

Urban Environmental Management Programme

Local Government Support (LGS) for Urban Environmental Management

Component 3

South Africa

Cover Page

Country:	South Africa	Sector:	Environment
Sector Programme:	Urban Environmental Management Programme		
Component:	Local Government Support (LGS) for Urban Environmental Management Component		
Programme Partner:	Municipalities of Johannesburg, Ekurhuleni, Sedibeng, eThekweni and Cape Town		
Duration:	Five years from July 2006		
Overall Budget:	DKK 70.0 million from the Danida Country Programme (Special Environmental Assistance)		

Component Description: This component aims to develop local government's institutional capacity in UEM, and to address poverty. It supports the development of information, plans, strategies, systems and human capacity. It does so through a focus on selected municipalities and UEM theme areas. The municipalities are Johannesburg, Ekurhuleni, Sedibeng, eThekweni and Cape Town. Themes are integrated environmental planning, environmental health, air quality and sustainable energy. Links and synergies with the other components (National and Provincial UEM; Knowledge Management and Civil Society Support) will promote institutional capacity development and the sharing of lessons.

The component Development Objective:

Improved local urban environmental management and planning for poor communities.

The component Immediate Objective:

Improved municipal capacity for integrated urban environmental management, planning and monitoring.

Management and implementation of the component will be undertaken by the participating cities, with strong local ownership. The expected outcome is selected cities and city officials practicing effective UEM which contributes to poverty reduction, and sharing capacity and experience with other cities and towns.

Pretoria, [Date]

.....
Government of South Africa

.....
Royal Danish Embassy, Pretoria

Map of South Africa

(Selected municipalities: Johannesburg, Ekurhuleni, Sedibeng, eThekweni and Cape Town)





eThekweni municipality (KwaZulu-Natal Province)



Johannesburg, Sedibeng and Ekurhuleni municipalities (Gauteng Province)



Cape Town municipality (Western Cape Province)

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List of Abbreviations

AQM	:	Air Quality Management
AQMP	:	Air Quality Management Plan
CCT	:	City of Cape Town
CDS	:	City Development Strategy
CoJ	:	City of Johannesburg
Danida	:	Danish International Development Assistance
DEAT	:	Department of Environment Affairs and Tourism
DKK	:	Danish Kroner
DoH	:	Department of Health
EH	:	Environmental Health
EHO	:	Environmental Health Officer
EHP	:	Environmental Health Plan
EMM	:	Ekurhuleni Metropolitan Municipality
IDP	:	Integrated Development Plan
IEP	:	Integrated Energy Planning
JAPR	:	Joint Annual Programme Review
LFA	:	Logical Framework Approach
LGS	:	Local Government Support
MFMA	:	Municipal Finance Management Act
NEMA	:	National Environmental Management Act
NGO	:	Non-Governmental Organisation
PFMA	:	Public Finance Management Act
PSC	:	Project Steering Committee
RDE	:	Royal Danish Embassy
SACN	:	South African Cities Network
SCMG	:	Sub-Component Management Group
SCRG	:	Sustainable Cities Reference Group
SDM	:	Sedibeng District Municipality
SOE	:	State of the Environment
SOER	:	State of the Environment Report
TA	:	Technical Assistance
ToR	:	Terms of Reference
TOT	:	Training of Trainers
UEM	:	Urban Environmental Management
ZAR	:	South African Rand

Executive summary

Background

This component document describes the Local Government Support (LGS) Component in the Danida-supported Urban Environmental Management Programme (UEM Programme). The role of LGSC in the overall programme is to support UEM capacity development and to promote poverty reduction at the delivery end of South Africa's decentralized institutional structure.

In pursuing this role the component links in particular ways with the other programme components. Component 1, based in national and provincial government, provides support to the Department of Environmental Affairs and Tourism (DEAT), the Department of Health (DoH) and to the relevant environmental departments in the provinces of Gauteng, KwaZulu Natal and the Western Cape. These organizations are charged with developing UEM policy and strategy, and guiding its implementation mainly through local government. The component in turn will provide lessons on policy management and implementation.

Component 2 will support environmental NGOs, the South African Cities Network (SACN) and a programme of applied research. It is a key vehicle for the promotion of links across and within spheres of government, and will be a valuable partner to LGS component in pursuing this interaction.

Objectives

The component development Objective:

Improved local urban environmental management and planning for poor communities.

The component immediate Objective:

Improved municipal capacity for integrated urban environmental management, planning and monitoring.

Outputs

The outputs identified to achieve the immediate objective are as follows:

1. UEM integrated in city planning cycle and city management
2. Environmental Health capacity and implementation
3. Local air quality monitored and managed
4. Local sustainable energy solutions developed and implemented
5. UEM Capacity development and coordination

Component Management

City departments receiving support from and participating in the component will report to one or more Council Committees (including Portfolio Committees) in their respective cities. These committees will ensure that political and technical guidance will be provided. Budgets and work plans will be formulated in the context of the Integrated Development Planning (IDP) process. These will be approved by the relevant Council Committee before compiled component requests for support from the UEM Programme will be presented at a PSC meeting.

The five participating municipalities will manage their own component outputs and activities. There will be no overall Component Director. The procedures for management and reporting will be according to existing government procedures and not component specific.

During the inception phase a representative from each municipality will be nominated as a city component coordinator for the component activities in each municipality. The city coordinators are also members of the PSC. The nationally employed component advisors in the municipalities will coordinate the component implementation in each municipality and compile municipalities' requests for funding to the PSC and assist in collating the reporting from the existing reporting by the municipalities on business plans and financial management.

Component Budget

LGS component 3 budget (million DKK)	National LT TA	Pool of ST TA	Thematic issues - Investments	Thematic issues - Operational	Networking, Training and Capacity Development	Total	
National Component Advisers	9.0					9.0	12.9%
Short Term TA (provisional sum)		10.0				10.0	14.3%
<i>Outputs</i>							
1. UEM integrated in city planning cycle and city management				6.0	4.0	10.0	14.3%
2. Environmental Health capacity and implementation			5.0	8.0		13.0	18.6%
3. Local air quality monitored and managed			5.0	5.0		10.0	14.3%
4. Local sustainable energy solutions developed and implemented			1.0	2.0		3.0	4.3%
5. UEM Capacity development and coordination				5.0	10.0	15.0	21.4%
Total LGS component 3	9.0	10.0	11.00	26.00	14.00	70.00	
	12.9%	14.3%	15.7%	37.1%	20.0%		

The budget allocation is not fixed. Re-allocations can be made within components between outputs, within outputs (e.g. between municipalities), and between components. Reallocations can be decided by the Programme Steering Committee (PSC) based on recommendations by the component partners and the Joint Annual

Programme Review (JAPR). Lack of progress in implementation or insufficient financial management may result in reduced support from the UEM programme.

1. Introduction

This Component Document describes the Local Government Support (LGS) Component within the Danida supported five-year Urban Environmental Management (UEM) Programme (2006-2010). The component provides support to capacity development in five municipalities: Johannesburg, Ekurhuleni, Sedibeng, eThekweni and Cape Town.

The UEM Programme focuses on enabling government to better address the needs of the poor through enhanced UEM. The UEM Programme incorporates a sectoral focus on environmental health, air quality, waste management, sustainable energy and strengthening the link between environment, planning and implementation. Poverty reduction is a central aim of the UEM programme.

The LGS Component is one of three components in the UEM Programme. Component 1 (National and Provincial UEM) provides support to the Department of Environmental Affairs and Tourism (DEAT), the Department of Health (DoH) and the provinces of Gauteng, KwaZulu-Natal and the Western Cape. Component 2 (Knowledge Management and Civil Society Support) provides support to civil society organisations, the South African Cities Network (SACN) and a programme of applied UEM research.

1 Background

South Africa and Denmark share a strong commitment to poverty reduction and to building a developmental state that is able to implement the post-apartheid vision of Reconstruction and Development. Denmark's partnership with South Africa has had a focus on environmental issues with project support to national government and civil society in environmental and natural resource management.

One of the legacies of apartheid is weak policy emphasis on and capacity for urban environment management and planning. Environmental problems are evident especially in poor and formerly black urban areas, where poor basic service delivery of water, sanitation, waste and drainage plus inappropriate land development, often on polluted land fill sites or adjacent to industry, has impacted negatively on the health and safety of the poor. Post-apartheid commitment to sustainable development is founded on the desire to secure environmental justice for all, but the institutional structures and systems necessary to deliver on this mandate and implement successful UEM are not fully in place. Limited government capacity is compounded by the decentralization of municipal environmental management responsibilities, especially in air pollution and environmental health. Even in relatively affluent cities the combination of the apartheid legacy and rapid urban growth means that municipal capacity in UEM is stretched.

Against this background, the UEM Programme in addition to a focus on poverty reduction and a programmatic approach also considers the South African institutional context. In this context a post-apartheid decentralization built around the independent "spheres" of government has passed through transitional phases of policy and legislative reform and institutional restructuring. The component emphasizes the following strategic approaches:

- Aiming at outcomes that address the links between urban environment, health and poverty reduction.

- Developing skills for implementation at local level and institutional capacity development across all spheres of government.
- Targeting key urban environmental sectors.
- Focusing on heavily concentrated and polluted regions and urban agglomerations.
- Strategic use of Danida funds to trigger and support the deployment of government funds.
- Encouraging inter- and intra-sphere linkages in Government.

The design of the LGS Component incorporates these approaches, and responds particularly to current opportunities for UEM capacity development at local level.

1.2 Component rationale

South Africa is an urbanising middle-income country, with deep income and human development inequalities. Poverty is a fact of life for a large section of the population, and addressing poverty is a major priority for the post-apartheid government. In urban areas, inequality is often spatially expressed, with a juxtaposition of wealthy suburbs and poor townships. Urban environmental problems are not unique internationally, but in South African urban areas they often find expression in the lingering apartheid townscape. Poor communities often bear the brunt of service inadequacies, air and water pollution, and unsafe neighbourhoods.

The reform of governance in South Africa places local government at the forefront of implementing actions to improve the urban environments of the poor. South Africa's new institutional structures has divided roles and functions between National Government, provinces and municipalities according to the principles found in most countries with decentralised government. Policies, norms and standards are defined at national level, whereas implementation to an increasing extent is the responsibility of municipalities, and for areas not yet decentralised, the provinces. National departments have monitoring and regulation powers over the municipalities, as do provinces in sectors where they have concurrent competence. The environmental sector is an area of concurrent competence for environmental governance.

Municipal councils can adopt plans and bylaws specifying and applying national standards and introducing local policies, which must not be inconsistent with the national legal framework. In several areas there is room for considerable initiative from the municipalities. For the UEM Programme various pieces of local government legislation are of particular importance, together with legislation on intergovernmental relations and evolving legislation concerning environmental management including laws on air pollution, waste management and energy. The new local government legislation (Municipal Systems Act) places particular priority on developmental and cooperative government at this level, underpinning the policy and framework for Integrated Development Planning (IDP).

Against this background, the component's aim is to improve capacity for UEM and the delivery of environmental services benefiting poor communities at local level. The LGS Component will support interventions in UEM in four metropolitan municipalities

(Johannesburg, Cape Town, eThekweni and Ekurhuleni (East Rand)) and one district municipality (Sedibeng (Vereeniging, Vanderbijlpark urban complex)).

The Component is linked programmatically to the wider UEM Programme, with its national, provincial and civil society support components. The UEM Programme is integrated through a common development objective and rationale that focuses on reduction of urban poverty, institutional capacity development, support to civil society organizations and knowledge creation and sharing.

The UEM themes that will be addressed across the programme components are:

- Integration of environmental planning into broader planning processes, including Integrated Development Planning (IDP).
- Environmental health, including clarification of functions and improved local inspection and enforcement.
- Implementation of the Waste Management Bill.
- Implementation of the Air Quality Management Act, including new local mandates and responsibilities.
- Support to implementation of sustainable energy interventions.

The five themes are particularly pertinent to local government for the following reasons:

- IDPs must include environmental considerations by law. There must be a link with provincial environmental planning, and local plans for waste and air quality must be included.
- The National Health act gives new health responsibilities to municipalities.
- The Air Quality Management Act gives municipalities monitoring and enforcement responsibilities.
- Local government addresses implementation of sustainable energy initiatives and energy conservation

2.

Description of the Component

1 Introduction

The component aims to build local government's institutional capacity in UEM in a way that compels attention to the relationship of poverty and environment by developing information, systems and strategies as well as human capacity. It does so through the focus on selected municipalities.

