

Urban Environmental Management Programme

Knowledge Management and Civil Society Support (KMCSS)

Component 2

South Africa

Cover Page

Country:	South Africa	Sector:	Environment
Sector Programme:	Urban Environmental Management Programme		
Component:	Knowledge Management and Civil Society Support (KMCSS) Component		
Programme Partner:	South African Cities Network; research institutions; Government departments; civil society organisations.		
Duration:	Five years from January 2006		
Overall Budget:	DKK 42.0 million from the Danida Country Programme (Special Environmental Assistance)		
Component Description: The component aims to build awareness of UEM in a way that compels attention to the relationship of poverty and environment, by developing and sharing knowledge, engaging applied research in response to identified city UEM challenges, and enabling the voice of poor urban communities adversely affected by environmental degradation. It does so by:			
<ol style="list-style-type: none">1. A partnership with the South African Cities Network in a targeted strategy of networking and knowledge dissemination around UEM.2. Commissioning applied research aimed at developing locally relevant policy and management responses to UEM challenges as identified by city environmental managers and other stakeholders.3. Strengthening civil society organisations in UEM.			
Development Objective:			
<i>Knowledge creation, awareness and advocacy on best practices and poverty reduction in urban environmental management created and applied</i>			
Immediate Objectives:			
<ol style="list-style-type: none">1) <i>Decision makers are informed by demand-driven knowledge management on poverty-oriented UEM.</i>2) <i>The capacity of civil society for pro-poor UEM advocacy and participation is enhanced.</i>			
<i>Pretoria, [Date]</i>			
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South African Cities Network		Royal Danish Embassy, Pretoria	

Map of South Africa



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Abbreviations and acronyms

CSO	: Civil Society Organisation
Danida	: Danish International Development Assistance
DEAT	: Department of Environmental Affairs and Tourism
DoH	: Department of Health
DME	: Department of Minerals and Energy
IDP	: Integrated Development Plan
IEP	: Integrated Energy Planning
JAPR	: Joint Annual Programme Review
KMCSS	: Knowledge Management and Civil Society Support
LFA	: Logical Framework Approach
MoU	: Memorandum of Understanding
MRC	: Medical Research Council
NEAF	: National Environmental Advisory Forum
NGO	: Non-Government Organisation
NPO	: Non Profit Organisation
ODA	: Official Development Assistance
PFMA	: Public Finance Management Act
PSC	: Programme Steering Committee
RDE	: Royal Danish Embassy
SACN	: South African Cities Network
SALGA	: South African Local Government Association
SCRG	: Sustainable Cities Reference Group
ToR	: Terms of Reference
UEM	: Urban Environmental Management
WHO	: World Health Organisation

Executive summary

Background

This Component Document describes the Knowledge Management and Civil Society Support (KMCSS) Component within Denmark's five-year Urban Environmental Management (UEM) Support Programme to South Africa (2006-2010).

The UEM Programme focuses on improving the capacity of government to better address the needs of the poor specifically through air quality management, waste management, environmental health, sustainable energy, and strengthening planning and implementation. Poverty reduction is a central concern of the UEM Programme.

The KMCSS is one of three components of the UEM Programme. The first component is support to the Department of Environmental Affairs and Tourism (DEAT) for air quality, waste management, environmental planning and environmental health with the Department of Health (DoH). Support is also provided in the first component to three provinces on environmental planning and air quality and/or waste management. The third component provides support to the municipalities of Johannesburg, Ekurhuleni, Sedibeng, eThekweni and Cape Town.

KMCSS is not managed through a government institution. The component is specifically positioned to play an integrative role in supporting the UEM links between urban communities, city management and other spheres of government.

Component Design, Objectives and Outputs

The component aims to promote awareness and debate on UEM in a way that compels attention to the relationship of poverty and environment, by enhancing popular demand and creating a substantive basis for action and implementation. The component does so by supporting:

- UEM knowledge management and dissemination in close cooperation with the South African Cities Network (SACN).
- Applied research aimed at informing locally relevant policy and management responses to UEM challenges as identified by city environmental managers and other stakeholders through the Sustainable Cities Reference Group (SCRG) of the SACN.
- Civil society organisations working on UEM and in particular supporting poor communities adversely affected by environmental degradation.

Development Objective:

Knowledge creation, awareness and advocacy on best practices and poverty reduction in urban environmental management created and applied

Immediate Objectives:

1. *Decision makers are informed by demand-driven knowledge management on poverty-oriented UEM*
2. *The capacity of civil society organisations for pro-poor UEM advocacy and participation is enhanced.*

Outputs related to Immediate Objective 1:

- 1. Partnership with SACN for the creation and dissemination of knowledge on UEM*
- 2. A programme of applied UEM research is carried out.*

Outputs related to Immediate Objective 2:

- 3. Selected environmental civil society organisations (CSOs) are supported.*

Component Management

A partnership between the UEM Programme, represented by the Danish Embassy (RDE) and SACN, is established. The implementation of the partnership agreements is managed by ACN with the aim to establish and manage knowledge on UEM by providing support to the Sustainable Cities Reference Group (SCRG), inputs on UEM to the next 'State of the Cities Report' and the formulation of an applied research programme on UEM.

The implementation of the research programme will be further detailed. The options are to tender one 'package' for the entire programme or to invite expression of interests to identified sections of the programme. It is an option either to manage the research contracts through the RDE, in-house at the SACN, or tendered out to an appropriate institution. This will be decided when the SACN-led formulation of the research programme has been completed. It is conditional that the management can secure transparency in selection of research providers and also has resources available to monitor the progress and quality of the research outputs.

