
Implicit in a results-based approach and outcomes-led planning is an acceptance that the results (impacts) are evident in transformation of the spatial structure of the city and can and must be measured.

3.4 Planning and Spatial Targeting

The spatial targeting and investment coordination emphasis of the BEPP process is focused on achieving inclusive economic growth for South Africa. It further takes a spatial targeting approach that recognizes that metros house the bulk of the South African population and economy. The starting premise of the BEPP is that spatial targeting of investment is necessary to achieve coordinated public intervention that maximises the leverage of limited public

resources. Starting with an urban network strategy (Urban Network Support Guide), the BEPP identifies spatial targeting areas that are the optimal locations for integrated, transit-oriented development, as recommended in the National Development Plan, SPLUMA and the Integrated Urban Development Framework (IUDF).

Diagram 8: The Urban Network Concept



The metro BEPPs and city plans must identify, quantify, plan, budget and coordinate implementation within spatially targeted areas (in line with SPLUMA) indicating prioritised Integration Zones, TOD precincts within these zones, marginalised residential areas including informal settlements, and economic nodes and integration zones. Details on the emphasis of this spatial targeting approach is provided in the BEPP Core Guidance and supporting toolkits.

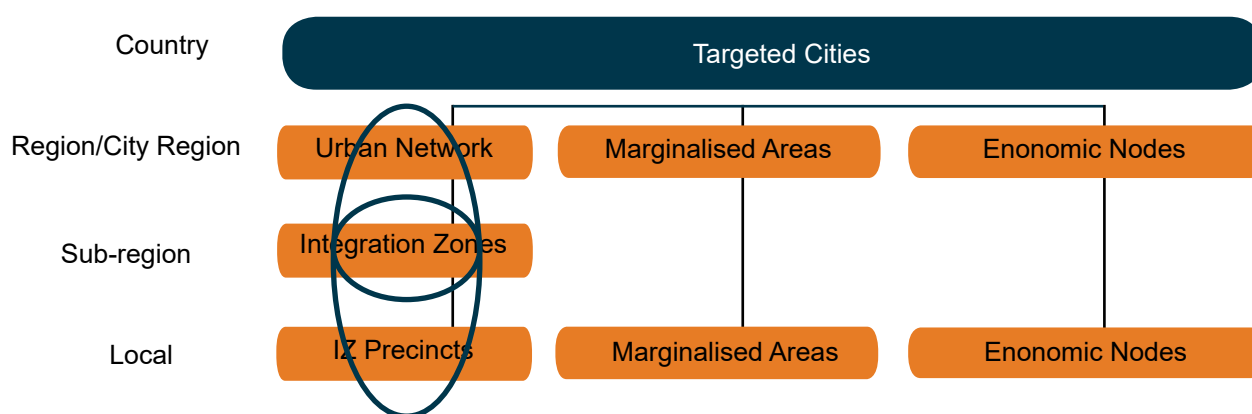
The BEPP processes have made significant strides towards improved intergovernmental coordination and planning. The metros have reported this as one of the central benefits of the process to date, highlighting the dual challenges of securing government sector department involvement in their planning processes and lack of timeous (or nonexistent) disclosure of national departmental

and SOE plans and budget priorities. The BEPP notion of spatial targeting cascades from the national level, by virtue of its deliberate focus on metros as the key drivers of the economy. Improved intergovernmental co-ordination, planning and budgeting is detailed in a related section called Infrastructure-led Growth through Spatially Targeted Public Investment.

The nuanced spatial targeting hierarchy from a national focus on cities to the scale of precincts within Integration Zones align with marginalized areas, informal settlements and economic nodes is illustrated in Diagram 9 below.

There are 2 outputs resulting from spatial targeting namely the Intergovernmental Programme Pipeline (IGPP) and the Catalytic Land Development Programme (CLDP) which are outlined below.

Diagram 9: Spatial Targeting Hierarchy



3.5 Intergovernmental Programme Pipeline

A Metro's BEPP should take particular interest in the pipeline of projects planned for the Metro across the public sector actors (national, provincial and municipal government as well as state-owned entities). Inclusive economic growth and more efficient urban form will not be possible without understanding the plans and programmes, particularly investment plans of all relevant sectors, spheres of government and state-owned entities. Metros should then coordinate, guide and align these programmes and projects to the Metro's plan for better outcomes, e.g. the alignment of the planning and delivery of provincial infrastructure, such as health facilities and schools, within metropolitan spaces. Furthermore alignment between the investment in public transport and human settlements is required to enable integration at the local level.

There has generally been weak intergovernmental coordination and planning across the three spheres of government and state-owned companies although all have substantive investments in the built environment at the city level.