The UEM Programme has identified integrated environmental planning and environmental health as core themes for all five municipalities. Planning is a powerful vehicle through which to mainstream UEM. It is also a uniform medium of discourse among municipalities, promoting communication and the exchange of ideas and good practice. Environmental health is similarly cross-cutting. The poor has disproportional large burden of health cost. An imperative for all metropolitan and district municipalities is the implementation of new health legislation, which requires them to manage and implement a variety of municipal health responsibilities. All participating cities have prioritised organisational capacity development around environmental health services, and the focused training of environmental health professionals.

Three "optional" focus areas have been identified by the programme, in response to national priorities and considering the potential impact of UEM Programme resources. These are linked to the implementation of the Air Quality Management Act and the Waste Management Bill, and to implementation of sustainable energy interventions at local level. Sedibeng has opted to use UEM Programme support to roll out its Air Quality Management Plan, which is very appropriate given its priority national "hot-spot" status in this context. eThekweni plans to further implement its air quality management systems. Ekurhuleni intends to link the support to sustainable energy initiatives, with a focus on housing and transport and links to the poor. Cape Town is focusing on aspects of integrated planning and urban environmental sustainability and management.

The Air Quality Management Act and the Health Act have caused some confusion around mandates for environmental health and environmental enforcement. A functional analysis will be conducted under Component 1 to promote clarity, and to inform activities related to support and capacity development for Environmental Health Officers. Component 1 will ensure the dissemination of the research to the cities.

2

Objectives

Component Development Objective:

Improved local urban environmental management and planning for poor communities..

The immediate objective below is closely related to the development objectives as stated above while at the same time reflecting achievable results of the programme and component intervention.

Component Immediate Objective:

Improved municipal capacity for integrated urban environmental management, planning and monitoring.

3 Strategy informing component formulation

Strategic Opportunities

The component focus is on five municipalities. Four of these (Johannesburg, Cape Town, Durban and Ekurhuleni) are the largest metropolitan agglomerations in the country. Sedibeng is a district municipality incorporating several local municipalities and a high concentration of industry in the Vaal Triangle. These areas are also among the largest concentrations of poverty in the country. The city emphasis directs UEM Programme support to locations where there are large poor populations juxtaposed with urban environmental threats such as industrial pollution, poor waste management, poor services and a degraded and dysfunctional urban fabric. Working through cities provides a nexus for poverty reduction and UEM capacity development, addressing two fundamental UEM Programme imperatives.

Institutionally, the targeted cities have at least some of the capacity required to absorb and internalise support, and to develop and share lessons learnt. Associated with purposeful capacity development, there is a high probability that the cities will manage and secure programme outputs that are sustainable and replicable. Hence, with limited support, the value of the Danida inputs will be high. Sedibeng has the most limited capacity among the selected municipalities, and will require a higher level of capacity support. Lessons learned here will be of value to other non-metropolitan urban areas.

The current South African policy emphasis on developmental and cooperative local government provides a sound platform for linking poverty and environmental sustainability. The associated requirement for Integrated Development Planning (IDP) draws UEM issues (waste, air quality, energy and natural resource management) into a planning arena previously dominated by infrastructure and land-use. IDPs are developed on a five-year cycle, and are reviewed annually. Participating municipalities entered the new IDP cycle in 2005, allowing them to fully incorporate UEM initiatives.

In order to build holistic UEM capacity at local level, it imperative that the financial and resource management dimensions of UEM are addressed. To this end the systems of each municipality are capable of providing the financial, reporting and management platform for each city component.

General strategic principles

- Integrated links between the UEM Components must to be established and in particular institutional links between the support to national and provincial government and the support to local government.
- Both vertical and horizontal links need to be supported. Horizontal links may turn out to be a very fruitful way to disseminate best practice from one municipality to another.
- The UEM Programme caters for flexibility in planning and implementation of the component provided supported activities are ‘on budget’ and included in the municipal business plans. Budgets can be shifted within the component outputs and between components.
- All activities at the municipal level should ultimately aim at replication and national rollout, and not to be seen as a specific support to solve a specific environmental problem in a community.
- Because of the relatively small size of the Component budget compared to the overall budget available for UEM at the municipalities the key issue is to support activities that have a potential, strategic impact and contribute to sustainable solutions to local-level policies and urban management issues.

Implementation strategy

The implementation strategy is based on considerations of the best ways of moving towards the immediate objective. Strategic steps are thus related to the outputs. The main strategic approach is to support institutional strengthening and the procedural aspects of UEM at the level of implementation, i.e. at the selected municipalities.

Lessons learned will be documented and internalized. They will be shared through participation in forums associated with the South African Cities Network (Component 2), and via other inter-governmental opportunities such as the annual best practice conference planned under Output 5. A specific strategy for the LGS Component is an output dedicated to the facilitation and organization of inter-governmental links.

The reformed local government system presents ample opportunities for introducing ambitious and sustainable improvements of UEM. Local government legislation points to procedural regulations concerning IDP in the municipalities. IDP is the responsibility of municipalities. These are submitted to province for approval. Province then develops a Provincial Growth and Development Strategy informed by the body of IDPs. A thorough process of consultation and participation is required, and the role of councils includes a yearly review of the plan by the council and thus the option to amend or change the priorities reflected in the plan.

The LGS Component strategy is to support city priorities and plans within the overall UEM Programme framework. In this way the national legislative and policy perspective is matched by a local implementation point of view. A challenge is to ensure synergy between the two. From the municipal vantage point synergies will be sought through focused awareness building around the value-added potential of other UEM Programme components, through specific integrative outputs, and via purposeful sharing of implementation lessons and best practice.

Ownership and flexibility

The development of the component aims at employing a high extent of flexibility in the execution and development of the activities of the component. Local ownership has been achieved through an extensive, consultative process.

- The forthcoming municipal elections (before March 2006) provide an opportunity to reaffirm the local ownership of the component. Adjustments to action plans may be required after the first fiscal year (July 2006 to June 2007), and possibly a more thorough revision after the second fiscal year 2007/08 according to the priorities of the participating cities;
- Flexibility also implies that new municipalities may be included in the programme after the first two years of operation. Funds are already reserved for this purpose, and in addition funds that may not be spent in any of the first five municipalities will be re-allocated to new activities and new municipalities according to a process of identification. The envisaged joint reviews will confirm any such major changes.

Flexibility further implies that each municipality is given the opportunity in the preparatory stages of the Component to refine approaches and work programme. At this juncture the cities will have to incorporate the allocated component budgets and have formally approved component activities before the funding can be utilized. Flexibility accommodates the possibility of change. In this context changes at activity level can be made using procedures governing the re-allocation of normal operational expenditure. Output changes, on the other hand, can only be made through the process of annual review and with PSC approval.

The descriptions of the municipal activities contained in this component document must be understood to accommodate some degree of variation. The institutional and financial strategies below reflect the two above principles.

Good governance strategic principles

- An inter-governmental approach will be taken supporting both vertical and horizontal relations and capacity development, recognizing needs and demands in the municipalities and existing capacity in the provinces. IDP processes are of particular importance in this respect.
- Capacity development mechanisms and systems will be directed at the key players including councils and standing committees, technical staff and other stakeholders according to an identification of needs.
- Good governance UEM procedures will be supported in systems of planning, budgeting, service delivery, monitoring of implementation and reporting in the municipalities in conjunction with initiatives from the government (for example National Treasury) aiming at improved information and transparency in decision making.
- Support to development of systems of participation and access to planning and budgeting for disadvantaged communities is of the greatest importance since the budgets will reflect the setting of priorities of the municipal councils.

- TA is needed to integrate environmental management issues into the IDP, but also in other plans, both spatial plans and various sector policy plans and to incorporate these crosscutting issues into the policies and budgets of the municipality. Component 2 will provide the possibility support to IDP participation by environmental civil society organizations.
- A Training of Trainers (TOT) approach is supported and activities coordinated with Components 1 and 2 (see Output 5). The result of this process should be that a group of trainers is formed to assist in the following areas: informing and training councillors in UEM related planning and budgeting exercises; training capacity in monitoring and performance control of UEM implementation; training capacity for building relations and communicating with community groups establishing voice and participation;
- Conformity with and utilisation of the new legal instruments in relation to development of UEM is a key strategic concern of the programme. Vertical relations between communities, municipalities, provinces and National Government are crucial in this respect, and the proposed capacity development activities aim at supporting these relations and the capacity to develop appropriate legal instruments at the municipal level.

Capacity development approach

The approach to capacity development moves beyond the orthodox capacity development perspective. It acknowledges the nature and significance of people and sustainable institutions. It understands the need for mutual recognition of roles and responsibilities, behavioural expectations, values, vision and goals. It acknowledges that sustainable development implies societal development and that this in turn implies a deepening of the organizational structures of society, both state and civic.

In South Africa it is widely acknowledged that environmental governance faces significant capacity constraints. Of particular concern is the institutional capacity of local government given its expanded developmental mandate and responsibilities. In the context of the UEM Programme and more specifically the Component, capacity development refers to the process by which individuals; groups, organizations and societies develop, enhance and organize their systems, resources and knowledge.

The outcomes of capacity development would therefore be reflected in the ability of an individual or institution to perform functions, solve problems and set and achieve objectives. A successful capacity development approach is people-centred, institutionally relevant and flexible. It comprises a package of activities that aim to strengthen capacity, individual and institutional, for urban environmental management and pro-poor service provision in South Africa.

To be effective capacity development must encompass the following:

- *Individual capacity development* - involving activities such as the training of staff in regulations, systems and procedures relevant to their function, support to attend short-term courses to develop specific technical skills, and limited support to bursaries in tertiary institutions;

- *Institutional capacity development* – which as a priority focus of programme support would involve the development, internalization, and where appropriate, the development and operationalisation of strategies, action plans, policies, guidelines, regulatory and legal frameworks, building and managing partnerships and inter-governmental relations, implementing plans and monitoring progress; and,
- *Societal capacity development* – that aims to enable civil engagement and creating public awareness.

All input of technical assistance whether long or short-term shall be designed in order to contribute to the aim of capacity development.

4 Component Outputs

The component has five outputs directly responsive to the immediate objective.

1. UEM integrated in city planning cycle and city management
2. Environmental Health capacity and implementation
3. Local air quality monitored and managed
4. Local sustainable energy solutions developed and implemented
5. UEM Capacity development and coordination

They relate to all five municipalities and to the requirements for strengthening inter-governmental relations. The outputs reflect key elements of local government's business, as required by the Municipal Systems Act (2000).

Outputs 2, 3 and 4 reflect key thematic issues in UEM and to the delivery of environmental services. Outputs 1 and 5 are cross-cutting, referring to processes and relationships inside and outside the municipal structures themselves. All of the outputs have strong connections with local government policy and legislation.

5 Component Activities

The participating cities have identified many projects and initiatives under the Component theme areas. Given the complex and diverse environmental priorities and responsibilities of the cities the emerging city programmes remain to be fully planned and budgeted.

In preparation for the execution of component activities for the fiscal year 2006-2007, the participating cities will develop detailed action plans and budgets based on the outputs and thematic areas defined in this component document (see Component Implementation Plan for details). Activities between January 2006 and July 2006 will thus be of a preparatory nature and will be undertaken by the cities. The preparatory work will be led in each case by the city component coordinator (see Annex 8). Activities from July 2007 onward must to be confirmed by the new municipal councils through approval of revised action plans and budgets.

6 Component Inputs and budget

Inputs by Danida

- Danida will provide programme assistance to the sum of DKK 70.0 million to the UEM Programme at municipal level for five years (the fiscal year 2006/07-2010/11).
- National Municipal Component Advisors. The budget for three national full-time component advisors at the municipalities is estimated at DKK 9 million. The annual budget for one advisor position is a maximum of 600.000 DKK including a minimum of 20% (min. 120.000 DKK) reserved for associated operational expenses (travel, accommodation etc.).
- Support is provided with DKK 10.0 million as a draw-down facility of unallocated short-term national and international technical expertise. The short-term TA is procured through a procurement agency at programme level by DEAT as part of component 1. DEAT is responsible for managing the funding through the procurement agent even for short-term TA requested from the pool by municipalities.