There will be a limited number of contracts with civil society organisations, with support envisaged to between five and eight organisations. Civil society organisations will be identified and contracted by the RDE. RDE will also monitor the performance and outputs of these contracts.

Component Budget

The component budget is DKK 42.0 million.

The budget allocation is not fixed. Reallocations 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.

1. Introduction

This Component Document describes the Knowledge Management and Civil Society Support (KMCSS) Component within Danida's five-year Urban Environmental Management (UEM) Support Programme to South Africa (2006-2010).

1.1 Background

South Africa and Denmark have co-operated jointly on environmental initiatives since 1995. Approximately DKK 650 million has been allocated to this co-operation. Environmental civil society and knowledge institutions have been actively engaged in this co-operation, as have all spheres of government and the private sector.

Until 2002 the main priority was to assist with developing national environmental policy, planning and regulation. In 2002, to shift from a portfolio of many diverse projects towards an Urban Environmental Management (UEM) Programme was launched. The focus was on support to South African programmes in waste management, air quality, and renewable energy and later, water resource management.

The Development Cooperation Report (2000) commissioned by National Treasury recognised the important role played by the Danish Government as the only bilateral donor that was providing support to civil society in the environment sector. The generally small size of grants to civil society combined with relatively high transaction costs in managing small grants have also contributed to a reduction in ODA support now available to NGOs and community based organisations in South Africa.

The Danish Government has provided support to consortia of universities in Southern Africa to develop capacity for the education of graduate environmental management students, focussing on both industrial and urban areas, and in natural resource management. The South African consortium members have developed positive links with their Danish research colleagues and networks. South Africa continues to have a limited research capacity and knowledge base on urban environmental management, especially with respect to poverty reduction objectives.

The UEM Programme development process was initiated by the RDE in the first half of 2004. It included a Preparation Study, a Programme Review that assessed the lessons learned from earlier activities, and an Identification Report that mapped needs and possible support for UEM. The KMCSS component is informed by these prior studies, by the 'Strategy for Danish Support to Civil Society in Developing Countries – including Cooperation with the Danish NGOs' (Danida, 2000), and by further consultation with potential partners and stakeholders in the formulation process.

1.2 Findings and component rationale

South Africa remains one of the most unequal countries in the world, with cities displaying even higher levels of inequality than the national average (for example, the *Gini Coefficient* for Cape Town is 0.69, Ekurhuleni 0.77 and eThekweni 0.75). Levels of poverty and inequality are extreme and poverty is still defined by race, class, gender and geographical location. Environmental injustice remains evident in the unequal distribution of the benefits of development and the costs of environmental degradation. Cities are an increasingly important locus of poverty and inequality.

Poverty reduction is a principle concern of the Danish policy framework for development assistance and meets the South African commitment to addressing poverty. The integration of issues of urban poverty, environment and good governance are embedded in South Africa's policy of developmental local government and the legislation that flows from this policy base.

Civil society organisations

The value of civil society as a public voice and watchdog and, in particular, as promoting the voice of poor people affected by environmental injustice is endorsed by all actors of the UEM Programme.

Environmental civil society was strongly associated with conservation and white privilege under apartheid. This was challenged by the emergence of the environmental justice movement in the context of political transition. Some highly effective organisations have a substantial impact in linking affected communities with debates on policy and implementation, although the sector as a whole is somewhat fragile and constrained by limited resources.

Danida's civil society strategy recognises public participation in policy and planning as essential to the good functioning of democracy. Similar concerns for social inclusion are manifest in South Africa's Constitution and in a range of policies and laws requiring people's participation in governance systems. All actors see growing public demand as a prerequisite for the implementation of pro-poor UEM.

Knowledge management

Information on UEM is not yet well developed and there is a potential for improved knowledge management on UEM. There is an emerging focus as developed by the South African Cities Network (SACN) and the 'State of the Cities Report' which they produce.

The scientific and public policy research agenda on UEM – and particularly the links between environment and poverty – are not yet well developed. Currently there are individuals and few organised research groups active in the field, but there are emerging nodes of expertise, especially on air pollution, environmental health and the environment/planning interface.

There is scope for applied research to inform an emerging discourse on UEM that is engaged with policy and implementation and developing a coherent and credible knowledge base for UEM. Credibility rests on applied and independent research

engaged with government, civil society and other stakeholders in line with government policy, and engaged with the substantive issues of UEM to create a legitimate basis for dialogue and implementation.

The common element linking the outputs is the promotion of public awareness, debate and engagement in a manner that foregrounds environment and poverty. Raising the profile of environment, and further convincing political leadership of the value of investing in urban environmental management, is seen as the first priority for developing capacity by stakeholders from government, knowledge institutions and civil society alike.

There is significant potential that combined economies of scale in management and administration will attract additional resources from new donor sources to enable civil society to participate and engage in a sustained and consistent manner and to foster the growth of a legitimate body of UEM knowledge and innovation.

2. Description of the component

2.1 Overview

The component aims to develop enabling capacity in UEM in a way that compels attention to the relationship of poverty and environment, by enhancing popular demand and creating a substantive knowledge basis for action and implementation. The component logic is represented in the figure below.

