



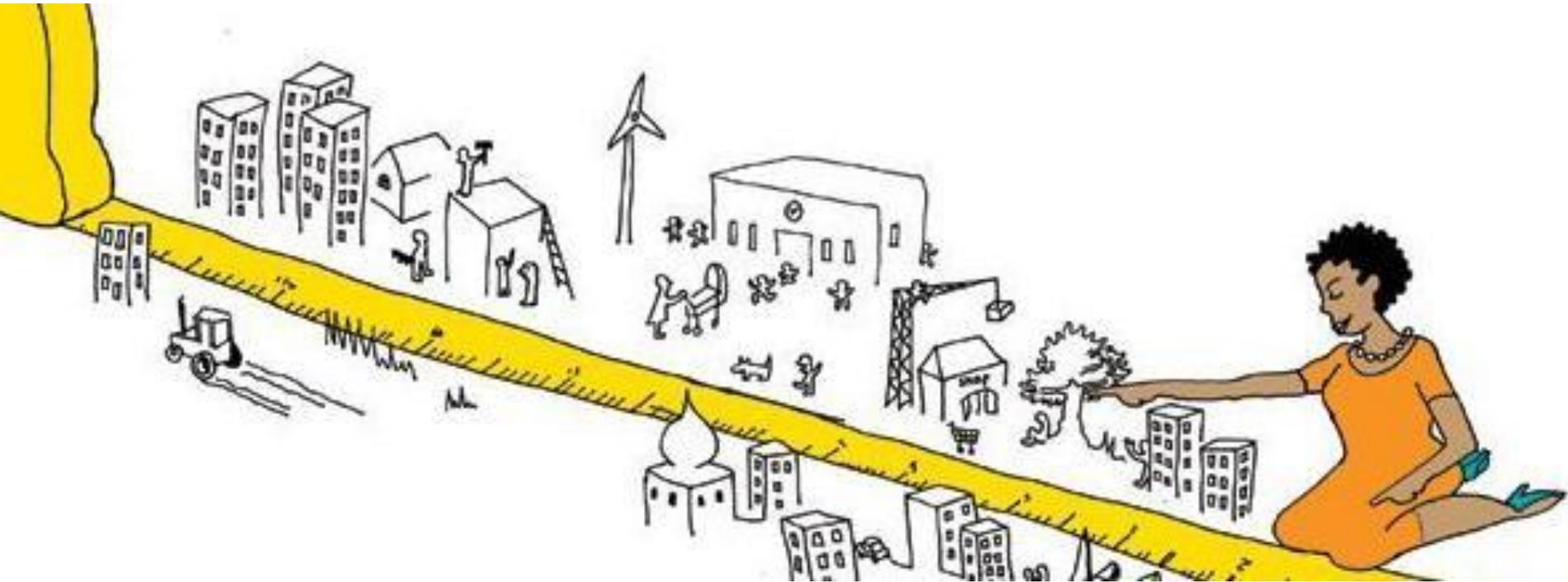
URBAN INVESTMENT PARTNERSHIP CONFERENCE

27 & 28 AUGUST 2015 • JOHANNESBURG



An Introduction to Cities' Urban Investment Strategies

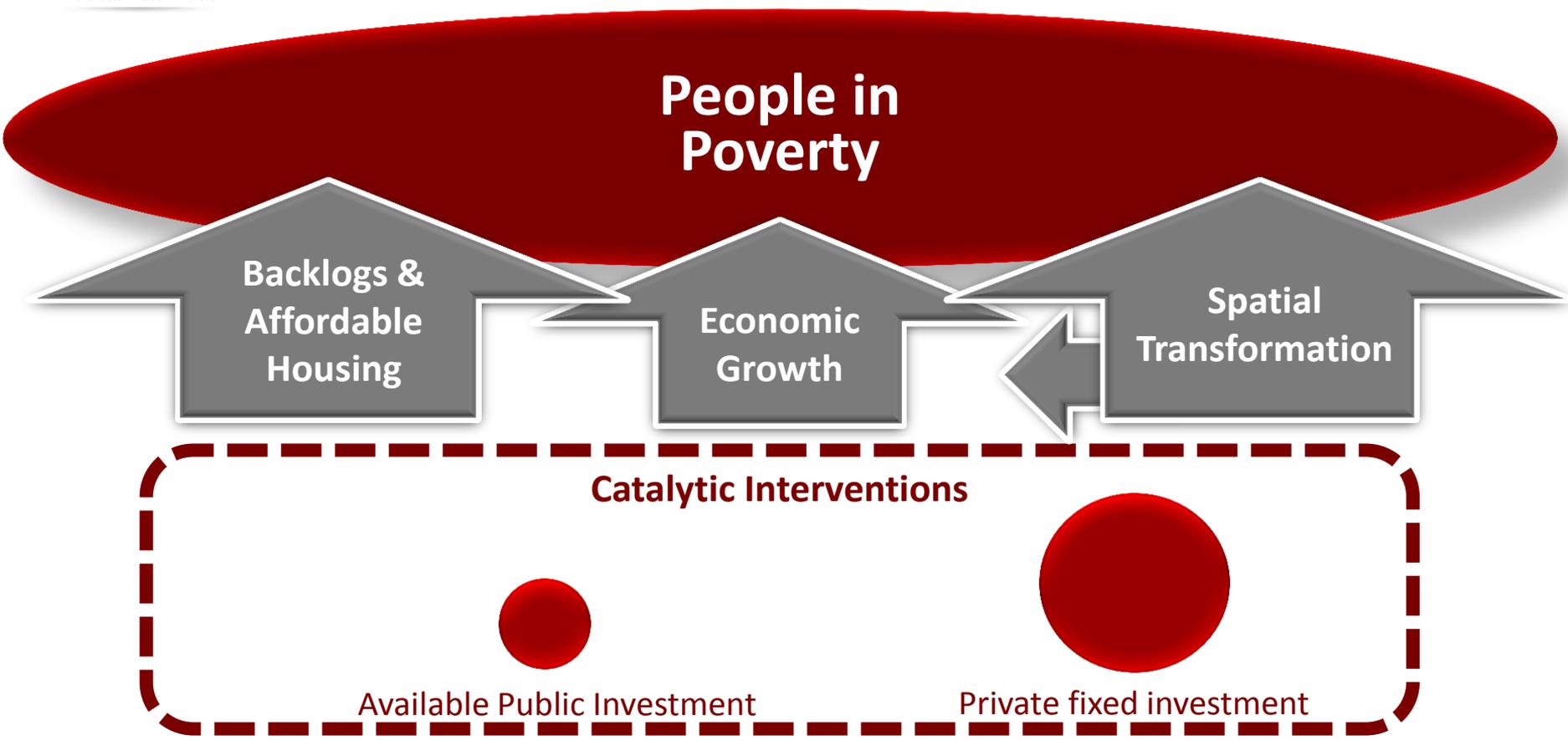
Why is Built Environment ROI low?