Inputs by municipalities

- Municipalities will provide office facilities and in-kind support to the national technical assistants. Deployment and location options and issues are discussed below.
- Municipalities must provide input of own budget as allocated to projects and initiatives in IDPs and business plans.
- Municipalities will provide meeting rooms, access to office facilities and other in-kind support as required by component activities.
- Co-funding by municipalities for training, workshops, materials, small items of necessary equipment, technical and process consultants, and communication and participation processes.

Financial Support and Budget

The component budget and cash flow tables are attached as Annex 4. These are based on preliminary cost estimates for identified activities.

Table 1: Component Budget for TA, Management and Activities

LGS component 3 budget (million DKK)	National LT TA	Pool of ST TA	Thematic issues - Investments	Thematic issues - Operational	Networking, Training and Capacity Development	Total	
National Component Advisers	9.0					9.0	12.9%
Short Term TA (provisional sum)		10.0				10.0	14.3%
<i>Outputs</i>							
1. UEM integrated in city planning cycle and city management				6.0	4.0	10.0	14.3%
2. Environmental Health capacity and implementation			5.0	8.0		13.0	18.6%
3. Local air quality monitored and managed			5.0	5.0		10.0	14.3%
4. Local sustainable energy solutions developed and implemented			1.0	2.0		3.0	4.3%
5. UEM Capacity development and coordination				5.0	10.0	15.0	21.4%
Total LGS component 3	9.0	10.0	11.00	26.00	14.00	70.00	
	12.9%	14.3%	15.7%	37.1%	20.0%		

Table 2: Component budget by City and Outputs

LGS component 3 budget (million DKK)	Cape Town	Ekurhuleni	eThekweni	Johannesburg	Sedibeng	Total	
National Component Advisers	3.0	1.5	0.0	1.5	3.0	9.0	12.9%
Short Term TA (provisional sum)	2.0	2.0	2.0	2.0	2.0	10.0	14.3%
<i>Outputs</i>							
1. UEM integrated in city planning cycle and city management	2	2	2.0	2.0	2.0	10.0	14.3%
2. Environmental Health capacity and implementation	2.5	2.5	2.5	2.5	3.0	13.0	18.6%
3. Local air quality monitored and managed	2.0	1.0	3.0	0.0	4.0	10.0	14.3%
4. Local sustainable energy solutions developed and implemented	0.5	2.0	0.5	0.0	0.0	3.0	4.3%
5. UEM Capacity development and coordination	3.0	3.0	3.0	3.0	3.0	15.0	21.4%
Total LGS component 3	15.0	14.0	13.00	11.00	17.00	70.00	
	21.4%	20.0%	18.6%	15.7%	24.3%		

The budget allocation is not fixed. Re-allocations can be made within components between outputs, within outputs (e.g. between municipalities), and between components. Reallocations can be decided by the PSC based on recommendations by component partners and the Joint Annual Programme Review (JAPR).

Technical assistance

The Component approach to Technical Assistance (TA) is guided by the Policy on TA in the Danida Aid Management Guidelines. Relevant elements of the policy include strong ownership by partners of the work of the TA, demand-responsive and institutionally appropriate deployment of TA, and clear management and reporting arrangements.

The key principles for employment of TA will be developed further during the inception phase. The principles for deployment of short term TA will include:

- Each input of TA shall have a clearly defined counterpart, i.e. an identified manager in the municipality. The component advisors can not be the responsible counterpart.
- No input of TA will commence without ToR signed by the city component coordinator. Procedures for short-term TA hired by the municipality as part of the output budgets will follow the municipality rules and regulation. Procedures for short-term TA provided through the draw-down facility will be according to procedures agreed for the procurement agent.
- Upon beginning an assignment, the consultants shall present a detailed work plan for their activities to manager in the municipality requesting the services.
- It is the responsibility of both consultants and the manager in the municipality that the work does not repeat the work that has already been done.
- It is the responsibility of the manager in the municipality to inform other municipalities in the component and partners in Component 1 about TA input. Ideally information about input of TA shall be made available on a website. For all TA and in particular international TA an inquiry shall be made via other city component coordinators whether the input can be shared.
- Consultants providing short-term TA shall prepare brief minutes of meetings with counterparts and departments/organisations. These minutes, along with all data and reports generated by the consultant, must be given to the manager in the municipality for filing and annexed to the final report.
- Before the completion of each assignment the consultant shall deliver a report to the manager in the municipality. The report will form the basis for a debriefing session with the manager in the municipality and relevant municipality staff and other stakeholders.
- The outputs will be compared with the original work plan and ToR. The manager in the municipality will have to approve the reports prior to authorization of payment for their services.

The TA input responds specifically to partner requirements, and long-term TA arrangements reflect both the needs and the capacity of the municipalities.

The component includes the following technical assistance:

- Three long-term national component advisors will assist municipalities with component management and component coordination, provide technical assistance relevant to the municipalities, prepare TOR for short term TA, and prepare programme reporting on behalf of the municipalities

- Short-term international TA is available: a) a provisional budget for a draw down facility (not allocated) and procurement will be through a procurement agent, and b) may also be enlisted via the thematic areas of the output budget with procurement through normal city procurement processes.

The national component advisors in the municipalities shall mainly serve advisor functions, contribute to capacity development and provide limited support for component management, for example, for compiling relevant city reporting to the PSC. The national component advisors shall not serve as added administrative capacity for busy managers, and the job functions of the national component advisors will be evaluated by the JAPR and technical reviews that may precede them.

The following arrangements for the national component advisors will be implemented in the Component:

- Three national component advisors will be deployed in the municipalities. The long term national advisors are contracted by the municipalities and all procedures of hire, payment and employment conditions are those of the municipality. The annual budget for one advisor position is a maximum of DKK 600.000 and includes a minimum of 20% (min. DKK 120.000) for all related operational expenses (travel, accommodation etc.). The national component advisors will be identified under the leadership of the municipalities in collaboration with the PSC.
- Full-time national advisor positions are taken up by Cape Town and Sedibeng, and one advisor based in Ekurhuleni will also support Johannesburg. EThekweni has chosen not to avail itself of full-time TA.
- The identification and recruitment process will seek to optimise the mix of technical skills among the national component advisors in order also to work as a team across municipalities.
- One of the three national component advisors will act as component representative for the component advisors. The task as component advisor representative will alternate among the three national advisors on an annual rotation basis following the financial year.

The deployment plan of the national component advisors has the following rationale:

- Cape Town is embarking on an ambitious multi-faceted initiative using city and UEM Programme money. The component advisor, in addition to providing support to component management, will play an important role as technical advisor providing capacity development and facilitating coordination, for example, by providing assistance to preparing ToRs for, and monitoring the delivery of services required.
- Sedibeng faces substantial environmental management challenges (including the implementation of air quality and health legislation), and has inadequate capacity for these tasks. The Minister of Environmental Affairs and Tourism announced on 6 June, 2005 that Sedibeng was to be declared the first priority area in terms of the Air Quality Management Act. The declaration will take effect in September 2005, and an Air Quality Management Plan will have to be tabled within a year of that date. In this case the component advisor has a role in

supporting Sedibeng Municipality to increase of capacity and capability in particular within air quality management.

- Johannesburg and Ekurhuleni municipalities will share one component advisor who will be based in Ekurhuleni and shared with Johannesburg according to a service agreement contract between the two municipalities. Ekurhuleni will require specific technical expertise in sustainable energy, while Johannesburg will require support and facilitation in environmental health and planning.

7 Opportunities for synergies

The programmatic design of the UEM Programme (including the five UEM themes) promotes linkages and synergies both horizontally and vertically. In some cases these are more implicit than explicit, and should be more purposefully developed where possible. Key opportunities for synergy are the following:

- *Functional Analysis of AQM and EH:* The Air Quality Management Act and the Health Act have caused confusion around mandates for environmental health and environmental enforcement. The functional analysis to be conducted under Component will promote clarity, and provides an early opportunity for the sharing of information among components.
- *Capacity development:* Capacity development is a central tenet of the UEM Programme. The synergies arise as municipalities develop approaches to address capacity gaps that might be present in some or all of the participating cities. An example is capacity development in environmental health, and especially in response to legislation regarding the provision of municipal health services.
- *City Development Strategies and Environmental Management Frameworks:* Gauteng and KwaZulu Natal have undertaken to support the development of EMFs for selected cities. Johannesburg and Cape Town intend to use UEM Programme support to develop and refine UEM in the context of City Development Strategies. There is potential to explore the EMF / CDS link directly in the case of Gauteng/Johannesburg, and disseminate the findings to other cities and provinces working on planning at this level.
- *IDP and IDP cycles:* IDP is a strong linking theme in local government. The most useful synergies for UEM Programme may arise where IDP revision cycles coincide among the participating municipalities. In this context the municipalities may derive value from sharing innovations in terms of integrating UEM into IDP processes.
- *Tools and Indicators:* Most of the local UEM Programmes envisage the development of tools, systems and indicators to support management decision-making, focused implementation and effective monitoring. The appropriate sharing of these (or even co-development) is potentially a simple way to develop cooperation and to enhance programme impact.
- *Air quality management and replication:* There are several possible synergies around AQM. eThekweni has a sector-leading air quality management strategy, and will be developing decision support tools on this foundation. KwaZulu Natal province has indicated a willingness to support the dissemination of AQM

knowledge and best practice, and should work with eThekweni in this context. Sedibeng has prioritized the development of an AQM strategy in its UEM Programme, and would benefit from interaction with other initiatives. The other participating cities are also working on AQM plans, and would also profit from engagement around this theme.

- *Empowerment of the poor:* Several of the cities envisage consultation and awareness building initiatives related to the development of policies and strategies, and some plan to pilot projects related to these strategies. The nature of community engagement will be unique to cities and projects, but there is potential to share experience on the development of consultation materials and procedures, and to jointly explore the development of appropriate monitoring and evaluation tools.
- *AQM and environmental health:* Johannesburg, Ekurhuleni and Sedibeng have all expressed an interest in community-based work dealing with smoke reducing methods for domestic cooking and heating. At present the proposals are unsystematic and fragmented, but there is potential for cooperation around a programmatic approach to this issue. An appropriate sharing mechanism is probably necessary.
- *Common thematic training:* There are common training themes in all of the city UEM Programmes. Among these are the training of environmental health and air quality practitioners. Against this background, there may be significant leverage in the joint specification of training modules, in the identification and testing of service providers, and in the training of trainers.
- *Knowledge management, best practice and replication:* All participating municipalities endorse the principle of sharing and replicating best practice. The realization of the benefits requires coordination (through Component 2), but also a commitment and a systematic approach from the municipalities. Component design must link both sides of this relationship.

8 Poverty and Crosscutting issues

UEM and human development

The 2004 “State of the Cities Report” prepared by South African Cities Network highlights a number of post-apartheid challenges in the major urban areas. These challenges include continued marginalisation of some communities in under-serviced ghettos; high levels of inequality and poverty; the impacts of HIV/AIDS; and weak relationships between communities and municipalities. The cities are thus a melting pot where development and underdevelopment are starkly juxtaposed.

The UEM Programme is a modest intervention in this context. It has, however, the potential promote human development through interventions in urban environmental management. The potential impact of the programme in this context is enhanced by the current policy focus on developmental local government, and the willingness of the cities to tackle development issues. The cities are thus an appropriate location for work at the human development-environment interface. Through local government they are also areas where social and developmental change is possible.

The local component of the UEM Programme will implement a number of activities in five cities over a period of five years. Singly and in combination a number of these activities will influence aspects of human development. Some examples are presented below.

Poverty

Poverty is a primary focus area for the UEM Programme and the component. The current South African policy emphasis on developmental and cooperative local government provides a sound platform for linking poverty and environmental sustainability. All component outputs address aspects of urban poverty in some way, with some focussing very specifically on environmental interventions in poor communities and within poor and vulnerable households.

Specific component contributions to poverty alleviation and quality of life in poor residential areas include:

- The promotion of energy efficient housing, and the related reduction of energy costs.
- Safe, affordable and energy efficient transport.
- Safe land for affordable and accessible housing for the poor.
- Reduction of health hazards relating to waste in and around poor residential areas.
- Promotion of good household practice in domestic energy use, and the reduction of debilitating and costly respiratory disease.

Gender equity

Issues of gender equity are an explicit requirement of South African development local government, and also of other social and developmental policy. Gender equity will be addressed in this component through the explicit focus on poverty, and emphasis on energy, waste, air pollution and planning in UEM. These are all issues whose effective management impacts directly on the lives of women and children.

