

Evaluation Summary

Budget support to the spatial development strategy of the City of Johannesburg

Country: **South Africa**

Sector: **Urban development**

Evaluator: **Adelante Knowledge and Development**

Date of the evaluation: **May 2018**

Key data on AFD's support

Projet number: CZA 1114

Amount: €114 million in loan. Technical cooperation (TC): €400,000 (FEXTE subsidy), €85,000 (AFD research department subsidy) and €160,000 (FERC)

Disbursement rate: 100% (loan) and 62% (TC)

Signature of financing agreement: May 2015

Completion date: July 2017 (loan). TC ongoing

Total duration: 3 years



Context

This project was implemented in the context of AFD's strategic priorities for urban development (CIS Villes Durables 2014-2017), namely the financing and supporting of

1. spatial development strategies for decentralized stakeholders,
2. cities that respect the environment,
3. socially cohesive and inclusive cities.

Actors and operating method

The beneficiary was the Metropolitan City of Johannesburg. The key implementers of the technical cooperation were the Cities of Paris and Lille, the Institute of Urban Morphology and Complex Systems (UMCSII), and WITS University.

Objectives

To improve or develop:

- the quality of life of citizens,
- sustainable urban environments,
- inclusive and well governed city.

Expected outputs

To enable the preparation and implementation of the City of Johannesburg's spatial development strategy including climate strategy.

Performance assessment

Relevance

The appraisal process and the objectives set for AFD's support program were **consistent with its policies and objectives**. They supported City of Johannesburg (CoJ) policies and programs before and during the implementation period of the loan.

Despite the fact that there are areas for improving the appraisal, namely on the assessment of implementation capacity by the municipal services and the understanding of the political economy, **the program balanced its inputs (funding, technical cooperation and policy dialogue) as expected from a budget support instrument**.

Effectiveness

AFD's support provided opportunities for CoJ to improve performance in terms of strengthening its public policies and institution: it contributed to an improved coordination of municipal departments and to a stronger strategical framework. The supported policies contribution to improve service delivery is not yet measurable.

Efficiency

The mix of technical cooperation, loan and policy dialogue in CoJ contributed at a **reasonable cost** to one key strategic document (the Spatial Development Framework). It also improved the **participation of knowledge-based entities** (University and later SA Cities) **into the policy dialogue and the monitoring of public policies**.

It can be reasonably argued that the increased allocation of AFD human resources contributed to an **improved performance of the program**, despite the fact that (i) in quantitative terms the loan was relatively smaller than the one to City of Cap Town (CoCT) and (ii) the technical cooperation was not totally disbursed at the time of the evaluation.

Sustainability

AFD's support contributed to **structuring processes** (planning, integrating climate change) and **improving institutional capacities** (monitoring, reporting, coordinating departments) but the expected effects cannot be assumed to be automatic and will require a continuous effort toward sustainability.

Added value of AFD's contribution

The Spatial Development Framework and the Built Environment Performance Plan, two key strategic documents guiding the development of Johannesburg in the long term, explicitly acknowledge AFD's support and the role of Institute of Urban Morphology in the preparation of the Spatial Development Framework.

The annual review and the technical cooperation offered the opportunity to the various departments of the City of Johannesburg to work closely together and to learn about each other's projects and programs.

French expertise and cities have become reference points of good practices on urban issues. This has created a connection, at academic level, with South African experts.

Conclusions and lessons learnt

The combination of different types of technical cooperation (operational research, peer-to-peer dialogue, consultancies) in different dimensions of urban policies (strategy, implementation and governance) with budget support loans (focused on technical and financial support to the municipalities) created very deep relationships that are **mutually reinforcing and conducive to more relevant, efficient, effective, impactful and sustainable results**.

Political changes during the implementation period have shown that programs and policy priorities may change, putting the whole chain of effects in the intervention logic at risk. Lending to municipalities has political economy implications of a sovereign nature that must be carefully assessed during the appraisal of the loans. Nevertheless, the strategic approach of CoJ program, combining funding with the technical cooperation that focused on developing evidence-based mechanisms for informing and influencing policies, seem to have been able to **limit the "political shift" effects**.

The appraisal conducted by AFD teams is professional and follows agreed instructions. The evolution between CoCT and CoJ shows that the latest relied on the **identification of a strong political leadership and commitment** (champion). The process, however, **did not anticipate problems** in the capacity of implementation of the Municipality, whether of human resources nature or regarding expertise or project preparedness: intensive capital investment **requires long project preparation** especially in urban interventions. It is important to carefully assess not only the technical feasibility and design timing before procurement but also long public consultations that may condition the implementation periods of programs and policies.