The BEPP is interested in the intergovernmental programme pipeline at two levels outlined below:

A city-wide perspective of the intergovernmental programme pipeline. This is aimed at providing information and a baseline for the progressive spatial targeting of this investment in terms of a Metro's plans – the basis for dialogue on alignment of objectives and programmes in terms of a shared set of agreed outcomes. Most Metros have struggled at one point or another with limited information on plans and projects of other spheres and/or entities within their jurisdiction. This information is often only received when the spheres and/or entities apply for development approvals. This severely limits their ability to co-ordinate the implementation of these projects in relation to their own projects – where there are co-dependencies or opportunities lost in the failure to coordinate.

In the short term, all spheres and entities who have projects within cities should be able to provide Metros with their lists of projects (capital projects over the medium term) to include in an intergovernmental project pipeline. The main purpose of the pipeline is to share information,

enable engagement on this information and to shift towards agreement and commitment to a programme of collective, coordinated public investment in priority precincts based on identified needs set out in the precinct plan's intergovernmental project pipeline, and to inform the development of the long term financial strategy to sustain this investment programme.

The intergovernmental programme pipeline within the catalytic land development programmes

The preparation of a catalytic land development programme of projects to a ready status of implementation is complex containing many projects over the medium to long-term which include many municipal projects, other inter-governmental projects (as well as a variety of private sector related projects) which necessitate rigour and discipline in programme management and corporate decision-making processes in order to ensure progression through various stages of programme preparation.

The BEPP process aims to progressively move Metros from the alignment of processes and time frames in the public sector to joint planning of priority precincts within spatially targeted areas followed by the sequencing of public investment in these areas, while respecting the various mandates of government spheres and entities and understanding their business models through the catalytic urban development programmes, as discussed above.

As institutional coordination mechanisms take hold at the Metro and precinct level that enable the sharing of information and in time, joint planning, prioritisation and project alignment, ultimately the goal is to have municipal, provincial, national sector departments and state-owned entities plan their projects and budgets collaboratively, under the leadership of the Metro, for the transformation of integrations zones and priority precincts within these. The 'crowding-in' of public investment should generate confidence and generate a response from the private sector and households, and in doing so serve to optimise the gearing of public funds.

As this pipeline is established and supported by legislated and other intergovernmental cooperation mechanisms that serve as implementation agreements between the Metros, other spheres of government and state-owned entities, the existence of these agreements and the performance of this pipeline, evaluated through the annual BEPP evaluation process, must become an informant to the national process of funding allocations to state-owned entities and national and provincial departments.

3.6 Catalytic Land Development Programme (CLDP)

As mentioned before the BEVC starts with a process of

spatial targeting flowing from the Metros' spatial planning. Spatially targeted areas are prioritised and plans developed for the priority precincts in these prioritised areas. A catalytic land development programme is developed out of this precinct plan, and this programme and the projects within it undergo preparation towards implementation. Catalytic land development programmes; for the purposes of the BEPP, are specifically defined as programmes that:

- a. Enable integration, that is, mixed and intensified land uses where the residential land use caters for people across various income bands and at increased densities that better support the viability of public transport systems.
- b. Are game changers in that the nature and scope of the projects are likely to have significant impact on spatial form and unlock economic activity.
- c. Involve major infrastructure investment.
- d. Require a blend of finance where a mix of public funds can leverage private sector investment as well as unlock household investment.
- e. Require specific skills across a few professions and have multiple stakeholders.

Catalytic land development programmes are an ensemble of all related projects (public: municipal, public: non-municipal and private [PPPs, SPVs, and pure private development] projects) needing to be implemented within a priority precinct of a specific spatial targeted area and from which the total intergovernmental project pipeline is identified and updated for all public sector projects in the programme. At the same time, it must be demonstrated how private sector and household investment is leveraged within the programme.

The catalytic programme preparation process is therefore aimed at delivering a series of built environment projects to be implemented by either national, provincial, municipal or private sector which will progressively put cities on the path to achieving compact cities and transformed urban spaces. A portfolio management approach for the catalytic programmes at the city level is required. That is the centralized management of the processes, methods, and technologies used by the programme and project managers and programme/ project management offices (PMOs) to analyse and collectively manage current or proposed catalytic programmes and associated projects. These catalytic land development programme portfolios of the metropolitan municipalities will be amalgamated at the national level by National Treasury for the purpose of providing specialist technical support, aligning public investment across the spheres and entities, as well as attracting private sector funding.

A focus on the portfolio rather than individual projects only (whether mega, large or small projects) will enable effective identification, description and tracking of such

interventions. Projects within a programme can be prioritised and sequenced in terms of dependencies (for instance, which projects are needed to unlock resources, align with budget cycles, are in states of readiness, respond to market conditions, as well as manage political expectations).