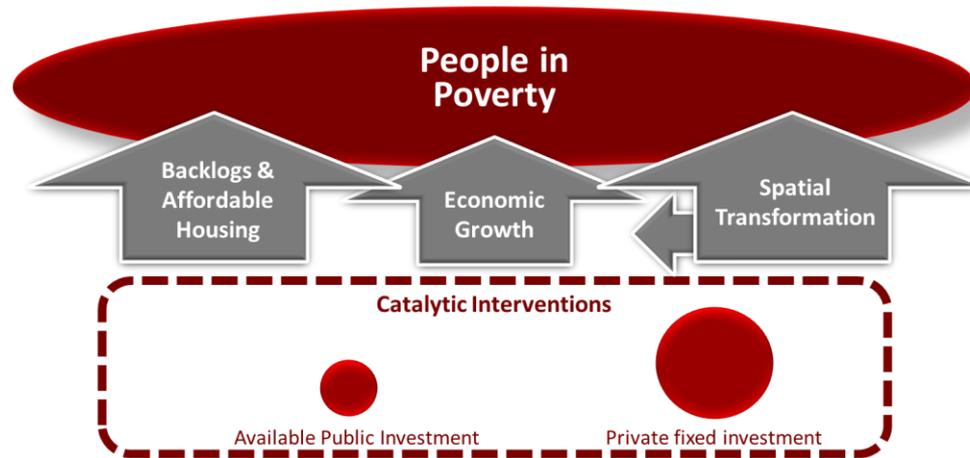
Why is Built Environment ROI low?



A Strategic Urban Investment Approach is emerging in SA's 8 Metro's



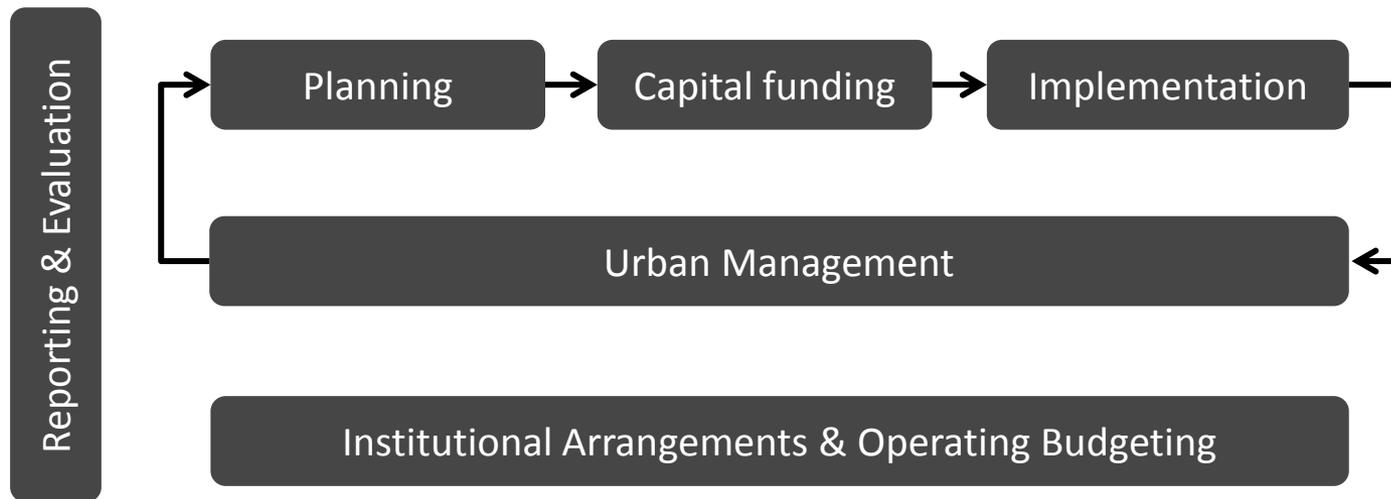
The strategic approach is based on the NDP and the IUDF



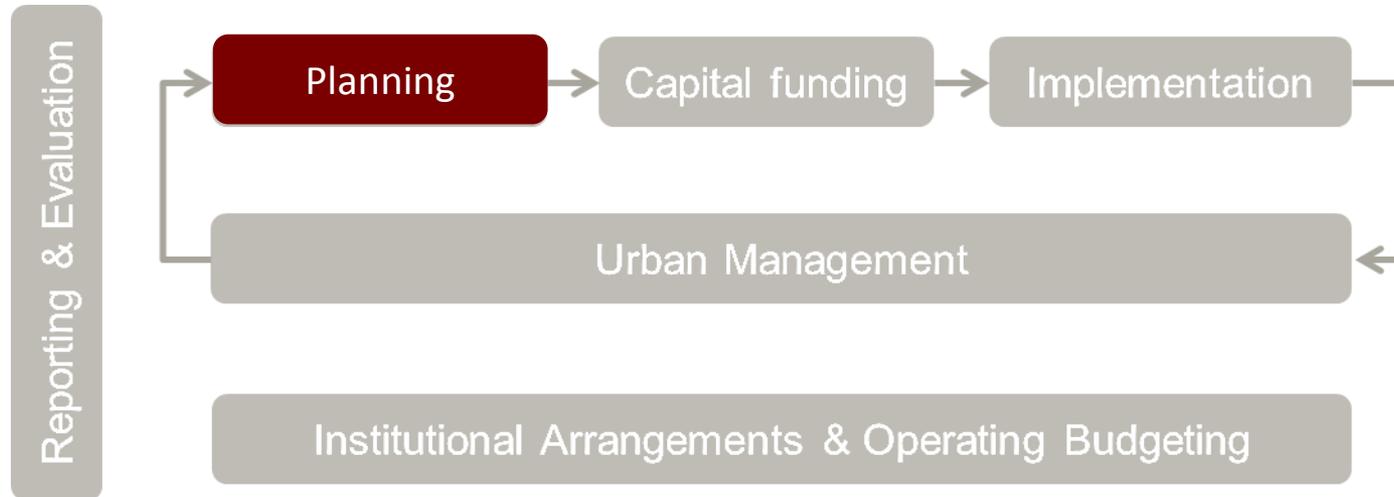
- The NDP urges coordinated planning, regulatory and investment approaches within a spatial targeting framework
- Closely aligned with the principles that underpin the Draft Integrated Urban Development Framework (COGTA)

The strategic approach is taking shape via Built Environment Performance Plans (BEPP's)

- BEPP's are submitted annually by metropolitan municipalities in accordance with the Division of Revenue Act
- Optimising the Built Environment Value Chain forms the basis of BEPPs:



Spatial Targeting via the Urban Networks Strategy (UNS)