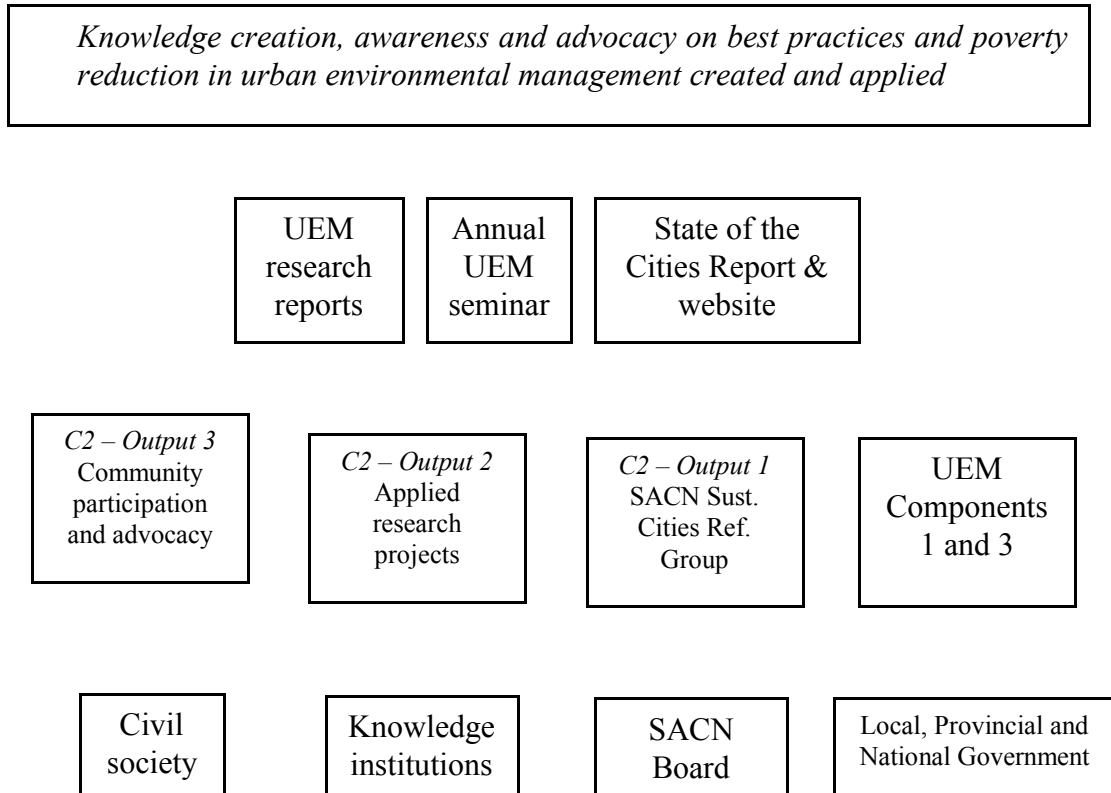


Figure 1: Overview of Component 2 logic

The Knowledge Management outputs are the information created in the research process, and disseminated by the SACN as guided by multi-stakeholder participants in the SCRG. This collaboration is based on a partnership contract between SACN and RDE.

The SCRG will coordinate the definition of applied research questions and priorities to be investigated, and play a key role in the dissemination of the products. The UEM Programme will fund applied research projects informed by the SCRG and guidance from the SACN on the research programme. It will be decided how to manage the research contracts when the UEM applied research programme has been developed. The research contracts will be managed either by SACN, RDE or tendered out to an appropriate agency.

The support to civil society organisations is related to the UEM knowledge management. The experiences from the activities developed by civil society organisations will also be relevant to inform the UEM research agenda. The primary objective of the civil society support is to strengthen the voice and capacity of civil society organisations to work with and support poor communities adversely affected by urban pollution and environmental degradation, and also to enhance their participation in Integrated Development Planning processes.

2.2 Component Objectives

The objectives of the component describe the situation aimed at the end of component implementation (immediate objectives) and contribution to the overall development objective of the UEM programme (development objective).

Development Objective:

Knowledge creation, awareness and advocacy on best practices and poverty reduction in urban environmental management created and applied

Immediate Objectives:

- 1) *Decision makers are informed by demand-driven knowledge management on poverty-oriented UEM.*
- 2) *The capacity of civil society organisations for pro-poor UEM advocacy and participation is enhanced.*

2.3 Strategy

There is general consensus that urban environmental concerns are only beginning to emerge on the South African urban policy agenda. Reasons for the current limited emphasis include:

- The links between environment and poverty have not been sufficiently investigated and communicated within government policy and implementation debates;
- The public demand and debate is fragmented and not well informed, and though organised civil society in the urban environment sector is dynamic, it is small and stretched;
- UEM expertise and knowledge at national and particular at local level is still to be developed.
- Environmental protection has so far mainly been with emphasis on nature conservation and is not perceived by decision-makers as supporting national development priorities.

The poverty focus of the overall UEM programme is a key to its legitimacy. The component seeks to develop capacity in government and civil society by promoting a common poverty-driven discourse on UEM. The outputs will inform and inspire the

conduct of the other components and promote and support cooperation between components. This will be achieved through production and dissemination of applied research, and through supporting civil society to monitor, advocate a pro-poor UEM position, and to participate in governance processes related to UEM and provided for by law.

The KMCSS component will have a three-track strategy:

1. Working with SACN in a linking partnership on networking and knowledge dissemination around UEM.
2. Commissioning applied research aimed at informing locally relevant policy and management responses to UEM challenges as identified by city environmental managers and other stakeholders through the SCRG of the SACN.
3. Strengthening civil society organisations operating within UEM at the local level.

