

https://dspace.org/

Unlocking public and private investment? The neighbourhood development partnership grant in the municipalities

Maesela, Sydney

2018
https://hdl.handle.net/10539/26766

Downloaded from a DSpace repository. https://dspace.org/

Abstract

As part of its efforts to stimulate investment and economic growth in different regions across the country, the South African government has adopted various spatial targeting policies driven at national and local government level. The success of these policies differ; some spatially targeted areas have experienced substantial growth while others have experienced limited growth not withstanding catalytic investments driven by these policies.

With the intention of impacting on spatially targeted areas the South African government has developed a Neighbourhood Development Partnership Grant (NDPG) as a spatial targeting programme to respond to various opportunities that are located within identified nodes. It is expected that the amount of money spent through the programme will lead to investment in the targeted neighbourhoods. Due to factors such as the uniqueness of the targeted nodes, the degree of the investment is likely to vary. This is the result of a number of issues ranging from capacity of institutions, agglomeration, and the type of investment opportunities among others.

The objective of the study is to determine the amount of money spent through the NDPG funding and the factors that influence the ability of the municipalities to better spend on catalytic projects.The revised NDPG is still at its infancy stage with only 55% of planning in the targeted nodes completed. The municipalities have managed to spend 67% (R1,5 billion) of the allocation between 2002-2017. The municipalities that managed to spend a large proportion of their grant allocation have attracted the investments. Factors which enabled these municipalities to spend their grant investments in the targeted places include the ability of the municipalities to institutionalise the programme, efficient procurement process, capacity to spend on catalytic projects; capacity to contract dedicated project managers; political and administrative stability.