UNS: Targeting public and private investment towards a more inclusive urban form

CBD

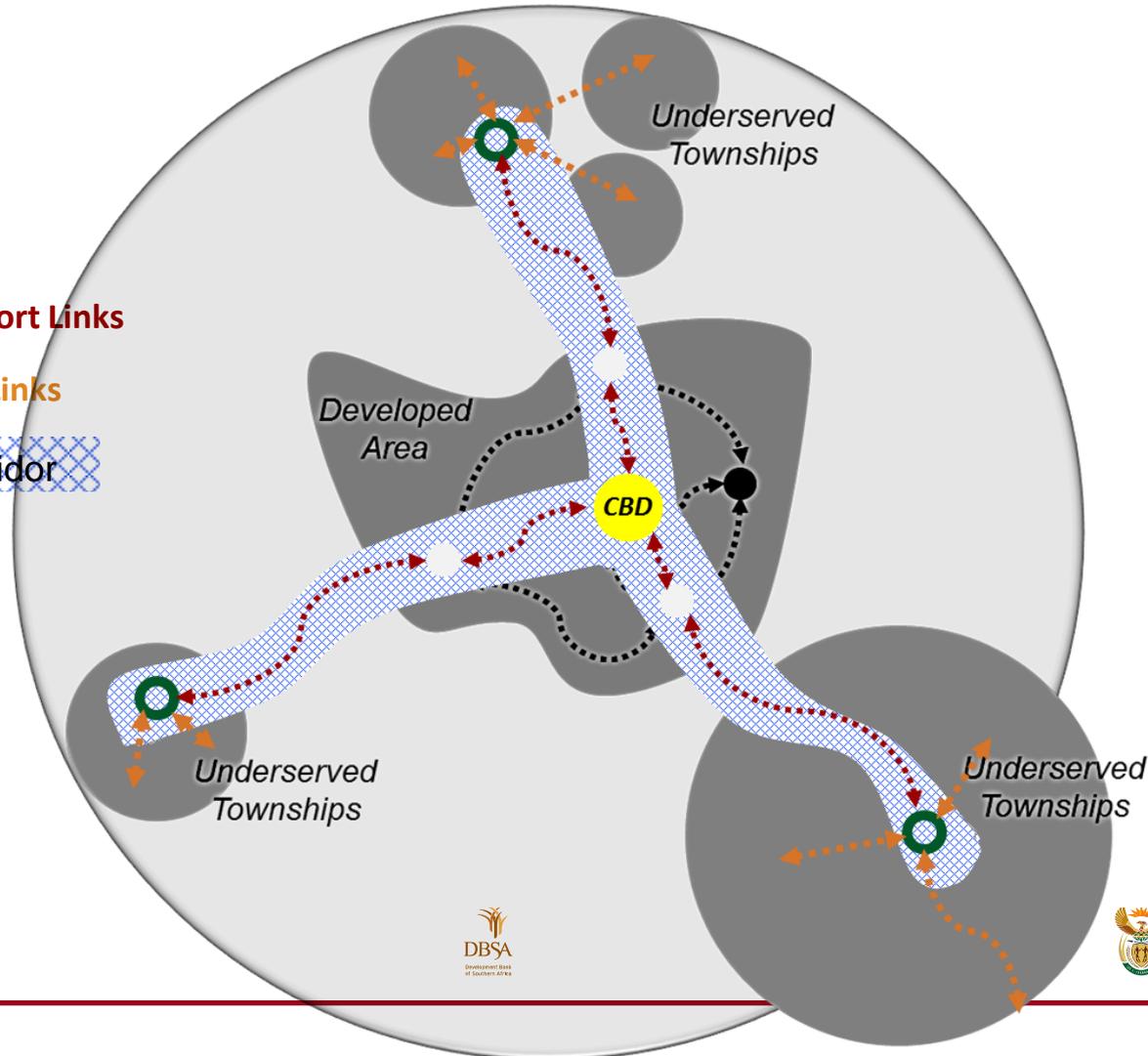
Urban Hubs

Primary Public Transport Links

Secondary Transport Links

Primary Activity Corridor

Integration Zones



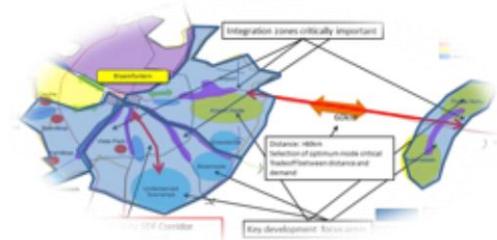
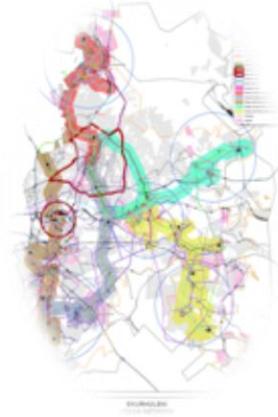
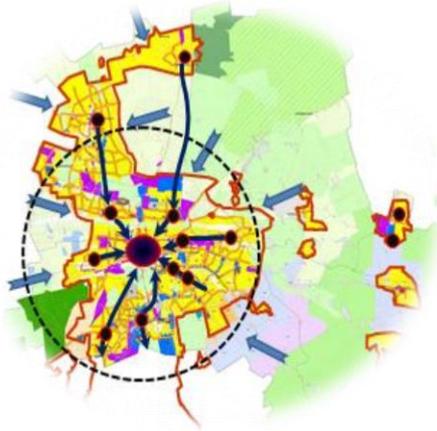
Metro's have all made progress with city-level spatial targeting

Joburg

Tshwane

Ekurhuleni

Mangaung

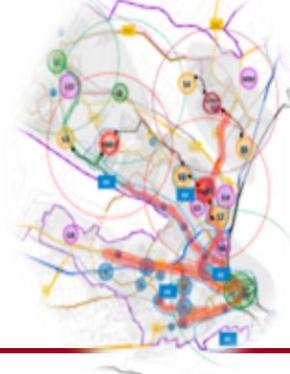
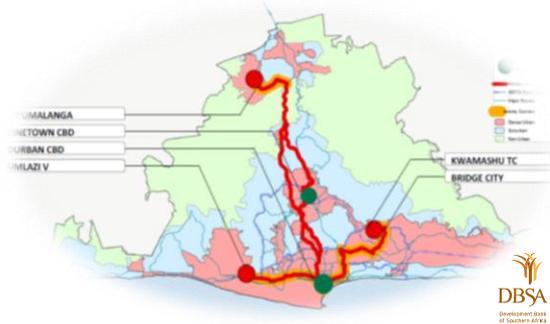