SACN: The newly established SCRG of the South African Cities Network (SACN) offers excellent opportunities for promoting the UEM agenda through its engagement with the major urban actors, including relevant national departments, the South African Local Government Association (SALGA), municipalities and civil society. SACN is a linking partner for the UEM Programme.

The SACN offers an opportunity for disseminating learning from activities in this component and other components. The SCRG also provides a forum for disseminating learning from the research, including annual seminars, and for communicating outcomes of good practice and innovation in UEM.

The SACN will be supported in commissioning the development and implementation of a training module on UEM for newly elected local government councillors.

Research: The strategy is to generate applied research in response to UEM challenges faced by cities. Such research needs to enjoy wide legitimacy and be relevant, applicable and provide UEM managers with an improved understanding and with ideas for effectively implementing integrated pro-poor UEM. There is consensus that while the research itself must be seen as independent and credible, opportunities for the research community to engage with the implementers of UEM in defining priority issues for research are essential. There are important links between this strategy of developing applied research and building UEM knowledge with the goal of supporting a network of stakeholders in UEM.

Limited capacity in UEM is widely experienced across government, the private sector and civil society. If UEM is to become established in South Africa as a recognised sectoral pursuit, and entrenched in the practice of city strategy formation and management, then stakeholders, including but not restricted to municipal officials and politicians, will need to develop and share knowledge about UEM. Because of the complex scales at which the causes and solutions to urban environmental problems are found, intergovernmental co-operation and the involvement of government, civil society and the private sector is imperative. Developing a common discourse on UEM will require participation of a range of urban environmental actors.

Civil Society: Promoting public awareness and debate is key to elevating the priority of environment on the public and policy agenda. This will be most effectively achieved by strengthening civil society activity in support of poor people adversely affected by

environmental degradation. South Africa's environmental civil society, particularly the environmental justice movement, has actively enabled the public articulation of the interests of the poor. The strategy of support to CSOs is based on strengthening their capacity to perform this function.

Given the limitation on funds, support is focused on 'core' organisations that can contribute to longer term institutional capacity and to raising the profile of UEM. Support to civil society is tied to the objectives and thematic content and purpose of the overall programme but does not pre-define what CSOs will do. It is a challenge for the civil society organisations to define their proposed actions within the scope of the development objective of the UEM Programme.

2.4 Outputs

Outputs related to Immediate Objective 1:

1. *Programme partnership with SACN for the creation and dissemination of knowledge on UEM*
2. *A programme of applied UEM research is carried out.*

Outputs related to Immediate Objective 2:

3. *Selected environmental Civil Society Organisations (CSOs) are supported.*

2.5 Activities

Activities related to Output 1: *A locally articulated strategy for the development and dissemination of knowledge on UEM is developed and implemented.*

RDE will conclude a contract with the South African Cities Network (SACN) to facilitate networking among UEM stakeholders, identify key questions for an UEM research agenda, develop and implement a dissemination strategy for the research outcomes.

The SACN is an initiative of the Minister for Provincial and Local Government and Mayors of nine of South Africa's largest cities in partnership with SALGA. SACN is registered as a Section 21 company and a non-profit organisation (NPO). SACN is answerable to its Board, which is composed largely of senior leaders from within its partner cities. Its present membership includes all the municipalities that are partner to the Danida UEM programme other than Sedibeng. Its focus is the "exchange of information, experience and best practices on urban development and city management" and seeks to "promote a shared-learning partnership between different spheres of government to support the governance of South African cities".

The SACN organises its work under the thematic headings of: 'Well Governed Cities'; 'Productive Cities'; 'Inclusive Cities'; and 'Sustainable Cities'. SACN has established a Reference Group for each of these four themes.

The purpose of the reference groups is to generate and share knowledge, identify best practice and facilitate debate and learning. The reference groups are designed to inform

the relevant aspects of the urban agenda, disseminate useable knowledge and inspire practical and integrated responses for implementation. In the first place, they do this by drawing on the experience of City officials who face the immediate challenge of implementation. Municipalities, however, do not work in isolation and must therefore engage with the broader range of stakeholders. The reference groups are not, however, set up as fora for advocacy by stakeholders. Lessons from the reference groups are drawn together in discussions around city development strategies and the SACN publication on the 'State of the Cities Report'.

The precise composition of reference groups is defined in relation to their purpose. They therefore engage key actors in the relevant sectors, including both politicians and officials from municipalities, SALGA, provincial and national departments, the private sector, parastatals, intellectuals and civil society. The reference groups are of a size to enable genuine debate and participation and typically involve about 30 people facilitated by a sectoral specialist. Sub-groups may also be formed to take up more specific issues within the overall theme.

The SCRG has the purpose of generating knowledge through sharing experiences on the ground and identifying UEM priorities. On this basis it will outline key elements of an applied UEM research programme to be undertaken in output 2. Finally, it will enable networking and dissemination of knowledge to users, including through annual seminars reflecting on research progress and findings.

Following from this purpose, the SCRG will draw together city politicians and managers with specific responsibility for UEM, including from Johannesburg, Ekurhuleni, Sedibeng, eThekweni and Cape Town; officials from the relevant provincial departments including Gauteng, KwaZulu-Natal and the Western Cape; national officials including from the departments of Environmental Affairs and Tourism, Minerals and Energy, Health and Housing; knowledge workers; key stakeholders in civil society and industry. Given the diversity of this group, thematic sub-groups will be formed as appropriate. The sub-groups may include participants who are not members of the overall SCRG but have direct responsibility for, interest in, or expertise on, the thematic issues in question.