Projects within such a portfolio can be supported to manage potential risks and clearly demonstrate the consequences of delays. It will also allow for improved resource allocation across spheres and entities, clearer monitoring, better project management and improved political reporting and project marketing. Careful thought should be given to how this approach can be inclusive of intergovernmental role players and the private sector, effectively.

Metros are required to provide detailed information on a progressive basis on the planning and implementation of each of their catalytic urban development programmes and related projects; including both public: municipal, public: non-municipal and private (PPPs, SPVs, and pure private development) projects. A standardized format which records these programmes enables effective tracking of programme implementation, and this is especially important to encourage the interest of potential private sector investors.

3.7 CLDP Resourcing and Project Preparation

There are limited public resources and these need to be deployed to effect maximum benefit to society. The current urban infrastructure funding approach is not doing enough in this regard. At the same time, national government has a clear mandate to ensure higher returns on infrastructure investment across spheres and sectors at both the city and city-region scales. Prioritisation is therefore not optional and careful strategic choices need to be made about the allocation of resources in space. This recognition has focused interventions so that maximum, productive and inclusive public benefit is derived from public planning and investment. In other words, to achieve specific spatial outcomes, the funding application and means of measurement must include spatial instruments as outlined in the section on Infrastructure-Led Growth through Spatially Targeted Public Investment. It extends beyond the activities and investments of the public sector, recognising that the government cannot dictate the market, it does play a crucial role in creating the economic environment for growth, stability, stagnation or decline. It noted that the government cannot dictate the market, it does play a crucial role in creating the economic environment for growth, stability, stagnation or decline.

Facilitating the development environment in a manner that promotes healthy competition, cooperation and improved productivity. This typically happens by modifying government policies to motivate, facilitate and provide incentives for collective private action in a development cluster.

Metropolitan municipalities have direct control over their projects within the catalytic urban development programme and indirect influence (although substantial) over the rest of the projects that make up the programme. Not all projects require extensive project preparation focus, only key projects. Metros should as far as possible enable the leveraging of investment in catalytic urban development programmes through individual project partnership arrangements using public expenditure to influence the location of investment by firms and households, e.g. identifying land to be serviced and packaged for development in particular spaces while using development control measures to discourage development elsewhere (e.g. Integration Zones in relation to other spaces). Collective investment from the public and private sector in specific urban spaces will enable these programmes to play an important role in spatially transforming cities by providing key services and developing mixed use, higher density developments.

The BEPP is a tool to enable strategy-led budgeting and to pursue long term financial sustainability of the Metros investment programme and is currently an eligibility requirement for the Integrated City Development Grant (ICDG). The ICDG is an incentive grant that rewards the application of infrastructure grants, as part of the total capital budget, toward catalysing spatial transformation through a spatial targeting approach at a sub-metropolitan level.

3.8 Targeted Urban Management

While urban management is the ongoing business of metropolitan governments at a city-wide scale, the importance of specific, sustainable precinct urban management approaches for priority precincts/areas in the three spatial categories cannot be under-estimated. It is a important lifecycle approach that will assist to secure transformative outcomes. Urban management is needed to sustain the capital investment made and to establish the preconditions for investor confidence and continued investment momentum. Importantly, it does not follow capital investment but is a continuous activity in the precinct.

While urban management can be understood to be the day to day operations in a precinct, such as cleaning, waste removal, traffic, transport and trader management and security services, it can extend to place-making and marketing and social services. The management of localised public transport operations is also a critical success factor to successful urban management. Similarly, the quality of asset or facilities management of public sector facility owners has a considerable impact on successful precinct management.

Effective urban management requires a partnership approach - with the private sector and resident households and businesses – tailored to the specificities of the particular priority precinct. The models will differ across the three spatial targeting areas. However, successful urban management is based on working with precinct stakeholders on a continuous basis, through mechanisms such as CIDs, in a shared efficient management and maintenance approach, to retain and increase investment, create jobs, and manage risks for all parties. This will contribute to the safety and maintenance of precincts. The objective is to achieve inclusive, vibrant, safe, and investment friendly precincts owned by the community active within them.

3.9 Reporting: Built Environment Indicators

The ultimate impact sought in the BEPP process, echoed in the NDP (2010), SPLUMA (2012), IUDF (2016) and now the MFMA Circular 88 (2017 and the 2018 Integrated Planning Framework, is inclusive economic growth brought about by spatial transformation. Some important concepts embedded in an outcome led approach are:

- “monitoring” includes the collection and analysis of data and reporting on activities, inputs, outputs, outcomes and impacts as well as external factors in a way that supports effective management.
- “evaluation” means a systematic collection and

objective analysis of evidence on public policies, programmes, projects, functions and organisations, to assess effectiveness and efficiency.