Cape Town

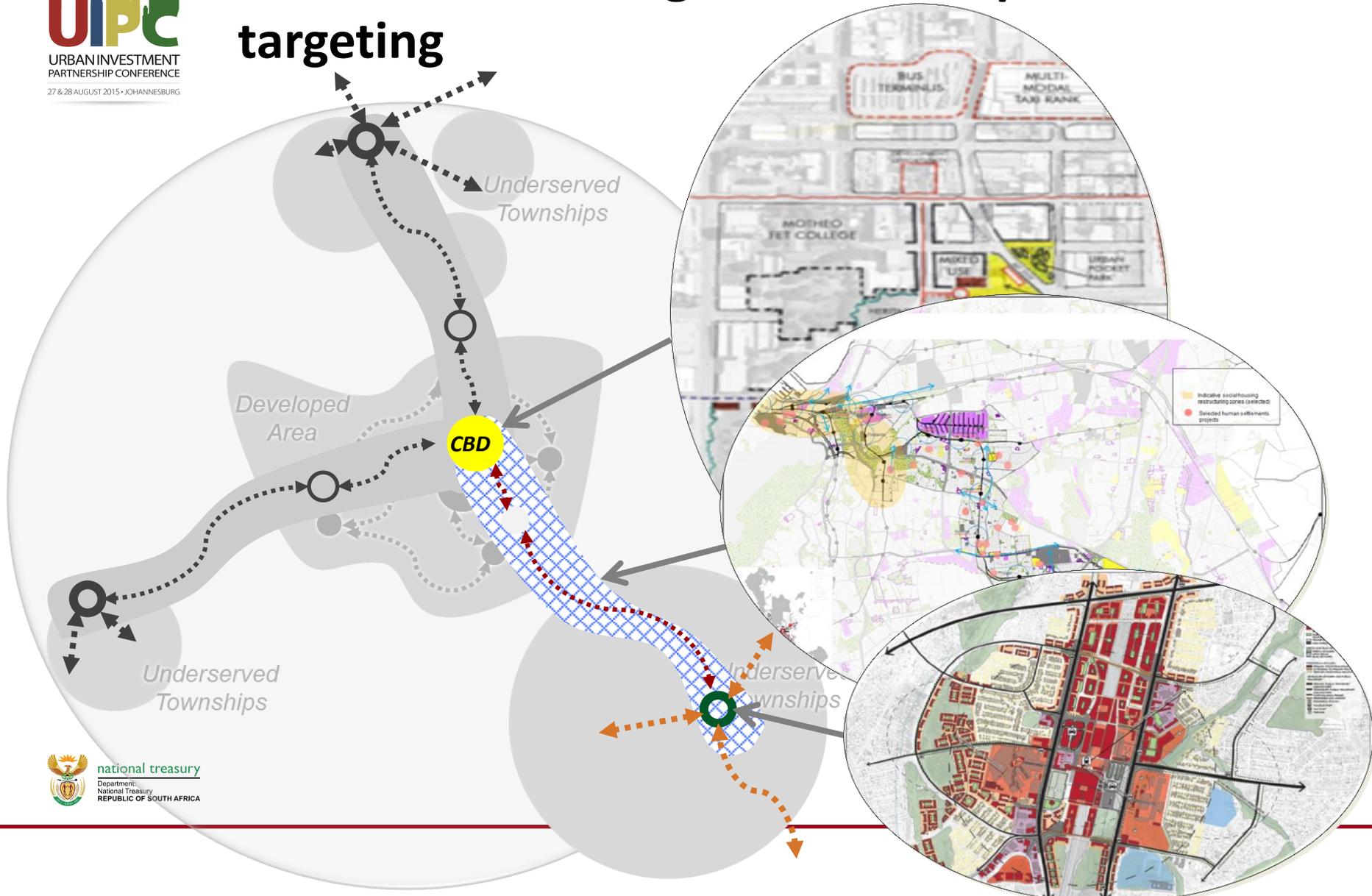
eThekweni

NMB

BCM

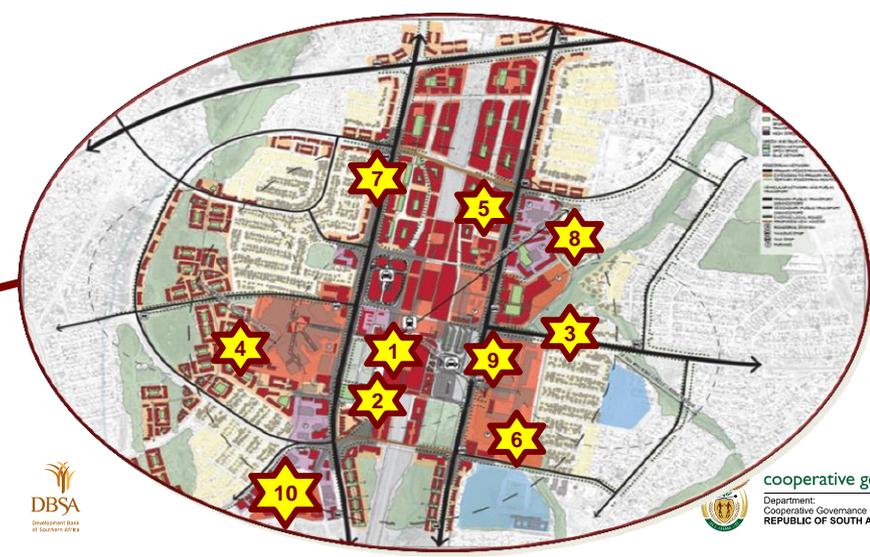
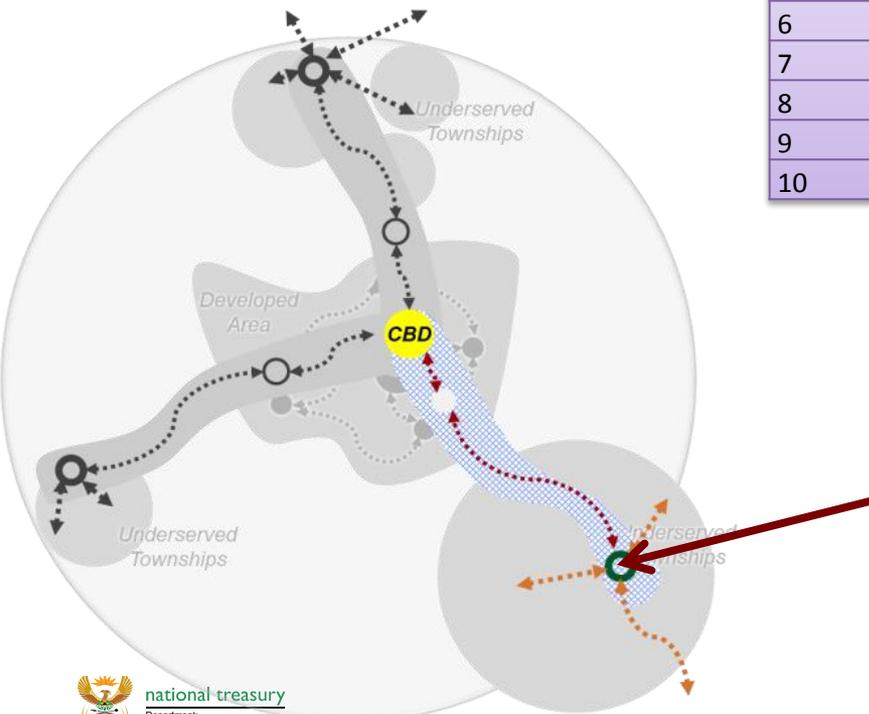


Precinct Level Design – detailed spatial targeting



The main purpose of spatial targeting - to generate a pipeline of prioritised catalytic projects