Specific component contributions include:

- Gender equity in training and skills development.
- Environmental design for the health and security of women.

Good Governance

Good governance is a cornerstone in the institutional structure and operational policy of government in South Africa. The Constitution and sectoral legislation entrench among other things cooperative government, integrated planning, financial accountability and discipline and public participation. This component will address good governance through: the focus on integrated planning; the strengthening of identified projects and initiatives, and the promotion of sustainability; the reinforcement of existing budgeting,

management and reporting processes and structures; and the focus on the poor and marginalized members of urban society.

Specific component contributions include:

- Mainstreaming sustainable development principles in municipal governance.
- Promotion of good energy stewardship.
- Environmental Health By-law reform.
- Promotion of effective and sustainable environmental service delivery by local government.

Environmental Management

Urban environmental management is the key focus of the UEM Programme and the component. In the selected municipalities, management will be addressed at a number of levels, including key areas of institutional strengthening and capacity development. As a consequence of the UEM Programme, the participating municipalities will be better equipped to plan, manage, implement and monitor environmental interventions, including those addressing development and living conditions of the poor.

HIV/ AIDS

One of the most significant themes in the UEM Programme is environmental health. Addressing issues of environmental health among the poor will contribute to retarding the transmission of HIV and the onset of AIDS, and also to reducing vulnerability to secondary infections. Air pollution is a known contributor to respiratory diseases, a key vulnerability for people living with AIDS. A suite of component activities, across the five cities will specifically address domestic air pollution, materially changing living circumstances for HIV/ AIDS sufferers.

Democratisation and Respect for Human Rights

The focus on the urban poor in cities will promote community empowerment in a variety of contexts. The de facto extension of municipal services to communities who under apartheid had limited access gives practical meaning to democracy and the constitutionally enshrined socio-economic rights.

3.

Management and Organisation

The component will be managed by each municipality according to existing rules, regulations and procedures that apply across and within each municipality. The only additional component management is as follows:

- A city component coordinator is appointed by each municipality.
- For each activity and input of short-term TA a responsible head of department or similar is nominated.
- All requests for programme support to business plans are forwarded by the activity manager responsible, to the city component coordinator and then to the PSC for approval. Each activity request will include a 'cover page check list' (see annex 6).

1 Component management

The general framework for the internal organisation of municipalities is laid out in the Municipal Structures Act (1998). The following structural elements are relevant to the city-level management of the UEM Programme:

- The *Council* governs the city. It comprises a body of elected Councillors, and it oversees all aspects of city governance.
- The *Executive Mayor* and *Mayoral Committee* ensure the integration of the work of the Council across political portfolios and line departments.
- *Section 80 Committees* oversee specific political portfolios, and are chaired by Councillors. They report to the Mayoral Committee.
- The *Municipal Manager* and senior officials head the city administration. This group provides the link between the political and administrative elements of city governance. The Municipal Manager reports to the Mayor and the Mayoral Committee.
- Heads of departments, municipal entities and utilities (where the latter exist) report to the Municipal Manager and the senior management group.

During the inception phase (from January to June 2006) the municipalities will integrate the component management structures and procedures within the existing municipal management framework with reference to the specific political and operational practices of each city. In this context, each city has:

- Identified a city component coordinator.
- Defined broad management processes, including levels of authority and lines of reporting.
- Confirmed the request for long-term TA in the UEM Programme support package and commence direct hire by the municipality in order to commence work in July 2006.

The component management arrangements proposed by the cities are:

- Cape Town:* An inter-director management team will be established under the leadership of the Executive Director: Economic Development and Strategy. This will be mandated by Ikhwezi (the Cape Town executive management structure) and will be responsible for the management of the programme. The newly-appointed Director: Environmental Management could be the city component coordinator, but this must be confirmed. Each manager responsible for activities in the component will report to the management team on a monthly basis as in the existing municipal procedures. The team will report bi-annually to Ikhwezi and annually to the Mayoral Committee (Mayco). The National Component Advisor to be based in Cape Town will provide technical assistance and limited support to component management as per ToR.
- Ekurhuleni:* Ekurhuleni will utilise its existing Environmental Management Coordinating Committee, chaired by the Executive Director: Environment and Tourism, for component coordination across departments within the city. The Executive Director: Environment and Tourism will also act as component coordinator and take responsibility for the implementation of the component activities in Ekurhuleni. The component coordinator will convene an Ekurhuleni Environmental Management Coordinating Committee on a monthly basis under the chairmanship of the Director: Environment. The city component coordinator will submit consolidated reports on all activities against approved indicators and budget to the Portfolio Committee on Environment and Tourism for endorsement. Individual municipal managers responsible for activities will report to other Portfolio Committees as appropriate. The national component advisor based in Ekurhuleni and shared with Johannesburg will provide technical assistance and limited support to component management as per ToR.
- eThekweni:* The Deputy City Manager: Sustainable Development and City Enterprises will take overall responsibility for the implementation of the eThekweni component. She will convene a quarterly meeting to review and discuss the progress of the component. The results of this review will be formally reported to the Strategic Management Executive (attended by the city manager and deputy city managers). It is proposed that there will be quarterly reporting on the programme at the council's Executive Committee, to ensure an information flow on the UEM Programme to the city's political structures.
- Johannesburg:* The Director: Corporate Planning will act as the city component coordinator Johannesburg. The managers responsible for component activities will report to their Portfolio Committees (the Mayoral Committee for planning activities, and the Health Committee for the various environmental health initiatives). The appointed managers responsible for an activity will submit a consolidated report to a selected Section 80 Committee on all activities against approved indicators and budget. Formal reports to Council will provide the substantive basis for reporting to Danida. The national component advisor, based in Ekurhuleni, will provide technical assistance and limited support to component management as per ToR.
- Sedibeng:* A city-specific component steering committee is proposed, probably based in one of the two relevant Section 80 Committees (Environment and Waste or Health and Welfare). The Acting Executive Manager: Infrastructure Development is likely to be the mandated as city component coordinator, but

this must be confirmed. The city component coordinator or an appointed representative will submit a consolidated report to the selected Section 80 Committee on all activities against approved indicators and budget. The individual managers responsible for activities will report routinely to their specific Section 80 Committees. The national component advisor based in Sedibeng will provide technical assistance and limited support to component management as per ToR.

City-level management arrangements will be finalised by the city component coordinators and approved by the Municipal Manager during the inception phase January to May 2006. Funds will not be made available until the proposed structures and officials have been mandated by Councils through the Mayoral Committees. The plans and associated budgets for each city must also have been approved within the respective Council structures, including Section 80 Committees, before funds can flow.

2 Component coordination and programme reporting

Participating municipalities have indicated that there is no need for a Component Steering Committee. The component will be fully managed as an integrated part of existing management and procedures of the municipalities and additional component relevant management, if any, is presumed to be minimal.

Each year before the start of the financial year a compiled component proposal for support based on the business plans will be forwarded to the PSC. It will follow procedures and processes used in compiling the standard departmental business plans and budgeting. In addition, a 'cover page check list' will be prepared for each activity managed by a different department and enclosed with the component request to the PSC. The draft format of the 'cover page check list' is enclosed in annex 6.

In this context, the following day-to-day arrangements for component coordination and programme reporting are implemented:

- Cities will prepare six-monthly progress reports and financial reviews, within the existing management frameworks described above. The preparation process will be led by city component coordinators with support from component advisors. The reports will be presented according to a framework developed during the inception phase and agreed by the cities. These reports will be collated by a designated component advisor (see below) for the PSC meetings.
- The city component coordinators will represent the cities in the PSC, and will speak to their reports under a standing agenda item.
- Annual work plans and budgets will be submitted by the cities to the PSC. These will be discussed and approved at city level (by Council), following city planning, budgeting and approval processes. To promote component coordination, the work plans will be presented in concept to the Annual Programme Review from January / February 2007.
- Some of the city stakeholders have motivated an institutionalised component annual UEM conference in the absence of a Component Steering Committee. The five city component coordinators will review the priority for a UEM conference prior to the development of work plans and budgets in early 2007.

One of the three national component advisors will be designated as a component advisor representative, with responsibility for the facilitation of component reporting and inter-component linkages. The task will rotate on an annual basis. The Sedibeng and Cape Town national component advisors will have two terms, and the national component advisor shared by Johannesburg and Ekurhuleni one term due to the load associated with responsibilities to the latter.

3 Inter and intra-governmental links

Inter-component synergies and mutual lessons learned are a cornerstone of the UEM Programme. Synergies are promoted in the programme design, mainly against the background of formal inter and intra-governmental relationships in a decentralised structure, and through the medium of linked UEM themes. The links must be managed, however, to secure maximum benefit for the UEM Programme and its participants. The following measures will be implemented in the context of the coordination between municipalities and capacity development:

- Coordination and sharing of training and capacity development activities, including joint development of materials and courses, joint training of trainers, joint identification and evaluation of service providers, and joint evaluation of interventions.
- Promotion and sharing of practices and the development of vehicles that will facilitate horizontal and vertical interaction, including joint development of Terms of Reference for Short-Term Advisors, and the planning and implementation of theme-based bi-lateral and multi-lateral interactions.
- Coordination around the design and implementation of indicators, data-bases and monitoring and evaluation tools.
- An annual cities workshop around UEM Programme themes. The workshop will be attended by the component cities and other relevant invitees. The responsibility for organising the annual cities workshop will rotate between the cities starting with eThekweni (2006), Cape Town (2007), Sedibeng (2008), Ekurhuleni (2009) and Johannesburg (2010).

Management arrangements to ensure the implementation of Output 5 activities are:

- The city component coordinator will facilitate the implementation of the annual LGS Component workshop.
- A roster of ‘theme champions’ will be developed in consultation with the cities. The roster will include people with specific theme or capacity development interests.
- Funds for coordination and sharing of lessons learned should be made available within the annual component budget.
- The city component coordinators may approach the SACN to utilise their website to include a virtual forum for the sharing of research, tools and other information.

4.

Financial Management

1 Component financial management

Financial accounting procedures will follow the procedures as described in the accounting practice note prepared by the Office of the Accountant-General (Accounting Practice Note 16 of 2001, Ref SX 8/1) distributed to all Chief Financial Officers in October 2001 by National Treasury. A synthesis of these procedures is contained in chapter eight of Annex A (Accounting Procedures for the RDP Fund) of the “Policy Framework and Procedural Guidelines for the Management of Official Development Assistance” (www.dcis.gov.za). All component financial management and reporting will comply with the above requirements.

Financial management systems in all five participating municipalities are computerized, and have the architecture and systems to provide for ‘on-budget’ support, standardized financial reporting and programme specific reporting.

If justified doubt about the local financial management capacity should emerge, for example, from audits, the following remedies are considered:

- A phased fiscal input to municipalities based on an independent assessment of the existing capacity, which may delay fiscal support to the municipality in question if seen to be necessary
- Additional financial management support to the municipality in question.
- An external audit

The PSC and the RDE can make decisions to apply appropriate remedies.

2 On –budget support

The UEM Programme has adopted an ‘on-budget’ approach to the management and use of programme funds. On-budget support is not open-ended, and is characterised by the following:

- Support to activities that have already been prioritised. In the municipal context, such prioritisation is given substance by inclusion in IDPs and departmental business plans, with associated budgets having been approved by Council.
- Component operational and financial management and reporting systems are integrated into the procedures and timeframes of government, and respond to the requirements of the RDP Fund Act. In the participating cities this means that funds cannot be disbursed to the component until business plans, year plans and activities have been approved by the relevant structures.

The Municipal Finance Management Act (2004), the RDP Fund Act (1994) as amended, and the Treasury Guidelines on the management of official development assistance provide the framework for municipal financial management with respect to this component.

3 Budgeting

Flexibility is required in not stipulating five years' worth of plans and budgets in the initial component document. The first year is described to provide for some measure of certainty and guidance, while thereafter, the processes and priorities as determined in the cities at that time will determine the activities that best contribute towards the achievement of component outputs.

The immediate objective and outputs of the Component will define the boundaries for the activities to be prioritised by the municipalities. The PSC has responsibility for accepting the city proposals as being aligned and coherent with component and programme objectives, outputs and budgets before approving further transfers of funds via the RDP fund.

Component budgeting will be integrated with the local government budget cycle and local government procedures. The financial year for municipalities is July – June, allowing them to incorporate fiscal transfers made available through the Division of Revenue Act. The IDP process guides municipal level budgeting.