- “indicator” means a specific measurement that tracks progress, or not, toward achieving an output, outcome or impact. Within the DPME and Treasury space, efforts are being made to ensure that indicators that are SMART – specific, measurable, achievable, and relevant and time bound

The monitoring and evaluation of outcomes is a crucial basis for accountability and learning. The DPME Outcomes Approach 2010 describes this as a “systemic assessment of what impacts outcomes were achieved will enable us to identify what works and what does not. It will enable us to learn and continually develop our capacity to use scarce resources more efficiently and effectively to achieve the greatest benefit for citizens and communities. Clear statements of the outcomes expected and clear indicators, baselines and targets will ensure we have reliable information we can use to monitor progress, evaluate how a set of four integrated/transformational outcome areas, together with general results statements have been incorporated into the monitoring and reporting framework for the 2018/2019 BEPPs as per the requirements of [MFMA C88 2017](#).

Table 1: BEPP Integrated Outcome Statements ([BEPP Core Guidance pg. 41](#))

Integrated Outcome Area	Result Statement
Well-governed city	Vision and leadership to initiate and drive spatial restructuring
	Capability to plan, facilitate, deliver and manage urban spatial transformation
	Delivery of catalytic urban development programmes in spatially targeted areas
Inclusive city	Housing options with social diversity
	Affordable and efficient public transport services
	Integrated public transport system that is used by the majority of city inhabitants
	Social facilities and services
Productive cities	Growing city economies
	Increased city productivity
	Decoupling of non-renewable energy inputs from economic growth
Environmentally sustainable city	Integrity of ecosystems
	Climate mitigation and adaptation
	Sustainable resource utilisation

The BEPP Integrated/Transformational Outcome Indicators have been developed against a rigorous monitoring and evaluation framework that aims to clearly stipulate the desired developmental results (impacts) of achieving specific outcomes. These link back to the outputs, activities and inputs by stakeholders effecting change in the spatial structure of cities (government and the private sector).

“In relation to transformation, a second set of “Outcomes” are understood in terms of how functional outcomes integrate with and produce complex results of their own. These indicators apply a distinct transformational and usually spatial lens in terms of how outcomes are spread. By their very nature they reflect a complex confluence an interplay of functional outcomes with some effects reflecting only over the medium term. However, the integrated, transformational outcomes are not necessarily mutually exclusive from functional outcomes as there may be points of mutual overlap and confluence, particularly as it relates to the transportation and housing functions which increasingly entail integration of functional planning and associated outcomes” (pg. 4).

The statement that there “may be points of overlap” between housing and transport worryingly suggests a reductionist perspective on where these wholly interrelated components of city performance are not being measured in an integrated way. The key result areas will never be realized while these two powerful forces of city shaping are thought about and measured independently.

The [MFMA C88 2017](#) sketches the long-standing problematics of misaligned reporting, indicator proliferation and compliance and reporting overload among national departments in respect of their own as well as provincial and municipal competencies. It overviews the reporting reform processes and collaborations which have resulted in the identification of a common set of city transformational outcomes viewed through a spatial lens. The core city transformation outcomes that must now inform government planning, budgeting, implementation and reporting are:

- Targeted investments in integration zones;
- Reduction in urban sprawl;
- New housing options with social diversity; and
- Affordable and efficient public transport services ([MFMA C88 2017](#), pg.4):

[MFMA C88 2017](#), endorses the BEPPs as the most appropriate lens through which these City Transformation Objectives could find expression and directs all spheres and sectors of government to adopt and implement the BEPP integrated outcome indicators. (p5). It also outlines the classification of indicators in terms of their readiness for tracking outcomes, with a four-tier system in line with the UN SDG being adopted.

MFMA C88 2017 is clear that more work and refinement of data sources, development of capacity and further reporting reform is required. How this powerful government instrument impacts or improves day to day decision making with respect to the private sector operating (and

impacting) the built environment is unclear and may be an area for additional or parallel efforts.

4. Institutionalising Outcomes-Led Planning

The [MFMA C88 2017](#) started the process of institutionalising the outcomes-led approach and subsequent updates of the circular has entrenched it – MFMA C88 Addendum 1 (2019) and MFMA C88 Addendum 2 (2020).

In addition, the annual budgeting process over the last seven years has already de facto institutionalised the outcomes-led approach. While there are significant successes that can be counted to date, there is still much more work to be done for the institutionalisation process to reach conclusion.

The Planning Reforms Seminar in June 2018 confirmed that BEPPs (approach, plan and process) will be used to strengthen the SDFs, IDPs, Budgets and SDBIPs. During the seminar in 2018 COGTA announced the review of IDP Guidelines and the review of the Municipal Planning and Performance Management Regulations in 2020 given the changes in planning and reporting requirements. Furthermore, COGTA also adopted the BEPP process, with less onerous requirements than for metros, for the two pilot Intermediate City Municipalities, Polokwane and uMhlatuze.