Priority	Project Description	Municipal	Provincial	National	PRASA	Eskom
1	Station Upgrade				X	
2	BRT	X				
3	Bulk water works	X				
4	Hospital redevelopment		X			
5	Substation upgrade					X
6	Social Housing		X			
7	Police Station			X		
8	Rail Extension				X	
9	School		X			
10	Land Development	X				

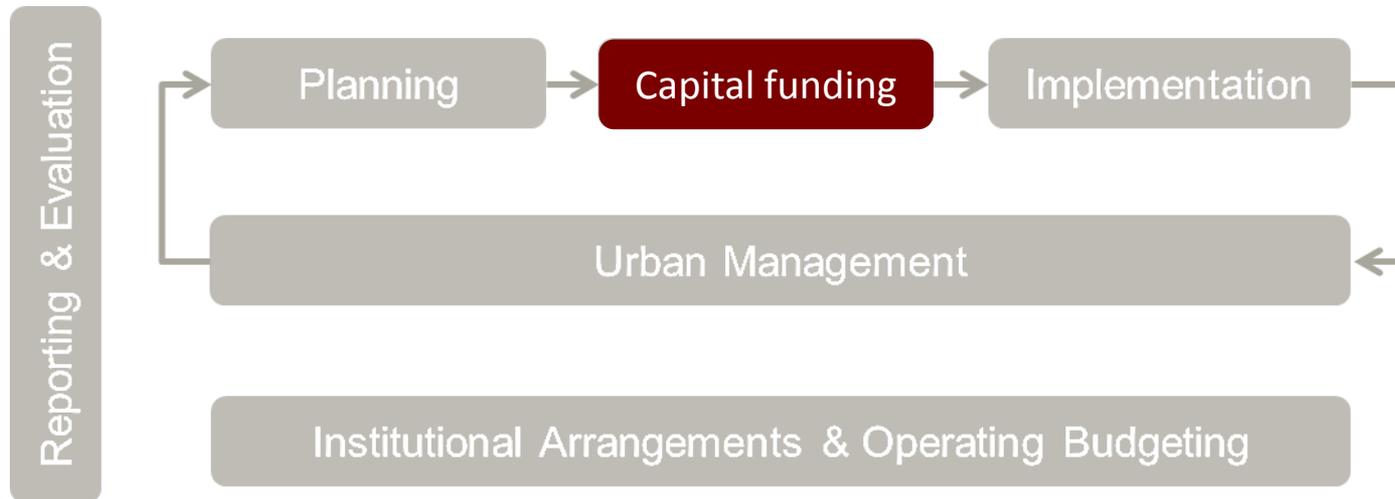


Technical Assistance & Funding to municipalities

- BEPP, Spatial Targeting, Precinct Design via the National Treasury
- Project preparation for accelerated, bankable projects via the DBSA
 - Cities PPF
 - IIPSA

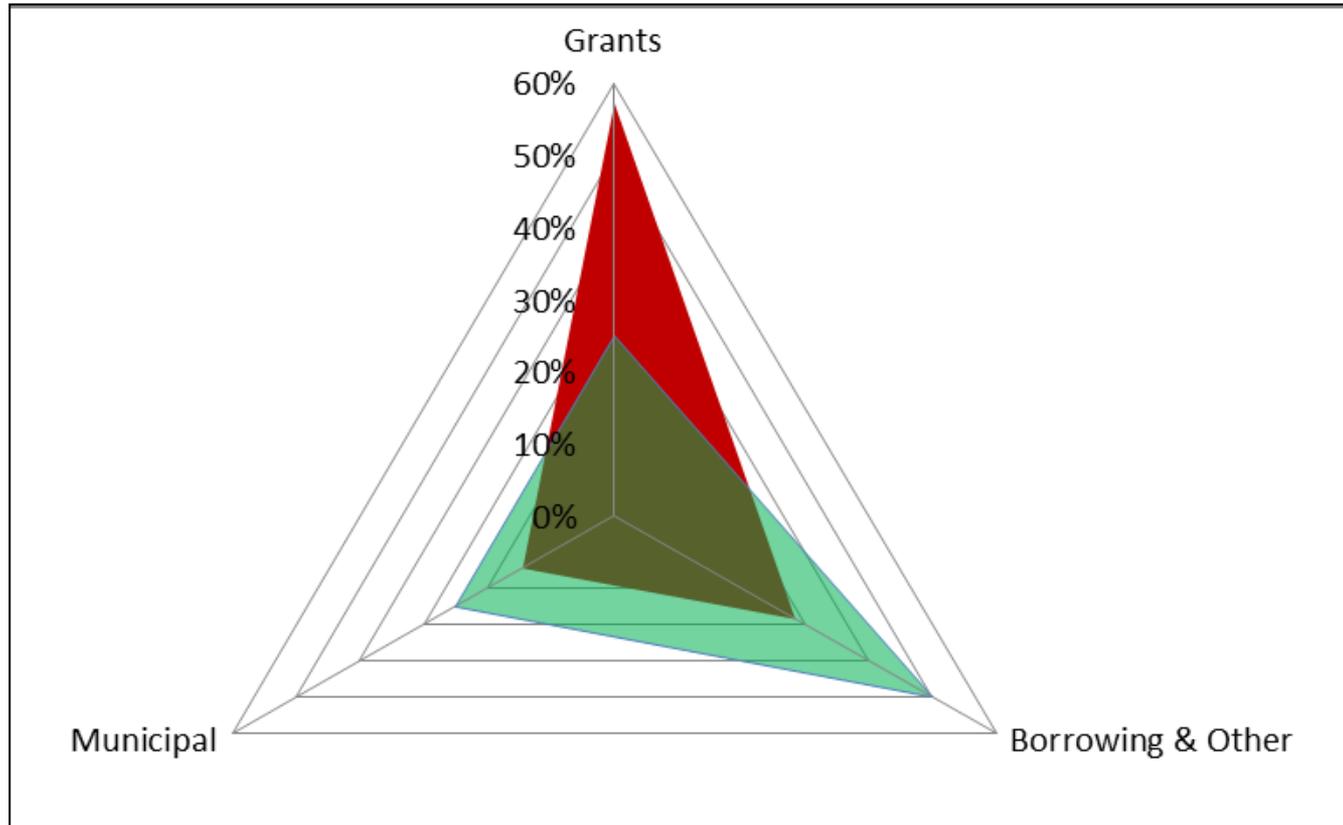


Increasing prioritisation of Metro budgets towards projects within targeted spaces . . .