A new five-yearly round of IDP is due to start mid-2005, allowing municipalities to fully integrate UEM Programme activities, and to have a consolidated municipal UEM budget in place mid-2006. This timing is likely to be appropriate, given the preparatory period in the first half of 2006.

4 Authorisation

IDPs and municipal budgets will be the base for informing UEM Programme budget allocation. Business Plans will provide the details of project timing, milestones and expected cash flow. Authorisation will follow standard municipal procedures for authorisation of departmental work plans and budgets.

City-wide component plans and budgets shall be collated into one report per city and submitted to the PSC for vetting with respect to alignment and coherence with component outputs and programme objectives before being approved for fund transfer from the RDP Fund.

5 Funds transfer process

The RDP Fund Amendment Act, and also Sections 13[1](e) and 22[1](c) of the PFMA, as amended prescribe the funding flow mechanism for transfer of funds from the RDP Fund.

Funds targeted at municipalities should ideally be routed via the provincial treasury, from the RDP Fund, as this not only improves oversight and accountability but is also in line with the requirements of MFMA (i.e. that provinces should increasingly play an oversight role on the municipalities). The only challenge would be a possible delay of the flow of funds from the provincial treasury to the municipality / provincial

department. The Financial Identification study found that there did not seem to be bottlenecks in this regard.

In the inception phase the municipalities will liaise with the International Programme Advisor and RDE in order to determine a standard procedure for flow of funds. It is either direct via the RDP Fund to the cities or via provincial treasury. The procedures will include a full description (including the prescribed forms as provided by Treasury) in the Procedures Manual.

It is expected that there will be one annual transfer from RDE before the beginning of the financial year in July via the RDP fund directly to municipal accounts. The fund transfer is subject to PSC approval of the requests from the municipalities at the prescheduled annual meeting in May/June and documented in the PSC minutes.

6 Procurement procedures

Internal procurement involving use of allocated component funds will follow city-specific tender procedures as informed by relevant national legislation. Additional shared national and international technical assistance as provided for in the overall component budget will be procured via the programme-approved procurement agency, following terms of reference produced by the requesting city, and approved by the PSC.

5.

Monitoring, Reporting, Reviews and Evaluation

Monitoring and reporting has three parts:

- Component output monitoring against specific indicators
- Component outcome reporting
- Joint Annual Programme Review (JAPR)

1 Component Monitoring

The Municipal Systems Act requires that municipalities manage and monitor performance according to performance indicators and targets. Component monitoring will take place according to performance management principles at a number of levels. This includes activity and budget monitoring in terms of milestones and key performance indicators in existing business plans, monitoring against broader and more strategic indicators in IDPs, and monitoring against sectoral strategic and operational indicators where activities are linked to sectoral programmes. Typically, business plan monitoring will be driven by senior managers and Section 80 committees or other appropriate Council Committees.

Cross-cutting business plans may not include environmentally relevant indicators. The development of a generic list for the use of managers in the Component is an initial task that will be taken up under Output 5 under the supervision of the city component coordinators.

2 Reporting

Reporting will take place at three levels:

- Internal reporting. Municipal managers responsible for activities will report to their line managers, and to the appropriate portfolio/sectoral committee(s). All elements of the programme will present a periodic consolidated report to the nominated city component manager and/or the committee responsible for component coordination at city level (e.g. the existing Environmental Management Coordinating Committee in Ekurhuleni). Consolidated reports will address progress against objectives, the status of outputs, planning for the next period, and the status of risks and assumptions.
- City-to-component reporting. There will be no formal structure for this level of reporting in addition to the existing municipal reporting requirements on business plan implementation. **An annual UEM conference provides a venue for technical reporting and inter-municipal sharing of lessons learned.**
- Component-to-programme reporting. In this case component representative(s) will report to the PSC. Key reporting and discussion themes will be liaison between and cooperation among components. Policy and strategic matters relevant to the programme as a whole will also be considered.

3 Review and Evaluation

Programme-level indicators are developed according to a Logical Framework (LFA) approach. These include national targets, Millennium Development Goals and targets from the Johannesburg Plan of Action. There are no component-specific indicators and monitoring, but the indicators and monitoring of the relevant business plans supported will be applied using the municipalities' own reporting procedures and requirements.

The JAPR is expected to be undertaken each year in January or February. The timing coincides with the planning cycle for national and provincial government, and allows time for municipalities to make adjustments to work plans and budgets before the beginning of their own financial year beginning in July. The JAPR will support the flexible and adaptive approach advocated for in this component, and it will also help to identify and suggest possible mitigation for problems that may emerge.

5.

Assessment of Key Assumptions and Risks

1 Assumptions

Assumptions relating to the immediate objectives:

- Political leaders accept UEM as a priority, and support the use of UEM as a vehicle to address city objectives relating to poverty and other cross-cutting issues.
- Cities have the capacity to integrate and manage component inputs (see risks below).

Assumptions relating to outputs include:

- Participating municipal sections or departments cooperate to ensure synergies between outputs and mutual capacity development and learning.
- Suitable training programmes and service providers are available in relevant component theme areas.
- Municipalities have the systems and management in place (or will quickly address) to absorb and fully utilize newly skilled officials.
- Municipal planning cycles and procedures will promote the integration and timely implementation of outputs and activity Groups.

2 Risks

- There is a high risk that local government partners will not have the absorptive capacity to fully and effectively utilize the component inputs. Limitations in capacity may be reflected at a number of levels, including political oversight, management, operational staff and systems. The most appropriate response is for the participating cities to identify specific areas where capacity constraints are evident or likely, and to address these either through their own organisational planning or via the proactive and purposeful use of Danida inputs. It is thus important for the participating cities to determine the appropriate balance of allocating programme support between institutional capacity development and project implementation activities.
- There is a medium risk that the municipalities may not actively pursue the use of programme resources provided through DEAT, and may perceive that these resources are controlled by the national department and difficult to access. Developing clear criteria for accessing the TA funds and instituting a transparent structure of allocation of the resources that is approved by the municipalities will mitigate this risk.
- There is a medium risk that relations between provinces and municipal administrations will not develop to bring out positive effects on the UEM in two different ways. Some officials may take a reactive role and wait for directions coming from the provincial or national level and not be proactive based on the general and delegated powers to the municipal councils, also because they may feel that the assignment and delegation of functions between the spheres of

government are not clear. Second, there may be a small risk that national and provincial authorities may over-utilise their powers in seeking to control municipal activities in detail. The mitigation of this risk is the enhancement of potential synergies between the national, provincial and local government systems. Both Component 1 and Component 3 can contribute to this enhancement through their capacity development activities.

- There is small risk that municipalities will not prioritise UEM interventions particularly in the municipal budget unless convinced that they are developmental and cost-effective. The remedy to this risk is that capacity development is directed towards the council members, particularly so since many members will be new following the municipal elections taking place by March 2006. A second step to be taken is to make an assessment of the cost effectiveness of each proposed UEM intervention.
- There is a medium risk that newly elected councils (after the forthcoming local elections) may decide to change priorities of the programme as part of their duties related to the IDP. The main response to this risk is not to see it as a risk, but a potential for further and closer integration of UEM objectives into the IDP and budget.
- There is a small risk that the three programme components will move in different directions and will not create synergies and mutual support to the achievement of identified objectives. Continued mitigation of this risk of fragmentation into projects is close adherence to the principle of relying fully on the use of existing and developing South African institutions and legal and institutional arrangements.
- There is a small risk concerning inadequate financial management and accountability, taking into account recent and mostly positive assessments of municipal financial management and accountability capacity and also considering the strong systems of internal reporting and accountability. The component will thus use government reporting and auditing systems.

6.

Component Implementation Plan

The activities and activity groups identified in this component document represent initial thinking by the cities. Few of the identified activities have been scheduled within broader implementation framework. Nor have internal timeframes and milestones been identified. Hence it is not possible to present an implementation plan here.

A six-month inception period will precede before the beginning of the municipal financial year. During the inception phase (January to June 2006) the participating municipalities will compile detailed work plans and budgets for the forthcoming fiscal year, and indicative plans and budgets for the years following. These will be presented for approval of funding at a PSC meeting scheduled in June 2006.

Preparatory activities: Inception Phase (January –June 2006)

The key objective of the preparatory phase is to plan activities for 2006/07 financial year, and to get the relevant plans and budgets approved in time for local UEM Programme implementation in July 2006. These tasks include:

- Confirmation of UEM output budgets and funds transfer arrangements.
- Finalising component management arrangements and securing a mandate.
- Preparing appropriate component financial management and reporting arrangements.
- Drafting a UEM business plan and overall activities-based budget in each municipality.
- Prioritising and scheduling activities in this context. In terms of the ‘on-budget’ approach these must reflect matching city funds.
- Participation in IDP and budget processes and submission of appropriate business plans to relevant council structures for endorsement.
- Securing budget and IDP approval for proposed activities.
- Identification and recruitment processes of national component advisors with a view to commencement of employment on 3 July 2006.
- Providing office space and facilities for the national component advisors.
- Informing key stakeholders especially municipal Councillors about the UEM Programme.
- Collection and circulation of a list of UEM indicators for possible inclusion in IDPs and business plans.

Component Implementation Plan

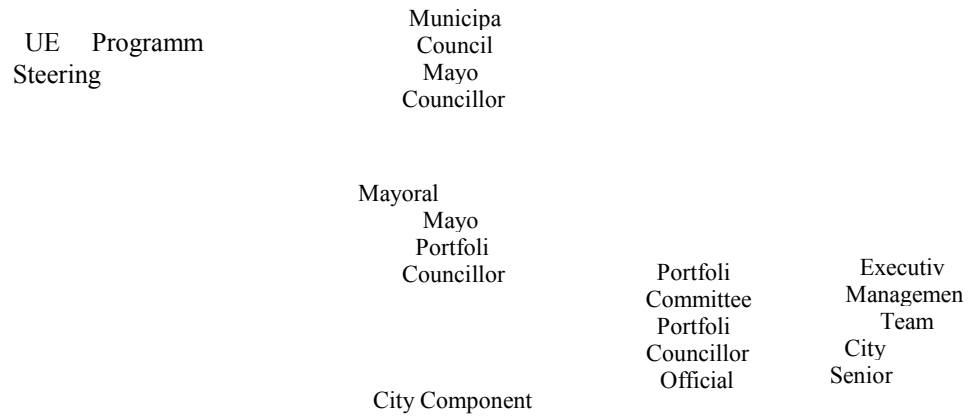
The implementation plan shows all activities identified by the cities. Most are expected to be implemented over the full five year duration of the Component. The lighter shading in years 3-5 indicates that these plans are indications only.

Preparatory Phase Jan-June 2006	Activities	Year 1 2006-20 07	Year 2 2007-20 08	Year 3 2008-20 09	Year 4 2009-2 010	Year 5 2010-20 11
Cape Town						
Preparatory activities completed	Support City Development Strategy					
	Embed the CDS and UEM in city institutions					
Plans and budgets approved	Development of UEM decision support instruments,					
	Support integrated project planning and implementation					
	Support UEM capacity					
	Support to inter-governmental relations					
Ekurhuleni						
Preparatory activities completed	Pilot planning processes for land rehabilitation and reuse					
	Develop strategies for an energy focused transport plan					
Plans and budgets approved	Train and build the capacity of EH practitioners					
	Implement air quality management plan					
	Mainstream sustainable construction and service delivery					
	Mainstream sustainable development principles					
	Develop capacity for community based enforcement					
	Develop capacity for awareness around cooker technology					
	Support to inter-governmental relations					
eThekweni						
Preparatory activities completed	Support spatial planning with environmental principles					
	Support to develop an environmental health strategy					
Plans and budgets approved	Development of a sustainable energy plan for the city					
	Support to implement AQMP					
	Support to inter-governmental relations					
Johannesburg						

Preparatory activities completed	Build strategic responsive and accountable UEM in CDS					
	Implement design for women's safety and security					
Plans and budgets approved	Train and develop the capacity of EH practitioners					
	Develop capacity for awareness of air pollution					
	Develop and implement framework for EH governance					
	Support to inter-governmental relations					
Sedibeng						
Preparatory activities completed	Implement the Vaal Strategic Environmental Assessment					
	Implement air quality management plan					
Plans and budgets approved	Train and build the capacity of EH practitioners					
	Reorganise municipal health services at District level,					
	Training and develop capacity of AQMP professionals					
	Implement environmental indicator programme					
	Develop capacity for awareness around cooker technology					
	Support to inter-governmental relations					

Annexes

Annex 1: Organisational set-up



Municipal Department Heads responsible

Shaded boxes relates to the UEM Programme management integrated in the existing municipal management.