By 2018 there was sufficient evidence and consensus on what reforms worked (and those that did not work) and how these lessons learnt could be used to strengthen the key existing legislative planning, budgeting, and reporting instruments. As a result, preparation to transition out of the BEPPs started in late 2019 for the 2020/21 MTREF and was done in four main ways: -

1. Working with the metros to decide how the BEPP content, process, practice, and approach would be used strengthen the cities institutional process relating to planning, budgeting, and reporting.
2. Introducing an urban spatial perspective into in the annual budgeting process in 2018 as approved by the Budget Council to make the necessary changes in the government systems to improve the achievement of spatial outcomes in our metropolitan municipalities.
3. Issuing MFMA Circular 88 in 2017, and the resultant updates in 2019 and 2020 to institutionalise the reforms
4. Using the BEPP Guidelines to produce a Toolkit for Spatial Targeting and using the BEPP knowledge products to development training for officials involved in planning, budgeting, and reporting.

[MFMA C88 Addendum 2 \(2020\)](#) outlines the lessons learnt from the BEPPs and planning reforms which covered aspects of the approach/method; the practice of how officials ran the institutional processes; and the content – outlined below: -

1. Outcomes-Led Planning (OLP) and spatial targeting should be the key approach for all relevant metropolitan plans such as the Growth & Development Strategy / City Development Strategy (GDS/CDS); MSDF; longer term sector strategies; City Infrastructure Delivery Management System (CIDMS); Long Term Financial Model and Strategy (LTF Model & Strategy), and last but not least the IDP. There is a need to move away from compliance-driven planning to integrated, results-based planning.
2. Strategy-Led Budgeting (SLB) ensures that scarce financial resources are aligned to the key priority outcomes in the municipality.
3. Using spatial targeting to Influence and incorporate the relevant provincial, national and state-owned enterprise plans and budgets into municipal spatially targeted areas enables all of government to focus on contributing to outcomes and impact.

Metropolitan municipalities did their last BEPPs for the 2020/2021 MTREF and part of their work involved outlining how they were going to institutionalise the approach/method, process, content, and practice in their municipalities.

The commitments regarding institutionalisation will be monitored in the 2021/22 MTREF plans and budgets. [MFMA C88 Addendum 2 \(2020\)](#) outlined the key content and process from the planning reforms that should be in the 2021/22 IDP are the Intergovernmental Programme Pipeline and Catalytic Land Development Programmes (previously Annexure 2 and 1 of the BEPPs respectively) that should be brought into the IDP. Translating the lessons learnt into practical activities and outputs requires that we

focus on the following going forward until it is successfully institutionalised: -

- a. **Planning Approach:** The planning approach is outcomes-led, using predetermined outcomes that can be measure the performance of the built environment, to inform the planning process. Transit-oriented development and spatial targeting are key planning concepts that drive the outcomes-led approach and inform the budgeting process.
- b. **Planning Content:** The planning content is the substance of the plan and the related key outputs of the plan e.g. Catalytic Land Development Programmes; the Intergovernmental Programme Pipeline; budgeting that is led by the planning strategy and outcomes; and results on the performance of the built environment.
- c. **Planning Practice:** Planning practice is about the professional agency of planners and related built environment practitioners, municipal financial practitioners including monitoring and reporting practitioners.
- d. **Planning Process:** The planning process is the collective activities that constitute the Built Environment Value Chain (BEVC), a standardised, logical set of interactive and iterative activities that should result in a well performing built environment that produces the outcome of a compact city that is more inclusive, productive, resilient and sustainable and thus better governed. The process includes intergovernmental planning and budgeting, that is across the spheres of government and including the communities/ households and the private sector investment in the built environment.

Table 2: Criteria to assess incorporation of planning, budgeting and reporting reforms in city plans

Criteria	Focus of Assessment
1. Theory of Change for City Transformation ¹	<ul style="list-style-type: none"> Evidence of a clear TOC to address city transformation in line with national policy directives – SPLUMA & IUDF Evidence of alignment with TOC in all plans and budget
2. Outcomes-Led Planning and Spatial Targeting ²	<ul style="list-style-type: none"> Have outcome statements been used to directly influence planning? Has the circle been closed by adopting the Circular 88 indicators? Are the spatially targeted areas clearly evident from frameworks through to strategies and implementation plans?
3. Strategy-Led Budgeting ³	<ul style="list-style-type: none"> Is there a longer-term financing strategy to resource the CIDMS? Is the budget spatialized? Has mSCOA been implemented?
4. Alignment of Public Infrastructure Investment in spatially targeted areas in metros (Annexure 2 and Part C of BEPPs) – process and outputs ⁴	<ul style="list-style-type: none"> Has the city managed to get intergovernmental stakeholders to disclose their Programmes and related Budgets? Is the evidence that here is a move from disclosure to joint planning? What is the extent of alignment of intergovernmental planning and budgeting?
5. Adoption of spatial planning, prioritisation and budgeting tools	<ul style="list-style-type: none"> Does the city have a process or system/tool in place to filter programmes and projects submitted for approval? What criteria does the city use to approve projects for funding and Implementation? Does the city distinguish between priority programmes and projects? Do priority programmes and projects have a greater weighting than others?
6. Does the city have longer term frameworks and strategies in comparison to the term-of-Office plan (IDP) or 5-year plans?	<ul style="list-style-type: none"> Does the city have a SDF and/or CDS/GDS? Are there longer-term sector strategies for Human Settlements, Public Transport, Economic Development, Climate Resilience, Financial Sustainability, Infrastructure Asset Management