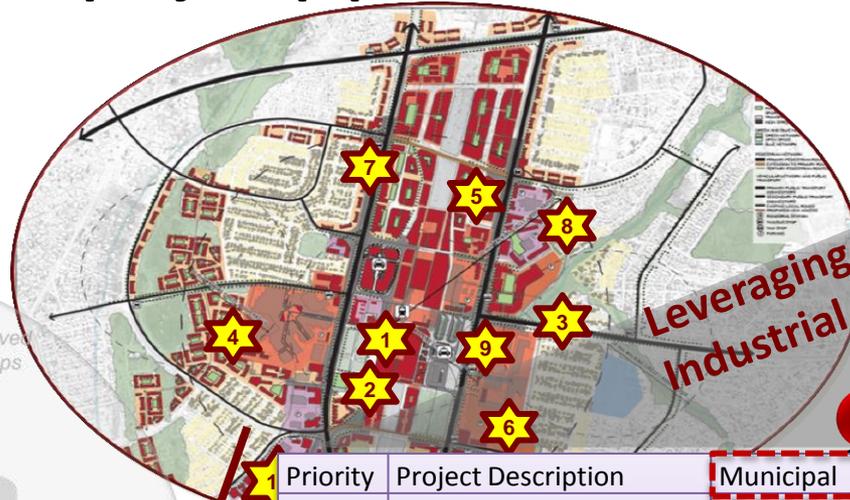


. . . although Metro's need to become less dependent on grants . . .

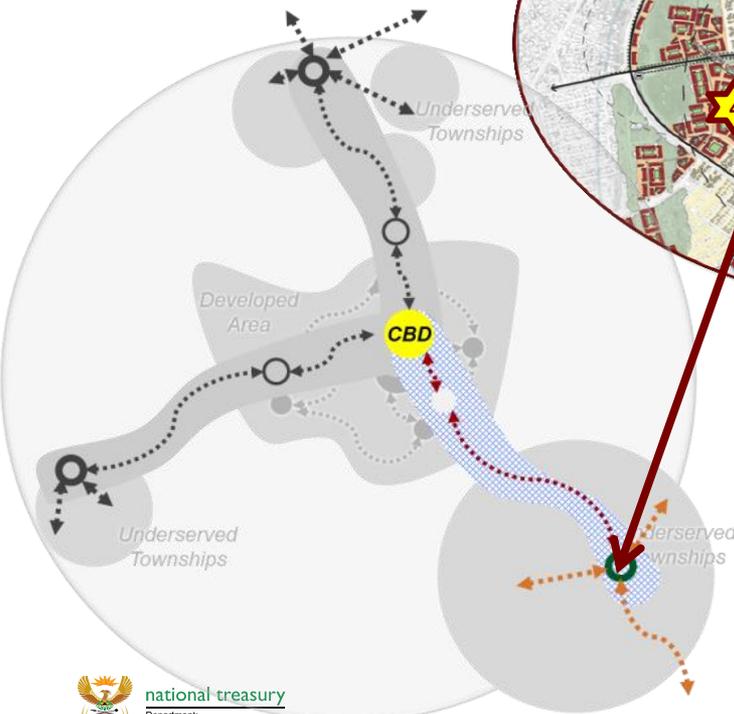
- 2014/15
- Future



... this requires a portfolio approach to achieve the optimal funding mix and sequencing of the public catalytic project pipeline



Leveraging Commercial, Residential & Industrial Private Sector Investment



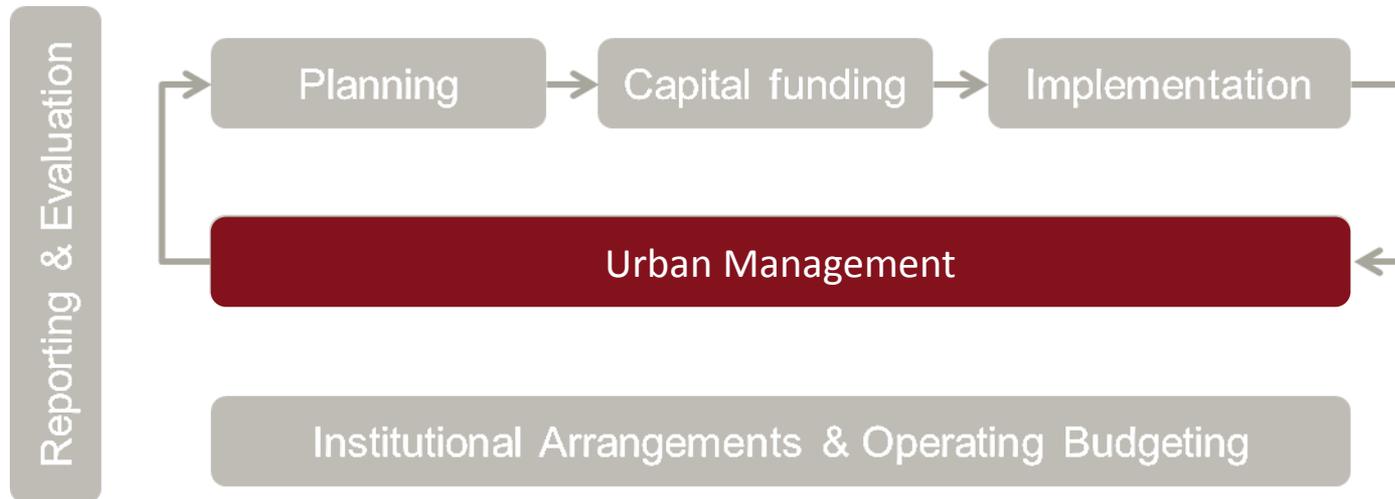
Priority	Project Description	Municipal	Provincial	National	PRASA	Eskom
1	Station Upgrade				10	
2	BRT	45				
3	Bulk water works	35				
4	Hospital Redevelopment		13			
5	Substation upgrade					23
6	Social Housing		4			
7	Police Station			12		
8	Rail Extension				24	
9	School		25			
10	Land Development	31				
TOTAL PRECINCT REQUIREMENT		111	42	12	34	23



National Treasury is working towards a progressive fiscal package to improve & accelerate outcomes

- Improved utilisation of the debt market
- Value capture mechanisms, e.g. Development Charges
- Grant pledging
- Infrastructure grant review
- Incentivising metro's to prioritise capital funding towards targeted spaces
- Incorporating spatial targeting into the budget process

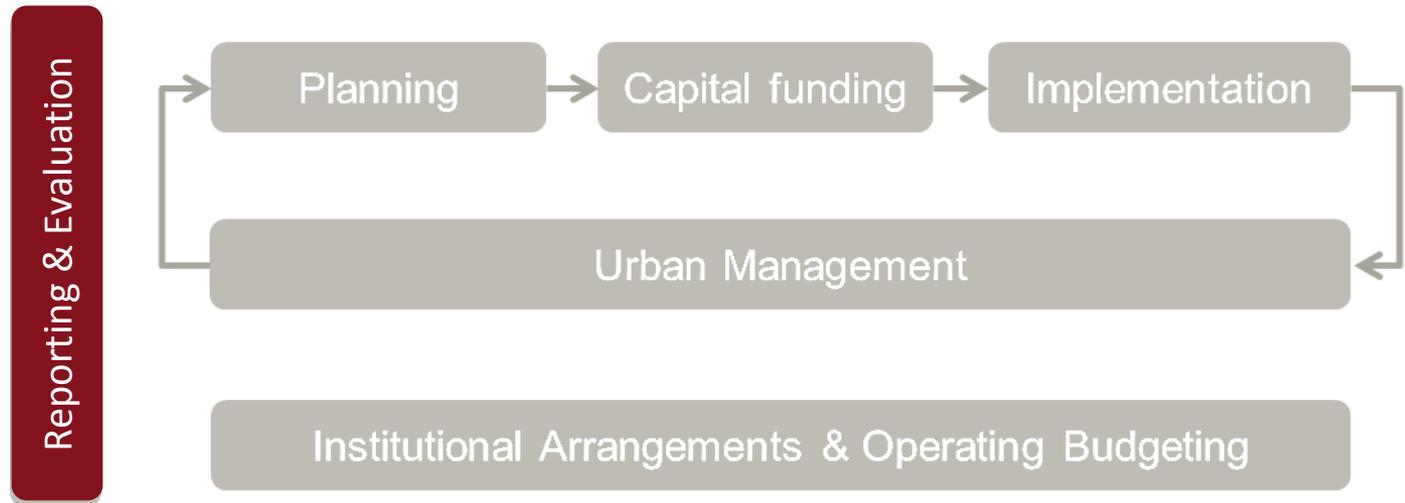
Management of targeted precincts requires dedicated capacity to ensure full value chain optimisation