Annex 2: LFA matrix

Component Development Objective	Objectively Verifiable Indicators	Means of Verification	
Improved local urban environmental management and planning for poor communities.	<ul style="list-style-type: none"> – Targets of local government IDPs and business plans for relevant UEM issues – Institutional capacity in local government for UEM and pro-poor service delivery 	<ul style="list-style-type: none"> – Reporting on and review of IDPs and local government business plans – Staff performance reviews – Local State of the Environment reports 	–
Component Immediate Objective	Objectively Verifiable Indicators	Means of Verification	
Improved municipal capacity for integrated urban environmental management, planning and monitoring.	<ul style="list-style-type: none"> – City Development Strategies incorporating UEM completed – Sectoral plan incorporating UEM in each city – All IDPs developed after 2006 contain clear UEM targets and indicators – All environmental reports developed after 2006 refer to UEM and poverty reduction – UEM performance discussed regularly in Councils 	<ul style="list-style-type: none"> – IDP reports and regulator evaluations – Local State of the Environment reports – Council records 	– –
Outputs	Objectively Verifiable Indicators	Means of Verification	
1. UEM integrated in city planning cycle and city management	<ul style="list-style-type: none"> – UEM is included in the IDPs – Budgets for UEM – UEM integrated in urban development 	<ul style="list-style-type: none"> – IDPs – Business plans – Planning sessions and committee minutes 	–

Outputs	Objectively Verifiable Indicators	Means of Verification	As
2. Environmental Health capacity and implementation	<ul style="list-style-type: none"> – EH practitioners active in all areas of the city, and particularly in poor areas. – Prosecutions for EH infringements increased by 50% – Senior management posts filled in all environment-related departments – All environmental services supported by by-laws – No of health practitioners trained – Environmental health strategies 	<ul style="list-style-type: none"> – Local State of the Environment reports – EH plans and strategies 	–
3. Local air quality monitored and managed	<ul style="list-style-type: none"> – EH and AQM practitioners active in all areas of the city, and particularly in poor areas. – Prosecutions for AQM infringements increased by 50% – Pilot projects 	<ul style="list-style-type: none"> – Local State of the Environment reports – Air quality plans and strategies 	–
4. Local sustainable energy solutions developed and implemented	<ul style="list-style-type: none"> – Sustainable Energy Strategies produced and implemented – Pilot projects implementation 	<ul style="list-style-type: none"> – Sustainable energy plans and strategies 	–
5. UEM Capacity development and coordination	<ul style="list-style-type: none"> – Municipal institutional capacity for UEM – Four joint UEM municipal conference launched by UEM component municipalities 	<ul style="list-style-type: none"> – Municipal institutional procedures – Human resource development register at municipalities – Annual conference report 	–

The activities are indicative and will be further detailed and/or new activities will be added during the inception phase and during planning of new annual work plans.

Output 1: UEM planning	Objectively Verifiable Indicators	
<ul style="list-style-type: none"> • Integrate environmental policies and approaches through and within other planning instruments (including IDP, spatial and land use planning and strategic environmental assessment) (Cape Town, eThekweni, Ekurhuleni). • Develop integrated project planning frameworks and methods linking to overall UEM strategies and plans (Cape Town) • Develop and use cross-cutting sustainability indicators for reporting on city development (Cape Town, Sedibeng) • Develop and test UEM decision support tools (Cape Town, Sedibeng) • Support the conceptualisation and monitoring of initiatives to promote domestic pollution reduction in poor communities (Cape Town, Ekurhuleni, Johannesburg, Sedibeng) • Strengthen municipal management, operational and reporting systems to include and support UEM 	<ul style="list-style-type: none"> • City Development Strategies incorporating UEM completed and approved in relevant cities • Environmental policies and approaches in reflected in at least one IDP or sectoral plan in relevant cities • Environmental health strategies and plans completed and approved • Air quality management strategies and plans completed and approved in relevant cities • Sustainable energy strategy completed and approved • Sectoral plan contained in sustainable energy policy 	<ul style="list-style-type: none"> • City Development • IDPs and sectoral plans • Environmental health strategies and plans • Air quality management strategies and plans • Sustainable energy strategy • Council minutes • Mayoral Commission reports • Portfolio Committee reports

(Cape Town, Ekurhuleni)		
Output 2: Environmental Health	Objectively Verifiable Indicators	
<ul style="list-style-type: none"> • Develop environmental health strategies and plans (eThekweni) • Support innovations in women's environmental health and security (Johannesburg) • Train and develop the capacity of environmental health practitioners (Ekurhuleni, Johannesburg, Sedibeng) • Improve environmental health governance, including management and legal frameworks (Johannesburg, Sedibeng) • Improve EH indicator collection, reporting and multisectoral use of data (Cape Town, Sedibeng) • Support innovations in community-based environmental health management (Cape Town, Ekurhuleni) 	<ul style="list-style-type: none"> • Community health initiatives in IDPs of relevant cities • Revised EH organograms approved in the relevant cities • Environmental health by-laws in force • Environmental health training UEM training completed and accredited for 80% of participants in each city 	<ul style="list-style-type: none"> • LGS compo • Monitoring • Reporting sy • Indicators • Decision sup • Environmen • Standards ar
Output 3: Air quality management	Objectively Verifiable Indicators	
<ul style="list-style-type: none"> • Develop air quality management strategies and plans (Sedibeng, Cape Town) • Train and develop the capacity of air quality management professionals (Sedibeng) • Consolidate and further develop systems of air quality management and monitoring (Cape Town, Ekurhuleni, eThekweni, Sedibeng) 	<ul style="list-style-type: none"> • Pollution monitoring frameworks developed for relevant cities • Air quality management initiatives in IDPs of relevant cities • Reporting systems established in relevant cities • Indicators established • Fines for air quality infringements up by 40% by 2010 • Standards and tools established in relevant cities • Air quality management training completed and accredited for 80% of participants • Fines for air quality infringements up by 40% by 2010 	<ul style="list-style-type: none"> • Reporting sy • Indicators • Decision sup • Environmen • Municipal re • Standards ar
Output 4: Sustainable Energy	Objectively Verifiable Indicators	
<ul style="list-style-type: none"> • Develop sustainable energy strategies and plans (eThekweni) • Integrate sectoral plans into sustainable energy strategies (Ekurhuleni) • Support innovations in sustainable energy implementation (Ekurhuleni) • Develop baseline information, standards and tools for the promotion and management of sustainable energy (Cape Town, Ekurhuleni) 	<ul style="list-style-type: none"> • Decision support tools developed in relevant cities • Sustainable energy plans and strategies developed • Sustainable energy initiatives in IDPs of relevant cities 	<ul style="list-style-type: none"> • Reporting sy • Indicators • Decision sup • Municipal re • Standards ar
Output 5: Capacity development and coordination	Objectively Verifiable Indicators	
<ul style="list-style-type: none"> • Support and develop awareness building and capacity development systems, tools and practice for communities and citizens (Cape Town) • Support the establishment and implementation of coordinated and institutionalised UEM training and capacity development for councillors, officials and citizens, including TOT (all) • Support the vertical and horizontal coordination of general and theme-specific indicators and monitoring tools 	<ul style="list-style-type: none"> • UEM training completed and accredited for 80% of participants • Two training initiatives per year from 2008 • One trainer trained per municipality from 2007 • Two sets of indicators shared per year from 2007 • One programme-wide event per year from 2007 	<ul style="list-style-type: none"> • LGS compo • Monitoring

Annex 3: Overview of potential UEM Activities by municipality

(These are examples to be further developed during inception and implementation)

Cape Town	Ekurhuleni	eThekweni	Johannesburg
Output 1: UEM integrated in city planning cycle and management			
Support City Development Strategy as a foundation for development, IDP and sectoral strategies and programmes	Pilot planning processes for land rehabilitation and reuse	Support the spatial planning system to incorporate and reflect environmental principles	Mainstream strategic, res and accountable UEM in CDS
Support integrated project planning and implementation			
Develop cross-cutting indicators for city development			
Development of UEM decision support instruments, through research, indicators and management tools			
Support cost-effectiveness assessment of strategies for pollution reduction and for citizen education/awareness			
Demonstrate integrated UEM within human settlement planning and spatial planning frameworks			
Output 2: Environmental Health capacity and implementation			
Support for demonstration project planning and assessments to leverage resources	Environmentally appropriate community vector control	Support and develop an environmental health strategy	Develop and implement sustainable framework for governance
Support the development of appropriate EH indicators	Train and build the capacity of EH practitioners		Train and build the capacity of EH practitioners
Output 3: Local air quality monitored and managed			
Support for air quality management plan	Implement air quality management plan	Support to take AQM system into implementation	Develop capacity for the implementation of a project for reduction of air pollution in informal settlements
Implement air quality monitoring	Roll out smokeless cooker scheme at scale in identified poor areas		
Output 4: Local sustainable energy solutions developed and implemented			
Support for the establishment of an air quality management plan	Develop capacity for awareness building around smokeless cooker technology in identified poor areas	Support development of a sustainable energy plan	
Develop and add value to systems that support sustainable energy strategies and plans	Mainstream sustainable construction and service delivery tools for hostel upgrading and social housing		
	Develop strategies for implementation of an energy focused integrated transport plan		
Output 5: Capacity development and coordination			
Embed the CDS and UEM in city institutions through	Mainstream sustainable development principles in		

interventions around systems, processes and legislation	municipal practice		
Targeted capacity development for communities			
Cooperative activity involving all cities, and Components 1 and 2			
Cooperative activity involving all cities, and Component 2			
Cooperative activity involving all cities, and Component 2			
Cooperative activity involving all cities, and Components 1 and 2			

Annex 4: Component Budget

Component Budget

LGS component 3 budget (million DKK)	National LT TA	Pool of ST TA	Thematic issues - Investments	Thematic issues - Operational	Networking, Training and Capacity Development	Total	
National Component Advisers	9.0					9.0	12.9%
Short Term TA (provisional sum)		10.0				10.0	14.3%
<i>Outputs</i>							
1. UEM integrated in city planning cycle and city management				6.0	4.0	10.0	14.3%
2. Environmental Health capacity and implementation			5.0	8.0		13.0	18.6%
3. Local air quality monitored and managed			5.0	5.0		10.0	14.3%
4. Local sustainable energy solutions developed and implemented			1.0	2.0		3.0	4.3%
5. UEM Capacity development and coordination				5.0	10.0	15.0	21.4%
Total LGS component 3	9.0	10.0	11.00	26.00	14.00	70.00	
	12.9%	14.3%	15.7%	37.1%	20.0%		

Component budget cash-flow

UEM Programme Budget, million DKK	2006	2007	2008	2009	2010	Total
1: UEM at national and provincial level	10.4	13.4	13.5	10.1	8.6	56.0
2: Knowledge Management and Civil Society	8.2	8.7	8.7	8.2	8.2	42.0
3: UEM at municipality level	14.8	14.8	14.8	12.8	12.8	70.0
<i>Total Component Budget</i>	<i>33.4</i>	<i>36.9</i>	<i>37.0</i>	<i>31.1</i>	<i>29.6</i>	<i>168.0</i>
Programme coordination and administration	3.6	3.6	3.6	3.6	3.6	17.9
Innovative Projects (inter-agency)	1.5	1.5	1.5	1.5	1.5	7.5
Programme reviews	0.4	0.4	0.4	0.4	0.4	2.0
Contingencies	0.6	0.6	0.6	0.6	0.6	3.0
<i>Total Allocated Budget</i>	<i>39.5</i>	<i>43.0</i>	<i>43.1</i>	<i>37.2</i>	<i>35.7</i>	<i>198.4</i>
Unallocated budget	4.3	4.3	4.3	4.3	4.3	21.6
Grand Total	43.8	47.3	47.4	41.5	40.0	220.0

Allocation of budget among outputs and municipalities (tentative)