¹ Knowledge Product available at: [Outcomes Led Planning](#)

² Knowledge Product available at: [Outcomes Led Planning](#)

³ Knowledge Product available at: [Strategy Led Budgeting](#)

⁴ Knowledge Product available at: [Spatially Targeted Public Infrastructure Investment](#)

The planning reforms are being worked into oversight, monitoring and evaluation processes by setting out the criteria in Table 2 to assess the extent to which longer-term frameworks and strategies as well as the IDP incorporates planning reforms. Note that this criterion is an addition to criteria set by the relevant sector departments to assess the plans and has been tested during 2020 in the process of the independent assessment of city plans.

Support will be provided to all stakeholders in order that the planning reforms outlined above are successfully implemented and institutionalised. The BEPP Guidelines will be turned into a toolkit for spatial targeting to provide technical guidance for both longer-term and term-of-office planning. Existing and new knowledge products provide another form of support, as does technical support from the Cities Support Programme. Work has started on bringing professional institutes on board to promote continuing professional development for municipal finance, planning and engineering officials. Specialist capacity building and training institutions such as Municipal Institute of Learning (MILE) and the Tshwane Leadership and Management Academy are being engaged to do training and capacity building. Tertiary education institutions are being approached to factor in the planning reforms into curriculum development.

During 2019 and 2020 National Treasury, with the other stakeholders mentioned above as part of the collaboration, worked with DCOG in developing metro-specific IDP Guidelines and the complementary IDP Assessment Framework that incorporates the planning, budgeting, and reporting reforms. This has been approved by COGTA for implementation.

Having institutionalised many of the planning, budgeting and reporting reforms in the IDP for the term-of-office planning, attention is now focused on reforming longer-term planning - while this work is ongoing into 2021 there are clear indications already as outlined below. It is noted that besides the National Development Plan, longer term planning is not common practice in government - national sector departments are required to produce 5 year Strategic Plans aligned to the Medium Term Strategic

Framework (MTSF) with the process for the Annual Performance Plan being focused on annual plans in the context of 3 year rolling plans and budgets and M&E focused on annual performance. While the annual local government planning and budgeting process includes "all of government stakeholders" (provincial, national and SOE), very few of the provincial, national and SOE processes includes municipalities. This situation makes joint planning a very challenging activity unless reforms for national, provincial and SOE planning are implemented as soon as possible. Some strides have been made with particular departments or functions over the last few years as evidenced in Annexure 2 of the BEPPs on the Intergovernmental Programme and Project Pipeline.

Metropolitan municipalities on the other hand have a tradition of planning for the longer term with metropolitan spatial development frameworks (MSDFs) always based on at least a 10-year time horizon. Furthermore, metropolitan municipalities worked together with the SACN many years ago to develop their GDS/CDS e.g. Joburg 2040 and Tshwane 2055. While the GDS/CDS is not a legislative requirement, it has been established as good practice and critical to informing the term-of-office planning.

All metropolitan municipalities have started implementing the CIDMS and related Framework for Infrastructure Delivery and Procurement Management (FIDPM) and the complementary LTF Model & Strategy, which if correctly implemented should span a 40-year time horizon. DCOG has agreed that the CIDMS replaces any guidelines that it has issued on infrastructure asset management since the CIDMS is based on the full life-cycle management of infrastructure assets and makes the important and direct link of the MSDF informing the spatial location of infrastructure development. There is a customised, less complicated Local Government IDMS to be used by intermediate city municipalities and other local municipalities together with the LTF Model & Strategy.

National Treasury has clarified that the various infrastructure guidelines it has issued serves the functions as set out in Table 3.