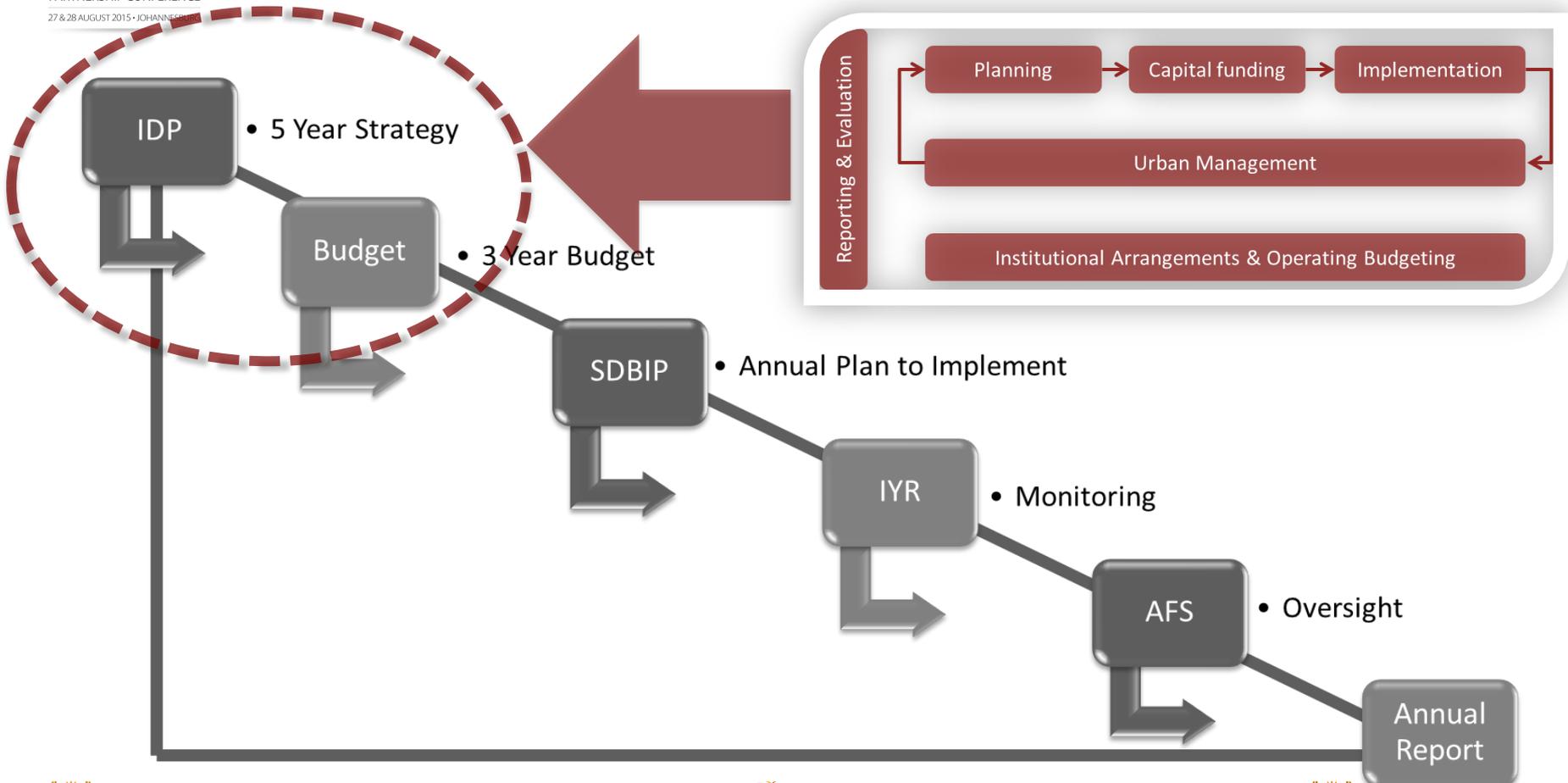
Packaging a spatially differentiated set of economic incentives & regulatory mechanisms

- Alignment & restructuring of economic development incentives
 - UDZ
 - DTI incentives
 - Tourism incentives
 - Jobs Fund Windows
- Removal of regulatory constraints to development will reduce time and financial risks, release land onto the market and boost investment