The component support to SACN will be directed to work on UEM and specifically to air quality, waste management, sustainable energy, environmental health, planning (with a focus on mainstreaming environment into IDPs) and related governance and implementation issues. This will include:

- A series of Reference Group seminars devoted to UEM. The seminars will:
 - Outline and inform the development of a programme on applied UEM research.
 - Review and debate research work in progress and provide feedback to the research community.
 - Provide a platform for the dissemination and discussion of UEM research findings.
- The production and dissemination of aspects of the sustainability chapters in the State of Cities Reports relevant to the UEM programme objectives.
- Documenting the state of the urban environment in the next editions of 'State of the Cities Report' and so producing UEM monitoring information.

- Other forms of accessible publication, including the web-site and media publicity.
- An electronic UEM ‘reference library’ accessible through the SACN web-site.
- Feed-back mechanisms enabling comment from interested parties outside the SCRG.

SACN will engage contracted technical expertise necessary to guide the relevant SCRG process and outputs. The consultants will undertake the necessary preparations, facilitate relevant meetings of the SCRG, and specifically enable participation in the definition of the proposed research agenda.

SACN outsources key functions to service providers, manages these contracts, and then makes the outputs available to its network members. This arrangement may be periodically reviewed in the programme review process and adjusted according to developments and needs within SACN.

Activities related to Output 2: A programme of UEM research is carried out.

The modalities and institutional location from which the research will be managed remains open. This will be finalised in discussions between RDE and SACN in relation to the SACN Sustainable Cities business plan and the proposed research programme as informed by the SCRG. A joint assessment will be made of the feasibility of the optimal options for managing the transparent tendering, selection, funds disbursement and monitoring of the research contracts and outputs.

Irrespective of the final decision on location of the research management function, a small research reference group will be established to advise and assist in a) reviewing terms of reference before contracting, b) developing a list of researchers appropriate to the research question/s, c) peer review the outputs produced.

Opportunities for international networking or collaboration, for example with the Danish Research Network on Environment and Development, are also options that may be pursued where mutual benefits are evident.

The programme of research will meet the criteria that it:

- is positioned by the concept of public interest and contributes to the KMCSS component objectives;
- shows how poverty and environmental degradation are linked and how the poor may benefit from improved UEM;
- responds to the problematic and priorities defined by the SACN SCRG;
- focuses on UEM and addresses at least one or more of the following issues: - air quality, waste management, sustainable energy, urban planning and related challenges in integration, governance, inter-governmental coordination, and implementation as described in the programme document;
- contributes information towards monitoring of the UEM programme at the level of objectives;
- is applied research that has direct relevance for decision makers and actors in UEM;

- Stimulates ongoing public awareness and discussion by producing regular outputs, at least on an annual basis for discussion at SCRG seminars.

Activities related to Output 3: Selected environmental civil society organisations (CSOs) supported.

Environmental justice organisations have pioneered the debate on environment and poverty and the related issues of health and urban planning. National organisations working on air quality and waste management include GroundWork, Earthlife Africa, the Environmental Monitoring Group, the Group for Environmental Monitoring, and the Environmental Justice Networking Forum.

Significant local organisations include the South Durban Community Environmental Alliance and the Community Environmental Network. Sustainable Energy Africa and the Sustainable Energy and Climate Change Project focus on energy. The Greenhouse promotes integrated approaches around the built and living environment. The Legal Resources Centre provides legal assistance to environmental CSOs and the Contact Trust promotes access to national parliament.

Partners should meet the following criteria:

- Demonstration of past experience and present understanding of the relationship between poverty, gender and environmental degradation;
- Accountable relationships with people and organisations in poor communities adversely affected by environmental degradation, and with capacity to advance people's participation and mobilisation to promote the realisation of environmental rights and to link affected South African communities for mutual learning;
- Thematic relevance to the UEM Programme and its objectives;
- Developing and supporting autonomy of voice. CSOs should be capable of articulating and substantiating independent positions;
- Capacity for strategic impact on UEM policy and practice, taking account of the links between the local, provincial, national and international scales;
- Capacity to develop cogent and innovative proposals and manage projects accountably and to use funds productively (absorption capacity);
- Collaboration with other CSOs at local, national and international level;

The assessment of individual CSOs should be balanced, allowing that they may be stronger on some criteria than on others, but providing that activities of direct relevance to UEM are central to their mission.

Identified CSOs will be invited by the RDE to submit project proposals relevant to the thematic areas defined in the UEM programme. Core funding of management salaries, recurrent costs and other activities unrelated to the project's implementation, will not be considered.

Formats for project documents and criteria for selection will be prepared by RDE. There shall be sufficient detail to enter into a contract where progress and outputs can be monitored.

Evaluations of project proposals are based on the cogency of projects in relation to the UEM programme development objective, taking account that CSOs will engage with government's overall UEM agenda and not just with programme implementation. Following approval the RDE will draw up contracts with CSOs based on approved project documents.

The RDE will carry out all activities relevant to the management and administration of contracts with each CSO, including: disbursements of funds; monitoring of the progress and performance of the project; visits to organisations to understand their working context as appropriate; review of narrative and financial reports. All CSO contracts shall undergo independent annual financial audits, budgeted for in the project. Audit reports shall be submitted to the RDE and reported annually.