Table 3: National Treasury Infrastructure Guidelines

Guideline	Purpose
Annual guideline on Budget Facility for Infrastructure	Criteria for accessing the Budget Facility for Infrastructure for very high value infrastructure projects
Annual Guideline for Capital Planning	Guidance to national sector departments on large infrastructure projects
PPP Framework	Guidance on how to design a PPP
Local Government Capital Asset Management Guide (2008)	Accounting treatment of infrastructure assets

In addition to MSDFs, CDS/GDS CIDMS and LTF Model & Strategy another trend in some metropolitan municipalities is the development of longer-term sector strategies such as Human Settlement / Housing Strategy, Economic Development Strategy, etc. The MSDF Guideline (2017) requires all sector strategies to be integrated and informed by the spatial strategy [SPLUMA s21 (m)].

The city of Johannesburg has clearly adopted spatial targeting into their MSDF since 2014/15 with the Corridors of Freedom, deprived areas, etc. In 2016 the City of Cape Town incorporated their spatial targeting from the BEPP into their MSDF. Other metropolitan municipalities can now follow the example of the cities of Cape Town and Johannesburg and work their spatially targeted areas into their MSDFs and/or other longer-term plans / frameworks / strategies. After two years of grappling with reporting on the integrated outcome indicators via the BEPP, the challenges with reporting on these indicators annually are now well-established. The discontinuation of the BEPPs necessitates finding the relevant longer-term plan in which the integrated outcome indicators would best be placed. This issue will be resolved after further consultation with DALRRD and cities during 2021, but it is clear that the integrated outcome indicators are not well suited to the IDP and annual performance reporting.

Many metropolitan municipalities have used their BEPPs as the MSDF requirement for a Capital Expenditure/ Investment Framework (CEF/CIF) since there has been no specification from the DALRRD – the good practice established by some metropolitan municipalities can be adopted by other metropolitan municipalities until such time as DALRRD provides clarity. Section (4) (e) of the MSA Municipal Planning and Performance Management Regulations (2001) requires that the SDF must set out a capital investment framework. At the same time SPLUMA section 21 (n) requires that a MSDF must determine a capital expenditure framework for the municipality's development programmes depicted spatially. And the MSDF Guideline 2017 requires the municipality to develop a capital investment framework that articulates how the spatial proposals are to be achieved sequentially with attention to what key interventions need to take place, where they need to occur and by whom. This difference between the requirements of the MSA Regulations, the MSDF Guideline and the SPLUMA requires urgent clarification from DCOG and DALRRD.

Note that some intermediate city municipalities have adopted the Guide to Preparing a Capital Expenditure Framework issued by DCOG – this guide was designed specifically for intermediate city municipalities and does not apply to metropolitan municipalities.

District Development Model (DDM) One Plan

DCOG has agreed that the following metropolitan longer-term plans / frameworks / strategies will be used to contribute to the District Development Model (DDM) One Plan (which itself is a longer-term plan): -

- Economic Recovery Plan
- CDS/GDS,
- MSDF,
- CIDMS and LTF Model and Strategy, and
- Longer-term sector strategies

The One Plan and other longer-term plans mentioned above will be used to inform the term-of-office IDP.

All the above planning provisions are indicative of greater coherence and integration across the different planning and budgeting instruments and their respective horizons. These planning developments take on more significance in relation to developments in the reporting reforms.

In addition, on the back of reforms that worked in metropolitan municipalities, the main planning, budgeting, and reporting reforms for Category B municipalities were introduced in the Circular 88 update mentioned above (a standardised single set of indicators for all municipalities). That is the incremental roll-out of reforms to all municipalities.

The planning, budgeting, and reporting reforms collaboration continues to work on the reforms to longer term planning during 2021 and continues to use the existing platform which is a special IGR structure called the Joint Steering Committee for Planning, Budgeting and Reporting Reforms.

5. Concluding Observations

A concern relating to the durability of the outcomes-led planning approach is that the timeframes for the realization of outcomes and impacts go beyond political term of office (spatial impacts come home to roost long after political decision makers, and often City Managers/ senior leadership have moved on). This is exacerbated by highly fluid city leadership (political and senior management) resulting in loss of Institutional memory, reinventing the “strategic wheel.” And as this revolving door leadership prevails, the compliance burden falls to officials who are not incentivized to innovate, which by its nature involves making mistakes.

Related is the question of accountability beyond local government and developing more effective ways for government to share both the responsibility and accountability of change with an “active citizenry” and engaged “private sector”. The challenges of

intergovernmental coordination have been reviewed elsewhere, but in relation to outcomes-led planning it is important to highlight concerns flagged by municipalities who are at the delivery coal face being measured against outcomes that they cannot control. [MFMA C88 2017](#) and subsequent updates in 2019 and 2020, [MFMA C88 Addendum 1 \(2019\)](#) and [MFMA C88 Addendum 2 \(2020\)](#) have set the foundation, requiring all sectors and spheres of government to work towards and be measured by the Built Environment Indicators. The proof will be in the doing. Can we overcome decades old silo mentalities and entrenched cultures, especially at a time of uncertain political direction and vague leadership agendas?