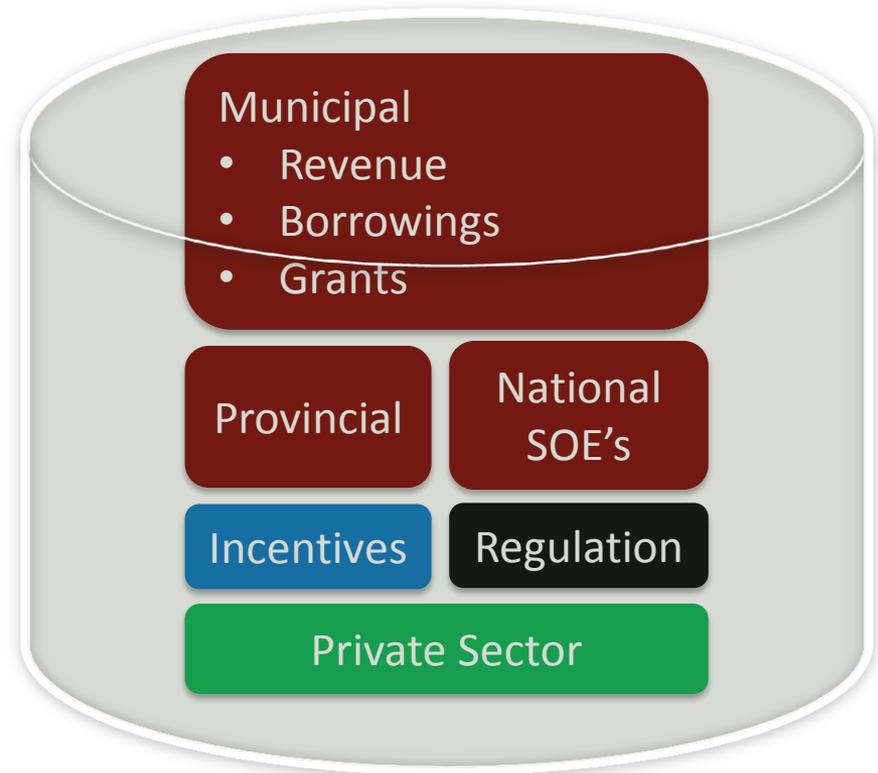
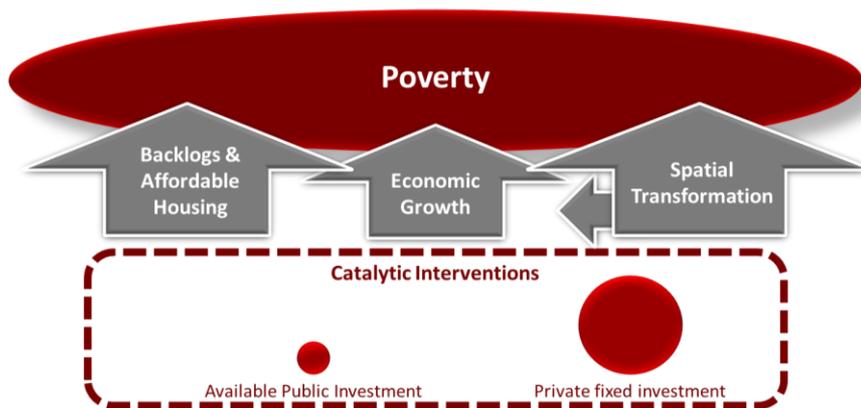
Municipal Reporting Reforms



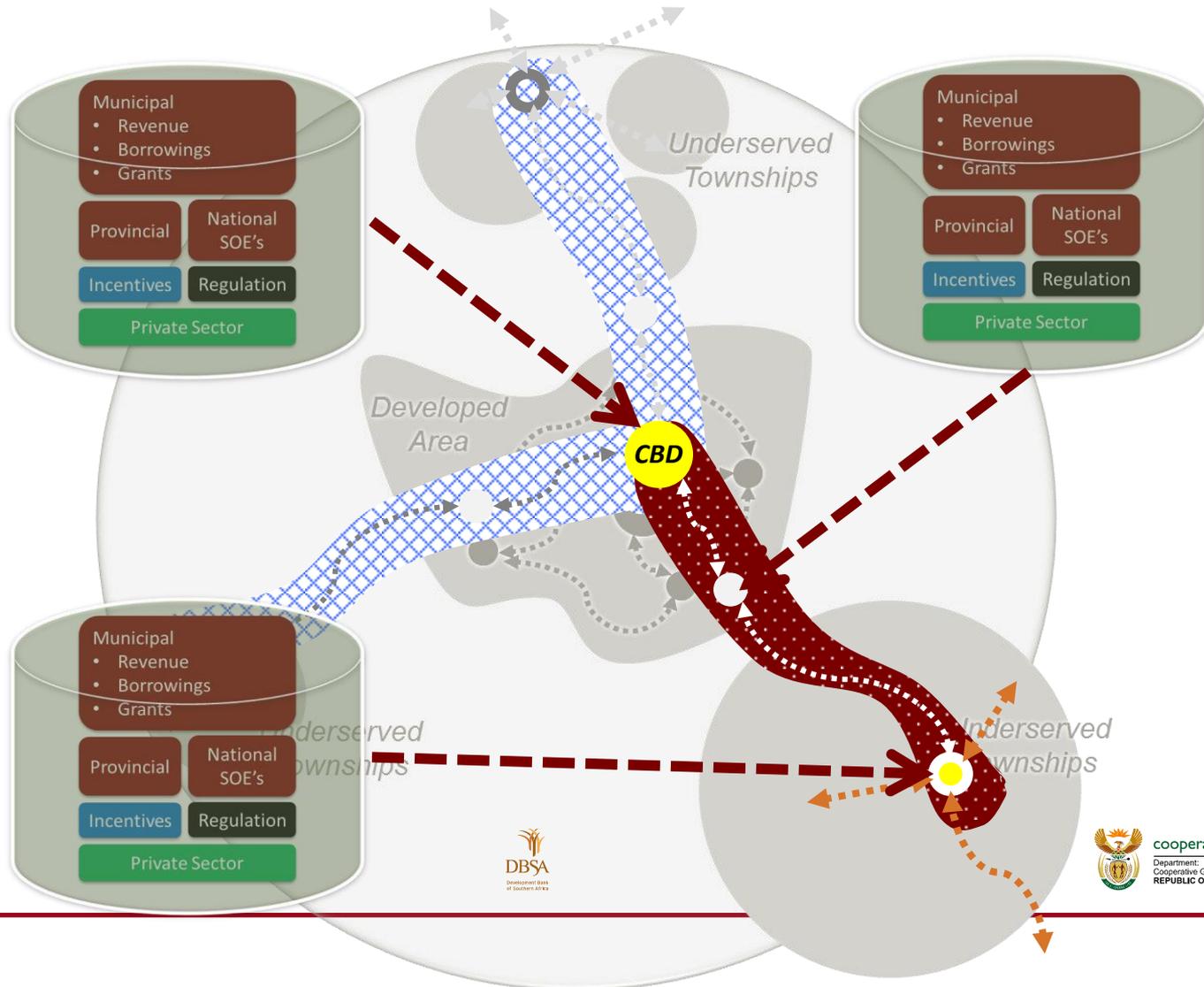
Implementation of NT reporting reforms is improving municipal governance & impact

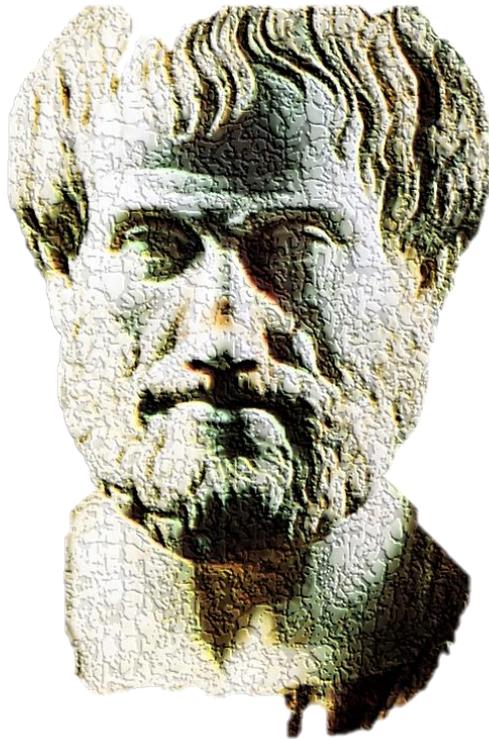


A partnership of prioritised, coordinated public and private catalytic interventions in space is emerging



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*The whole is greater than
the sum of its parts*

Aristotle (384-322BC)