The RDE may also provide support for further investigation into opportunities for expanding and sustaining financial support to CSOs working in the sphere of UEM.

2.6 Inputs

The inputs made available by Danida are:

- A programme partnership contract with SACN
- Contracts to implement an applied UEM research programme
- Contracts with civil society organisations

The contract with SACN will be based on the Sustainable Cities activity-based budget to be drawn up by SACN. The budget shall include own contributions, specific reference to the business plan for Sustainable Cities activities and the SCRG, and an outline of potential outcomes relevant to the UEM programme objectives, i.e. impacts on poverty reduction and improved urban livelihoods for poor people.

The contracts for research and civil society shall also be sufficiently detailed and include reference to own or other source contributions. The project budgets can include a maximum of 20% overhead to cover project-related management and operational expenses. Investment expenses shall be justified in terms of project activities and should not exceed 15% of the budget. Any investments shall respond to the poverty-oriented project objectives, e.g. monitoring equipment, and not for the purchase of, for example, project vehicles.

Table 1: Component 2 budget

KMCSS component 2 budget (million DKK)	Civil Society and Knowledge Management	Total	
1. Partnership with SACN for the creation and dissemination of knowledge on UEM	6.0	6.0	14.3%
2. A programme of UEM research is carried out.	11.0	11.0	26.2%
3. Selected environmental Civil Society Organisations are supported.	25.0	25.0	59.5%
Total KMCSS component 2	42.0	42.00	

Partner contributions to the KMCSS component include:

- The Secretariat support provided by SACN in relation to Output 1.
- The contribution of time and experience of city environmental managers, other government officials, and other participants in the SCRGS;
- The voluntary additional contributions of civil society mobilised through CSOs.

2.7 Poverty and Crosscutting issues

Addressing poverty is a priority of the South African government. The policy of developmental local government stipulates a focus on participation and redress. Under the mandate of developmental local government environmental sustainability is identified as a prerequisite for integrated urban development in the interests of all citizens. The criteria for CSO support and research support all specify that funding is conditional on demonstrating that a pro-poor developmental focus to UEM is adopted.

Attention to gender equity is an explicit requirement of South Africa's developmental local government and will be covered in this component through:

- The focus on poverty in a context where women and children constitute the majority of the poor.
- The programme emphasis is on environmental health, energy, waste, air pollution and planning in UEM, which are all issues whose effective management impacts most directly on the lives of women, children and the elderly.
- The component emphasis on institutional capacity development in the research and CSO activities.

Good governance is a central concern of the South African and Danish governments and is supported by the component through:

- Enhancing participation capacity of civil society and dialogue between stakeholders.
- Improve access to knowledge on urban environmental management and planning.

Sustainability of capacity and impact is also a cross-cutting concern. All outputs will contribute to growing the profile of UEM within the political and public arenas. In addition:

- The SCRG will enhance networking and dialogue between UEM actors and facilitate the flow of useable knowledge.
- The research programme will contribute to expanding applied research capacity and to providing practical and useful information for city managers and other decision-makers.
- The component will also support better coordination and the development of leadership within civil society and explore other means of contributing to sustainability of the sector.
- The SACN, RDE and involved research institutions and CSOs will network with government, private sector and other donors in order to increase funding to the UEM sector for participation of civil society and the research community.

3. Management and Organisation

There will be no component steering committee. Six-monthly progress reports with respect to all three component outputs will be made to the RDE, who will in turn inform the PSC of progress and outcome. The Executive Director of SACN and a representative of civil society will be invited to sit on the Programme Steering Committee.

Collaboration with SACN

The RDE will enter into a contract with SACN based on an MOU with respect to the implementation of output one. SACN will request the support based on the Sustainable Cities business plan and budget as approved by the SACN Board.

Following the same flexible processes as in components one and three, annual business plans and activity-based budgets as approved by the SACN Board will form the basis of defining annual support to SACN in implementing output one. Following SACN Board approval, RDE will review submitted plans for overall alignment with this component document, inform the PSC, and disburse funds to SACN on a six-monthly basis.

Programme for UEM applied research

The financial management and institutional modalities for the management of the research process (output two) will be concluded between the RDE and SACN following a joint assessment of the feasibility of the options presented.

The options are: a) in-house management by a dedicated staff member within SACN offices; b) call for tenders by RDE and SACN for an appropriate agency to manage this function, or c) the management will be carried out by RDE.

Support to civil society organisations

The RDE will contract civil society organisations and manage the support function (output 3). Adjustments to ToR (e.g. timing, outputs and budgets of the agreed support) may only be made following written approval of RDE.

RDE will directly manage contracting, disbursement and monitoring of CSOs supported. A relatively small number of contracts over the five-year period is envisaged (up to ten), with key contracts entered into for a period of three years, renewable for a further two.

RDE will formulate an inception document where the strategy for support to CSOs within the context of the UEM Programme is further outlined, and:

- presents criteria informing selection of CSOs for support;
- presents guidelines for development of project proposals, including reporting and financial management requirements consistent with Danida requirements.

The RDE will make the above information available to a wide range of CSOs engaged in UEM activities, and make an initial call for proposals.

4. Financial Management

All component partners and beneficiaries shall manage finances provided by RDE through this component in accordance with South African Law and shall meet Danida's General Guidelines for Accounting and Auditing of Grants (July 2003).