While city transformation outcomes have been set out in the [MFMA C88 2017](#) with respect to the statutory planning mandates of all spheres of government and direct reference made to the Built Environment Indicators, somewhat greater emphasis is placed on performance indicators (the inputs, activities and outputs of administrations, departments and individuals). Since these are more easily evaluated and more directly related to the accreditation, grading and remuneration of organisations and individuals there will always be a risk that the focus and efforts of officials will be directed towards demonstrating performance (spending, implementation, compliance) over outcomes and impacts. Innovation is central to change and in turn innovation requires permission to experiment and fail, outcomes not enabled in a 'compliance mode'.

We must also ask, is it all about government, big money, big actions? What is the role for society, "an active citizenry" and other city users and investors in achieving better quality cities? How can private sector actions and impacts be measured, and desired activities and outputs incentivized? The engagement of the National Treasury with the banking sector, a powerfully conservative force in city making is noted but mechanisms to include or enable small scale investors and developers (the city of 1000 developers) is also an area that merits effort.

An outcomes-led planning approach, and the 80/20 principle implicit in the emphasis on spatial targeting, is premised on an acknowledgement of the human resource, skill and financial limitations of government. We note how we fare in relation to the highly resourced UK in terms of our capacity to manage top down, complex, command and control planning systems.

Even experienced planners who have had extensive in-house involvement with municipal spatial planning, IDPs and integrated planning and budgeting find the mechanics of outcomes-led planning (the M&E and indicators dimensions) somewhat bewildering. While the immense efforts at rationalization, alignment and streamlining are recognized the systems remain complex and demand technical and institutional experience and capability to navigate (and frustrate).

This process of refinement, and the processes of compliance with the outcomes-led planning approach is heavily reliant on outsourcing and will continue to be so while government technical capacity in the built environment is constrained. Aside from sophisticated, financially and institutionally intelligent spatial planning capacity, these systems will demand increasing skills in project management, data gathering and quality control. When (or if) the client departments involved in built environment budgeting and oversight are on the same page around the desired impacts, outcomes and processes, the sophistication of the outcomes led approach is at the mercy of the fragmenting forces of short term appointments, protracted procurement and individual professional perspectives.

Given these technical limitations, can we maintain a focus on enabling real and inclusive improvements to the performance of cities and ensure accountability while avoiding the audit anxiety, indicator and compliance overload that drives perverse behaviors, activities and projects? Or will a rapid up-skilling of spatial planners and financiers in the private and public sector be sufficient to operate this system?.

Contemplating the time and resources (inputs) that have gone into the modernization and review of planning and budgeting reporting and impacts, it is hard not to wonder whether all this effort has been directed towards the most effective activities and outputs. Are sophisticated indicator sets and M&E systems appropriate and necessary to realise an effective planning system that actually effects real transformation (outcomes and impacts) in South Africa?

Citing case studies including Portland, Mumbai, Mexico City, Lagos and eThekweni, UN Habitat's 2017 "Steering the Metropolis" is clear that metropolitan monitoring and evaluation is essential to measuring progress towards achieving the Sustainable Development Goals (SDGs) and a prerequisite to transparent, accountable and effective metropolitan government (p34). They underscore that a highly capable and sophisticated metropolitan staff complement is essential to steer to meet these goals and enable cities to face resilience challenges and sustain inclusive viable municipalities into the future. (UN Habitat 2018, pg.320)

Kelvin Campbell and the evidence of the Massive Small movement, suggest that effective planning systems that actually deliver outcomes focus attention on setting clear, simple rules and enabling frameworks (make it easy to do the right things) rather than complex top-down "operating systems". Should we not be paying more attention to more proactive tools in guiding all role player through clear, accessible and simple rules and condition making rather than specifying outcomes and measuring results? Evidence (Radical Incrementalism) suggests that fewer unambiguous "rules of the game" are more difficult to fudge

than a myriad of regulations, compliance requirements and engender greater transparency.

This also implies a much greater focus on the outcomes of day-to-day built environment decision making and the power of many small actions to effect change and by implication questions the emphasis on ‘catalytic programmes’ as defined in the Core Guidance Note BEPP 2017 as multi-sectoral, mixed-use programmes that require a mix of funding that are thus inevitably complex. Putting substantial planning, project pipelines, review inputs into big, slow, complex and costly projects with high risk of stalling, failure or unintended outcomes seems a dangerous gamble in our context of diminishing resources.

Moving forward it may be worth giving consideration to tools can achieve the desired outcomes that are not necessarily big bang, big cost – but speak to enabling inclusive investment by citizens, firms and government, incrementally over time.

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