LGS component 3 budget (million DKK)	Cape Town	Ekurhuleni	eThekweni	Johannesburg	Sedibeng	Total	
National Component Advisers	3.0	1.5	0.0	1.5	3.0	9.0	12.9%
Short Term TA (provisional sum)	2.0	2.0	2.0	2.0	2.0	10.0	14.3%
<i>Outputs</i>							
1. UEM integrated in city planning cycle and city management	2	2	2.0	2.0	2.0	10.0	14.3%
2. Environmental Health capacity and implementation	2.5	2.5	2.5	2.5	3.0	13.0	18.6%
3. Local air quality monitored and managed	2.0	1.0	3.0	0.0	4.0	10.0	14.3%
4. Local sustainable energy solutions developed and implemented	0.5	2.0	0.5	0.0	0.0	3.0	4.3%
5. UEM Capacity development and coordination	3.0	3.0	3.0	3.0	3.0	15.0	21.4%
Total LGS component 3	15.0	14.0	13.00	11.00	17.00	70.00	
	21.4%	20.0%	18.6%	15.7%	24.3%		

Annex 5: Management and Reporting on proposed activities

Cape Town

Activity	Lead Official	Council Committee
Support City Development Strategy as a foundation for development, IDP and sectoral strategies and programmes	Executive Director: Economic Development and Strategy	To be confirmed
Embed the CDS and UEM in city institutions through interventions around systems, processes and legislation	Executive Director: Economic Development and Strategy	To be confirmed
Development of UEM decision support instruments, through research, indicators and management tools	Director: Knowledge Management	To be confirmed
Support integrated project planning and implementation	Director: Environmental Management	To be confirmed
Support UEM capacity development for councillors, officials and citizens	Lindie Buirsla: Environmental Education and Training	To be confirmed
Support to inter-governmental relations	Executive Director: Economic Development and Strategy	To be confirmed

Ekurhuleni

Activity	Lead Official	Section 80 Committee
Pilot planning processes for land rehabilitation and reuse	Executive Manager: Environmental Impact Management	To be confirmed
Develop strategies for implementation of an energy focused integrated transport plan	Chief Engineer: Traffic Engineering and Transportation Planning	To be confirmed
Train and build the capacity of EH practitioners	Director: Environmental Health	To be confirmed
Implement air quality management plan	Executive Manager: Environmental Planning and Coordination	To be confirmed
Mainstream sustainable construction and service delivery for hostel upgrading and social housing	Executive Director: Housing	To be confirmed
Mainstream sustainable development principles in municipal practice	Executive Manager: Environmental Planning and Coordination	To be confirmed
Develop capacity for community based environmental enforcement	Manager: Integrated Pollution Control	To be confirmed
Develop capacity for awareness building around smokeless cooker technology in identified poor areas	Executive Manager: Quality Control and Law Enforcement	To be confirmed
Support to inter-governmental relations		

eThekweni

Activity	Lead Official	Section 80 Committee
Support spatial planning to effectively incorporate and reflect environmental principles	Acting Deputy City Manager: Sustainable Development and City Enterprises	To be confirmed
Support to develop an environmental health strategy	Head: Health Department	To be confirmed
Development of a sustainable energy plan for the city	Deputy Head: Environmental Management	To be confirmed
Support to take the air quality management system into implementation	Head: Health Department	To be confirmed
Support to inter-governmental relations		

Johannesburg

Activity	Lead Official	Section 80 Committee
Mainstream strategic, responsive and accountable UEM in the CDS	Director: Corporate Planning	Mayoral Committee
Implement Human Development Agenda project on environmental design for women's safety and security	Human Development Project Officer (CMU)	Mayoral Committee
Train and develop the capacity of EH practitioners	Director: Health	Health
Develop capacity for the implementation of a project for reduction of air pollution in informal settlements	Director: Health	Health or Housing, Planning, Transport and Environment
Develop and implement sustainable framework for EH governance	Director Health	Health
Support to inter-governmental relations		

Sedibeng

Activity	Lead Official	Section 80 Committee
Implement the Vaal Strategic Environmental Assessment	Assistant Manager Environmental Management	Environment and Waste
Implement the air quality management plan	Assistant Manager Environmental Health	Health and Welfare
Train and build the capacity of EH practitioners	Assistant Manager Environmental Health	Health and Welfare
Reorganise municipal health services at District level, including by-laws and an information system	Assistant Manager Environmental Health	Health and Welfare
Training and capacity development for AQMP professionals	Assistant Manager Environmental Health	Health and Welfare
Implement environmental indicator programme	Assistant Manager Environmental Management	Environment and Waste
Develop capacity for awareness building and pilot testing of smoke reducing cooker technology	Assistant Manager Environmental Health	Health and Welfare

Support to inter-governmental relations		
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Annex 6: Draft format for ‘cover page check list’

Component Partner: <i>(Each implementing UEM partner department within a city must complete separate forms)</i>	Sphere of Govt: Municipality	Directorate Name:
	City Name:	
	Implementing Department:	
Responsible Official: <i>(City Manager controlling specific UEM budget and monitoring implementation)</i>	Name:	Position:
	Signature:	
	Date submitted to PSC:	
City Component Coordinator:	Signature:	
Committee approval of this submission: <i>(Formal Government Committee mandated to approve department's normal budgets and business plans)</i>	Committee Name:	
	Name of Chairperson:	
	Date of committee meeting where approved:	
	Date of minutes where approval was recorded:	
This financial year:	From: July 200_	To: June 200_
FUNDS		
Funds requested from UEM Programme for this year: <i>(Requests may not exceed indicative budget allocated)</i> <i>(attach committee-approved budget)</i>		
Department's own corresponding budget total as approved for same period: <i>(attach committee-approved budget)</i>		
INTER-GOVERNMENTAL COOPERATION		
Other directorates within your sphere of government contributing to achievement of your planned UEM programme outputs		
Other departments in another sphere of government contributing to achievement of your planned UEM programme outputs		
Any other municipalities, provinces or national departments that you will be working with in the implementation of these plans?		
POVERTY REDUCTION		
How does the achievement of the planned outputs (deliverables) for which you seek support from the UEM programme contribute towards poverty reduction? <i>(Separate summary pages for each planned output may be annexed to this submission)</i>		

<p>UEM OUPUT LINKS TO YOUR MAIN BUSINESS PLAN OUTPUTS</p> <p><i>(please attach your approved annual business plan, and the associated, approved UEM programme business plan)</i></p>		
	UEM Business Plan	Your Five-year strategic plan / IDP
Strategic Objective 1	Key Output:	Key Output:
	Key Performance Indicator:	Key Performance Indicator:
	Key Milestone:	Key Milestone:
	Strategy for delivery:	Strategy for delivery:
Strategic Objective 2	Key Output:	Key Output:
	Key Performance Indicator:	Key Performance Indicator:
	Key Milestone:	Key Milestone:
	Strategy for delivery:	Strategy for delivery:
	UEM Business Plan	Your Annual Business Plan
Immediate Objective or Goal		
Output 1		
Output 2		
Output 3		
Key performance Indicator 1		
Key performance Indicator 2		
Key performance Indicator 3		

Budgeted Amount 1		
Budgeted Amount 2		
Budgeted Amount 3		
	Any Pilot or Demonstration Projects? <i>(please attach summary proposal – costs for this will come from your allocated budget)</i>	
Name of proposed Project:	How will this project inform or support national policy or laws?	
To which of your UEM output/s is this related?		
How will this contribute to poverty reduction?		
Proposed Timeframe:	Start:	Complete:
Budget:	Requested from UEM Programme	Co-contribution from your budgets
	Applied Research Questions	
Any key research questions, whose answers could strengthen your implementation?		

Annex 7: TOR for National Component Advisors (3 positions)

a) Background

The Urban Environmental Management (UEM) Programme is a five-year development collaboration programme between South Africa and Denmark. The Programme will be launched in January 2006. The Programme will be implemented at national, provincial and at local level in five municipalities.

The UEM Programme is designed with three components. In the Local Government Support Component the Programme will provide assistance in four metropolitan municipalities and one district municipality in three provinces, i.e. Johannesburg, Sedibeng, Ekurhuleni, eThekweni (Durban) and Cape Town. The thematic focus is on environmental planning, environmental health, waste management, air quality management and sustainable energy.

b) Responsibilities

The responsibilities of the three National Municipal Component Advisors are:

- Main task is to provide technical assistance with relevance to urban environmental management to the host municipality and also to other municipalities. The element of capacity development is an important part of the technical assistance.
- Support the municipalities with the coordination and implementation of the relevant municipal component outputs. The advisors shall not be component or output managers but assist the municipality within the existing procedures and ensure that the UEM Programme does not add excessive management demands on the municipal administration.
- Assist in component and programme-wide coordination with the municipalities, and support the appointed city component coordinators in the implementation of the component.
- Assist in preparing ToR and facilitating the input of short-term TA supplied for the municipality by the UEM Programme on behalf and under the guidance of the municipality. Quality control of the TA inputs. The Municipal Component Advisors should facilitate that other municipalities in the components and other components are informed about short-term TA deployment.
- Assist in preparing on the behalf of the municipalities the compiled programme reporting as required by the RDE for the PSC. This reporting is based on existing city reporting and it will be coordinated and compiled by the programme advisors.

c) Qualifications

The three National Municipal Component Advisors will have the following qualification:

- Higher education in urban planning, environmental management or social science with subsequent urban environmental management experience. The three advisors will each cover thematic issues like: environmental planning, environmental health, waste management, air quality management and sustainable energy.
- Professional experience with urban environmental management and planning in the public and/or private sector in metropolitan areas of South Africa. A good understanding of developmental local government and its role in furthering sustainable development and poverty reduction.
- Experience with implementation of government or development programmes. Experience with the preparation of ToR and review of consultancy inputs.
- Minimum 8 years of relevant professional experience with applied urban environmental management and development programmes including poverty reduction.
- Essential personal skills are the ability to work with complex problems in diverse institutions and cultural settings. The ideal candidate has good interpersonal skills and understands the advisor role.
- Good implementation and coordination skills with an understanding of management by objectives are essential.

d) Other information

- The duty stations for the three positions will be Cape Town Metro, Sedibeng District Municipality and either Ekurhuleni Metro, (the latter station also providing support to Johannesburg Metro)..
- The advisor will be posted from July 2006 or as soon as possible thereafter.
- The selection of the Municipal Component Advisors is by the concerned municipalities, with support from DEAT and RDE. The advisors will be contracted by the municipality concerned and be deployed according to municipal procurement procedures.
- The selection will be according to the 90/10 'preference point system' as per the Preferential Procurement Policy Framework Act (Act 5 of 2000).
- The selection of the municipal component advisors will give preference to ensure a good coverage of different skills and experience in the thematic areas and diversity so that the advisors in the UEM Programme can operate across components and municipalities as a team.
- The municipal component advisors will report to the Municipal Component Manager on overall component implementation and to the representative from the relevant municipality on day-to-day management.
- The positions are advisor positions according to the Danida policy for Technical Assistance. The position is a technical advisor position and not a management or 'chief' position.

Annex 8: Draft TOR for City Component Coordinators

Background

The five participating municipalities will manage their own LGSC sub-components. City component coordinators will coordinate the production of outputs. The responsibility for activities in the component will be designated to relevant directors or similar persons responsible in charge of the implementation. The responsible persons in charge of activities will report to one or more Council Committees (including Portfolio Committees), where political and technical guidance will be provided. Budgets and work plans will be formulated in the context of the Integrated Development Planning process.

The anticipated city component coordinators will be:

- Cape Town: Director: Environmental Management (post recently filled–to be confirmed by the Municipal Manager)
- Ekurhuleni: Executive Director Environment and Tourism.
- eThekweni: Deputy City Manager: Sustainable Development and City Enterprises
- Johannesburg: Director Corporate Planning
- Sedibeng: Executive Manager: Infrastructure Development

Responsibilities

The responsibilities of the city component coordinators are the following:

- Convene the sub-component management group, meeting monthly.
- Represent the sub-component at PSC meetings – at least twice a year.
- Coordinate consolidated sub-component reporting.
- Coordinate the development and processing of work-plans and budgets.
- Coordinate city engagement in annual reviews.
- Supervise the National Municipal Component Advisor (if any).
- Review financial and other monitoring reports.

An important early responsibility will be the coordination of activity planning during the preparatory phase.