The financial management arrangements may be reviewed by the Joint Annual Programme Review (JAPR). The JAPR may make recommendations to RDE and the PSC on adjustments to current indicative five-year component budgets. Based upon an assessment of absorptive capacity and observed performance, unspent funds may be re-allocated across and within components.

General principles for all component outputs

Financial reporting related to Danida-supported outputs and projects shall be provided to Danida on a six-monthly basis, with an independent audit conducted and submitted to RDE annually. Annual audits shall be submitted to RDE no later than four months after completion of the financial year. Further transfers will be informed by receipt of acceptable financial statements and progress reports from the previous six-month period. The first transfer will cover the cash flow projection for six months based on submitted business plans and budgets. Failure to submit satisfactory financial statements and progress reports will preclude further transfers of funds. RDE may at any time institute an independent audit of any partners benefiting from this component.

Collaboration with SACN

SACN (output one) shall develop an annual business plan and activities-based budget for its Sustainable Cities quadrant, indicating own contribution, other donor contributions and RDE contribution. Following approval by the SACN Board, SACN shall submit the business plan and budget to RDE who shall review the RDE-supported plans and budgets for consistency with the objectives and budgets of this component document. Following confirmation of alignment RDE will disburse funds directly to SACN on a six-monthly basis.

Programme for UEM applied research

In the event that SACN takes responsibility for in-house management of the research process (output two), the same planning and financial management procedures as described for output one will apply. Should the research management function be tendered out, the successful tendering organisation shall submit SACN-endorsed annual business plans and budgets to RDE, who will review plans for alignment and disburse funds directly to the managing organisation on a six-monthly basis. Six-monthly reports from the research management organisation shall be accompanied by a statement from SACN as to the achievement of agreed services.

The financial management of the research contracts will be specified in the contracts with the research institutions.

Civil society organisations

Financial management requirements for civil society organisations will be specified by RDE in the contracts with these organisations. Details of the agreement will be specified in specific ToR.

5. Monitoring, reporting, reviews and evaluation

The monitoring and reporting system has three parts: the UEM Joint Annual Programme Review (JAPR); internal reporting (i.e. through the SACN and reporting of the institution responsible for research contract management, and civil society organisations to RDE), and monitoring against specified indicators.

Joint Annual Programme Reviews include all three components of the programme. The programme review can recommend adjustments and shifts across and within component budgets based upon observed performance and absorptive capacity. Recommendations by the JAPR are included in the *review aide memoire* signed by RDE and DEAT and for endorsement of the Programme Steering Committee (PSC).

Internal reporting of the KMCSS component will require partners and beneficiaries to present six monthly progress reports and financial statements to RDE. These reports will be provided to RDE by SACN, civil society organisations, and by the institution responsible for research management. Reports will describe the overall progress against the specified objectives, outputs and implementation plans and comment on the status of assumptions.

All contractees will present a six monthly progress and financial report to RDE for approval. RDE will inform the PSC about component progress. Reports from RDE to the PSC will:

- Provide an overview of progress against each immediate objective and related outputs as per approved business plans;
- Report on support to CSOs and the status of their compliance with contracted reporting requirements and project achievements;
- Report on support to research partners and the status of their compliance with contracted reporting requirements and project achievements;
- Highlight opportunities for engagement with other components of the UEM programme and indicate any areas of concern for attention of Government Departments and long-term advisers as appropriate.
- Address responses to and changes in risks and assumptions in the KMCSS component and outputs.

The procedures for and formats of partner reporting to RDE are addressed in inception and in annual planning.

Monitoring against specified indicators:

Component indicators are given in the LFA matrix. The SACN State of the Cities Report (output 1) will provide UEM sector monitoring information. The research programme (output 2) will contribute information towards the monitoring of the UEM programme at the level of objectives.

6. Assessment of key assumptions, risks and preconditions

6.1 Assumptions

Assumptions relating the immediate objectives to development objective:

- Political leaders and senior level decision makers respond to the developmental potential of sound UEM knowledge and practice.
- Government is responsive to advocacy and lobbying on pro-poor UEM.

Assumptions relating outputs to immediate objectives include:

- Researchers with a balance of technical expertise and understanding of the social relationship of environment and poverty are available.
- There is sufficient and regular research output to foster a new UEM discourse and inform implementation.
- The SCRG will be an effective agent of networking for and dissemination of UEM knowledge for practitioners.
- CSO partners are adequately resourced to mobilise increasing support for UEM.
- Local civil society leaders respond to evidence of environmental impacts and the benefits of UEM.

6.2 Risks

Risks are issues that will in particular be monitored during implementation and assessed during the JAPR.

- There is a medium risk that activities will not be coordinated and addressed across the components due to lack of incentives for and resistance to both vertical and horizontal collaboration in Government. The programme and component advisers will assist in mitigating the risk and improve integrated collaboration. Attention to component implementation and integration will maximize opportunities for synergies across component activities. The International Programme Adviser and the National Advisers will be well positioned to improve coordination.
- There is medium risk that key stakeholders will not fully engage, or will engage unevenly, with the SCRG. This component and Component 3 provide resources for the operations of the reference group.
- There is a medium risk that Government will not be committed to promoting civil society participation in UEM. This may be taken as a sign of healthy CSO autonomy but there is some risk of the relationship deteriorating. The recent establishment of the National Environmental Advisory Forum (NEAF) by DEAT is intended to promote the institutionalisation of the relationship at national level.

- There is a low risk that some civil society organisations have difficulty retaining their gained capacity prior to component implementation due to current funding constraints, e.g. from phasing out of previous direct Danida support.

6.2 Precondition

- Support to the Partnership with SACN will be made when the business plan and annual budgets for Sustainable Cities and the SCRG have been approved by the SACN Board and subsequently forwarded to RDE as a funding request.

7. Component Implementation Plan

Contract periods will be as follows:

- Contract with SACN will be from date of agreed support based on business plan and expected for a period no longer than end of 2010. Audited closed accounts will be submitted not later than four months after the end of the contracts. The support will enable continuity in developing capacity for UEM under the theme of Sustainable Cities. Agreement is based on an MoU and informed by agreed business plans and proposals submitted annually to RDE.
- Research project contracts will be for periods of up to 2 years, with well-defined milestones for reporting through the SCRG and RDE. All contracts will be closed not later than at the end of year 2010 and audited closed accounts submitted not later than four months after. The contracts will be designed in order to have research outputs in each year on identified topics in order to sustain an even flow of UEM research information.
- With Civil Society Organisations: In the first two years projects will be initiated with identified core partners for a contract period of an initial three years followed by an optional extension period of one or two years, ending not later than December 2010 and with audited closed accounts by March 2011.

Annexes

Annex 1: LFA matrix

Component Development Objective	Indicators	Means of Verification	As
Knowledge creation, awareness and advocacy on best practices and poverty alleviation in urban environmental management created and applied	<ul style="list-style-type: none"> - Outcome of research programmes (number of trained staff, access to relevant knowledge increased, formulated/documentated UEM practices) - Level of civil society organisation involvement in UEM and influence 	<ul style="list-style-type: none"> - Policy briefs and research reports - 'State of the Cities' report by SACN - Civil society organisations reporting 	<ul style="list-style-type: none"> - - -
Component Immediate Objective 1	Outcome Indicators	Means of Verification	As
1: Decision making for pro-poor UEM is informed by demand driven knowledge formation and responsive to innovations	<ul style="list-style-type: none"> - Research integrated into 'State of Cities Report' - Policy briefs produced - Media coverage of research - Initiatives and innovations address real needs 	<ul style="list-style-type: none"> - 'State of the Cities Report' chapters/inputs - Senior Politician's speeches - References in media and official documents - Media material - Publications and reports 	<ul style="list-style-type: none"> - - - - -
Outputs	Output Indicators	Means of Verification	As
1: Partnership with SACN for the creation and dissemination of knowledge on UEM	<ul style="list-style-type: none"> - SACN Seminars attract senior officials and civil society - 'State of the Cities Report produced' and distributed - Web site with UEM material 	<ul style="list-style-type: none"> - Seminar registers - Report and distribution list - Web-site statistics - SACN 'Sustainable Cities Reference Group' business plan. 	<ul style="list-style-type: none"> - - - -
2: A programme of UEM research is carried out.	<ul style="list-style-type: none"> - Meet criteria for selection - Research output meets targets - Peer reviewed outputs 	<ul style="list-style-type: none"> - Research proposals - Policy briefs and research reports - Annual UEM Research Monograph 	<ul style="list-style-type: none"> - - -

Component 2 LFA – continued:

Component Immediate Objective 2	Outcome Indicators	Means of Verification	As
2: The capacity of civil society for pro-poor UEM advocacy and participation is enhanced	<ul style="list-style-type: none"> – Local organisations and groups make UEM related demands – Local groups linked – Greater coordination of CSO voice nationally and locally – Submissions engage with technical issues and substance 	<ul style="list-style-type: none"> – CSO plans and reports – Component reports and documented site visits – Joint submissions – Submissions 	–
Outputs	Output Indicators	Means of Verification	As
3: Selected environmental Civil Society Organisations are supported.	<ul style="list-style-type: none"> – Meet criteria for support – Partner CSOs are effective 	<ul style="list-style-type: none"> – Project docs, reports – Partner evaluations – Selection procedure – Progress and completion reports 	–

Annex 2: Component budget

KMCSS component 2 budget (million DKK)	Civil Society and Knowledge Management	Total	
1. Partnership with SACN for the creation and dissemination of knowledge on UEM	6.0	6.0	14.3%
2. A programme of UEM research is carried out.	11.0	11.0	26.2%
3. Selected environmental Civil Society Organisations are supported.	25.0	25.0	59.5%
Total KMCSS component 2	42.0	42.00	

100.0%

Budget notes:

- Re. 1: Budget details to be further developed in the SACN business plan and related budget. This will be forwarded to RDE as a basis for request of funding after approval by SACN board. SACN is accountable to RDE.
- Re. 2: Budget details will be developed as part of the programme for applied UEM research. The budget will also cater for optional models for the financial and technical management of the research support.
- Re. 3: Budget details will be included as part of each contract entered by RDE with a civil society organisation. The management of the civil society organisations is covered by the separate management budget of RDE. Each supported civil society organisation is contractual accountable to RDE

Budget cash flow

KMCSS component 2 budget, million DKK	2006	2007	2008	2009	2010	Total
1. Partnership with SACN for the creation and dissemination of knowledge on UEM	1.2	1.2	1.2	1.2	1.2	6.0
2. A programme of UEM research is carried out.	2.0	2.5	2.5	2.0	2.0	11.0
3. Selected environmental Civil Society Organisations are supported.	5.0	5.0	5.0	5.0	5.0	25.0
Total KMCSS component 2	8.2	8.7	8.7	8.2	8.2	42.0