Annex 9: Overview of Cape Town UEM Programme proposal

Context

The City of Cape Town is an amalgamation of six local authorities: Blaauwberg, Cape Town, Tygerberg, Helderberg, Oostenberg and South Peninsula. Since its establishment the City has been plagued with institutional instability as a result of the delays in approving the new macro and micro-design structures for the City since the amalgamation and the simultaneous changes in party political control of the Council. There have been three different executive management teams the last of which has just been appointed and who are in the process of appointing lower levels of staff during the course of the Danida programme design. This provided an opportunity as staff involved were newly appointed, available and eager to do things differently. It was also a constraint in that many of the staff below director level were waiting to hear if they were going to be confirmed in their posts and the interview process placed huge demands on managers.

Cape Town is known for its unique physical setting and beauty. UEM issues are therefore key to the City and sustainability is one of the four indicators used by the City to measure its performance. The City has, over the years, developed excellent sector based policies in energy, waste management and air quality. However the coordination and institutionalization of these policies has been a challenge. Therefore the primary challenge identified for the Danida programme design is managing the central tension between ensuring a coordinated and integrated UEM in the context of the silo or line-based organisational structure and practice. The Cape Town component output therefore opted to focus on integrated planning as the central theme, under which the other UEM issues of environmental health, energy, waste and air pollution will be tackled.

Overview of proposed activities

The new management team in Cape Town has committed itself to integrated planning and development. Members of the team see the Danida UEM Programme as an opportunity to undertake strategic work that will set the direction for the city over the next 20 years. In this context the City is proposing a programme under the umbrella of the City Development Strategy (CDS). The component outputs being proposed are:

1. Support for the CDS. This strategy will provide the long-term framework for the development of the City, future IDPs, sectoral strategies and programmes. Much of the strategy will be completed prior to the start of the Danida programme. However there will still be a need for support for the finalization of the strategy and in particular for the UEM themes within the strategy.
2. Thereafter funding will be used to embed the CDS and UEM institutionally. This work will address systems, processes and legislation.
3. The development of specific decision making support instruments will further assist to institutionalize UEM principles and approaches. This will include research to evaluate the cost effectiveness of optional interventions in support of the CDS and UEM. The absence of this data has been a key constraint to the adoption of several UEM proposals to date. It will also include a series of management toolkits that will

assist different types of managers to interpret the strategy and UEM principles within this. Finally the development of cross-cutting indicators has been emphasized and will provide benchmarks against which the City can evaluate its UEM performance.

4. A significant portion of the support will be directed to integrated and coordinated project planning. These projects will be used to both demonstrate the strategic inputs and through this strengthen the lobby for UEM and to implement the CDS strategy and UEM principles in every aspect of the City's work. Planning for integrated human settlements will be a particular priority and focus.
5. Targeted capacity development of councilors, officials and citizens is needed to ensure the success of the strategy. Capacity development for councilors will be undertaken in conjunction with component two of the DANIDA programme. Capacity development officials will be run internally and will focus on short-term capacity development. Finally capacity development of citizens to both understand and implement the UEM interventions is planned. A lot of this work will be carried out in partnership with non-governmental organizations.
6. Finally provision to support inter-governmental relations both vertically between the spheres of government – national, provincial and local and horizontally between different municipalities has been provided.

Cape Town DANIDA UEM Programme Overview



Annex 10: Overview of Ekurhuleni UEM Programme proposal

Context

Ekurhuleni, which is located on the East Rand of the Witwatersrand, the old mining belt that forms the industrial and manufacturing heart of Gauteng is also South Africa's rust belt. The Ekurhuleni Metropolitan Municipal (EMM) is a post 2000 metropolitan municipal council that is made up of nine former white municipalities and the abutting black townships which serviced them. Located on the highveld, it is a largely flat grassland that is characterized by winter inversions. The legacy of apartheid and twentieth century industrial activity mean that the area now has major pollution problems. The newly formed metro has made environment a central pillar of its strategy and UEM issues enjoy very high levels of political support. Set against this is the still fragmented institutional structure of the municipal council, its data bases, systems and personnel. There is no institutional memory and human capacity, especially for high level technical and strategic UEM is limited, though there is a young and enthusiastic staff compliment across several of the key areas.

Overview of proposed activities by theme

Energy	Planning	Health	
1. Sustainable construction and service delivery for hostel upgrading	4. Post graduate training in UEM of EMM staff and future staff	7. Training of Environmental Health Officers.	10. Strategic, responsive and accountable UEM in EMM.
2. Strategies for implementation of an integrated transport plan	5. Piloting planning processes for land-use rehabilitation and reuse.	8. Implementation of the EMM Air Quality Management Plan.	
3. Foster domestic fuel efficiency interventions at scale.	6. Mainstreaming sustainable development principles within municipal practice.	9. Environmentally friendly community rat elimination	

Annex 11: Overview of eThekweni UEM Programme proposal

Context

The eThekweni Metropolitan Municipality is located on the eastern seaboard of South Africa within the province of KwaZulu Natal, and covers an area of 2297 square kilometers. It contains just over a third of the population of the province and generates 60% of its economic activity. Its population is in the region of 3 million, with the middle AIDS scenario projecting that the 2020 figure will also be 3 million. The age profile reveals that although the working age group comprises 68% of the population, there is a relatively large youthful component with 38% under the age of 19 years.

According to the Municipality's quality of life survey (conducted in 2002 / 2003), 41% of citizens were satisfied with their lives. This satisfaction is strongly linked to employment levels and since these surveys started in 1998, employment and life satisfaction declined until 2002. The 2003 survey however indicated a reversal of this trend.

Durban is South Africa's major port city and the second largest industrial hub (after Gauteng). The four major sectors of the economy are manufacturing, tourism, finance and transport. The city's gross geographic product per person per year was ZAR 25 529 in 2004, which was higher than that of South Africa as a whole (ZAR 17 756). The economy's growth rate was in the region of 1.8%, which is slow, and a key issue when unemployment is a major concern in the area.

The municipal area is characterized by diverse topography, from steep escarpments in the west to a relatively flat coastal plain in the east. This diverse landform supports a wide variety of terrestrial, freshwater and marine natural ecosystems.

The value of natural services provided by the open space asset (63 114 hectares) is estimated to be R3.1 billion. The value of the basic services (e.g. water and fuel), extracted from the natural resources in rural areas, provides an estimated R5000 per annum in services to each household.

The city's 2005 – 2006 budget was ZAR 12.3 billion, the largest in the city's history. Of this about ZAR 2.7 million has been set aside for capital projects and ZAR 9.6 billion for operating expenses.

The city is facing a number of key challenges (as revised and captured in the IDP Review document for the period 2004 – 2005). These are:

- Low economic growth and unemployment;
- Poor access to basic household services;
- High levels of poverty;
- Low levels of literacy and skills development;
- Sick and dying population affected by HIV/AIDS;
- Exposure to unacceptably high levels of crime and risk;
- Unsustainable development practices;
- Ineffective, inefficient, inward looking local government.

In order to address the challenges faced by the city a Long Term Development Framework (LTDF) was developed to ensure that these were addressed in a sustainable and consistent way over a 20-year period (from 2000 – 2020). This LTDF (which is similar to a city development strategy) provides the framework within which the City’s Integrated Development Plans (IDPs) are prepared and allows for continuity between each 5-year cycle. The concept of sustainable development, and more importantly translating it practically for the benefit of the city’s citizens, is firmly embedded in these planning processes.

The city’s eight outcomes to ensure sustainability are:

- Sustainable economic growth and job creation;
- Fully services, well-maintained, quality living environments;
- Safe and secure environment;
- Healthy and empowered citizens;
- Embracing our cultural diversity;
- Sustaining the natural and built environment;
- Democratizing local government; and,
- Financially viable and sustainable local government.

Overview of proposed activities by theme

Planning	Health	Air Quality
A1. Supporting the current system of spatial planning to effectively incorporate and reflect environmental principles.	B1. Support to develop an environmental health strategy for the city.	C1. Support to take air quality management system into implementation.
		C2. Development of a Sustainable Energy Plan for the city.

Annex 12: Overview of Johannesburg UEM Programme proposal

Context

Johannesburg has the reputation of being South Africa's wealthiest city. Yet pockets of poverty and environmental degradation persist. The city had developed strategies to deal with these, but significant challenges remain. The Johannesburg City Council hit a financial crisis in 1997 associated in part with the demands of restructuring and redistribution. It is one of the two metropolitan Councils identified as needing assistance in establishing viable local government under Project Consolidate. The concerns have been largely addressed. The imperative of addressing political and institutional transformation and of establishing financially viable core business of local government has underpinned a generally low profile for environment in Johannesburg until very recently. From the perspective of UEM implementation, the City has an added layer of institutional complexity in that its major services (water, power and waste) are organised in corporate structures that are financially and institutionally ring fenced. They report to the Council, however, together with core operations that include planning and environmental management. Institutionally environmental planning, planning and environmental health are split across Directorates and Portfolio Committees making integrated sustainable development planning harder to achieve. There is, however, a general increase in interest in the strategic importance of UEM issues in Johannesburg that is being driven by the leadership of both officials and politicians. It is this commitment and a strong engagement around environmental health that underpins the City's support for this initiative.

Johannesburg City Council has selected to focus on environmental health and planning, and has indicated a future preference for a focus on energy. The Danida grant is a very small percentage of the total Council budget and must be leveraged for catalytic use to promote UEM.

Overview of proposed activities by theme

Energy	Planning	Health
1. State of Energy - Report, Strategy and Implementation. – to be considered by JAPR upon joint submission by all relevant departments, including transport, electricity, housing, environment.	2. Implement Human Development Agenda project on environment design and safety and security for women on public transport and open space.	4. Training and capacity development of Environmental Health Officers.
	3. Strategic, responsive and accountable UEM in the CDS.	5. Good Governance in Environmental Health
		6. Environmental pollution - education and mitigation

Annex 13: Overview of Sedibeng UEM Programme proposal

Context

The Sedibeng District covers much of southern and eastern Gauteng. It is a large area with a diverse settlement structure ranging from dense urban to farmland and rural hamlets. Within the boundaries of the Sedibeng District Municipality (SDM) there are three local councils, namely Emfuleni, Midvaal and Lesedi.

Emfuleni Local Municipality (LM) is predominantly urban in nature with only a small portion of rural development in the west. The area is associated with large industries such as coal mining and iron and steel processing. The Midvaal LM has a predominantly rural population, and extensive agricultural land. The area is associated with the Vaal Dam recreational areas and the Suikerbosrand Nature Reserve. Lesedi LM is also predominantly rural with an extensive area under agriculture. However it does contain the significant urban node of Heidelberg / Ratanda. The area is connected to the Ekurhuleni Metropolitan Area via the N3.

Key characteristics of SDM and its local municipalities are as follows:

Municipality	Population (2002)	Households	Operating Budget (ZAR 2002/2003)	Total Staff
Sedibeng DM	717 472	182 739	105 864 220	433
Emfuleni LM	597 948	149 518	1 079 996 412	2635
Midvaal LM	55 305	17 499	158 447 583	358
Ledsedi LM	66 219	15 722	102 258 557	415

Municipal Demarcation Board (2003): Assessment of Municipal Powers and Functions, Gauteng Provincial Support

From the above it is clear that Emfuleni has by far the largest population among the local municipalities, and the largest municipal budget and staff. To perform its overarching responsibilities the DM has 13 % of the staff capacity of the LMs. In the context of urban environmental management these district responsibilities include:

- *Municipal Planning:* Integrated Development Planning (IDP) for the district as a whole, including a framework for the IDPs of the LMs.
- *Municipal Health:* Only the DM is authorised to perform the municipal health function, but the DM and all three LMs currently provide these services.
- *Air Quality Management:* Air pollution management is a LM responsibility in terms of Schedule 4 of the Constitution. The DM currently performs the function.
- *Waste Management:* The DM responsibility is related to solid waste disposal sites. Refuse removal is a LM responsibility.

SDM is characterised by generally poor air quality. This is a result of heavy steel and chemical industrial activity, as well as coal smoke emanating from the historically

disadvantaged township areas. The Minister of Environmental Affairs and Tourism announced on 6 June 2005 that Sedibeng was to be declared the first priority area in terms of the Air Quality Management Act. The declaration will take place in September 2005, and an Air Quality Management Plan will have to be tabled within a year of that date.

Overview of proposed activities by theme

Planning	Health	Air Quality
Implement the Vaal Strategic Environmental Assessment	Train and develop the capacity of EH practitioners	Implement the Air Quality Management Plan
Implement the environmental indicator programme	Reorganise municipal health services at District level, including by-laws and an information system	Training and capacity development for AQMP professionals
		Develop capacity for awareness building and pilot testing of smoke reducing cooker technology