

iKapa Elihlumayo

WESTERN CAPE PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY



DRAFT

August 2006

COMMENTS SHOULD BE SUBMITTED BEFORE 15 DECEMBER 2006

A summary of the strategy is available from the Department of the Premier as are versions in the three official languages (isiXhosa, English and Afrikaans) of the Western Cape. For a copy, please contact:

Communications Team

Department of the Premier
7 Wale Street CAPE TOWN 8000
Tel: 021 483 3911

The document is also available in disk format and on the provincial website:
www.capegateway.co.za

Submit Comments to:

Ms Nthato Gobodo

Director: PGDS
t: +27 (21) 483 3878
f: +27 (21) 483 4868
m: ntgobodo@pgwc.gov.za

OVERVIEW

ABOUT THE STRATEGY

This section provides the background to iKapa Elihlumayo and sets out the overarching structure of this document

Purpose and Scope

The 2003 Provincial Growth and Development Summit was a pivotal moment in shifting the trajectory of the Western Cape. Emanating from this was the collective endorsement of the Framework Agreement on Growth and Development¹ which committed all Western Cape social partners - government, labour, business and civil society - to a process of changing the spatial, social, economic and human landscape of the province in pursuit of a new vision: *A Home for All*. Provincial government led on developing a series of strategy documents – the *iKapa Elihlumayo* ('*Growing the Cape*') base strategies - to unpack and provide guidance on these different elements

Further commitments were made by government in 2004, embracing the vision of a developmental state and agreeing to embed the institutional agenda for directing the future of the Western Cape within the Provincial Growth and Development Strategy (PGDS).² The PGDS therefore has a mandate from stakeholders in the Province to define shared growth and integrated development targets and objectives for 2014.

The PGDS takes the name 'iKapa Elihlumayo' - meaning the Growing Cape - and deepens and expands the original growth and development agenda by addressing local imperatives and realities, therefore re-enforcing the shared commitment to achieving the vision of the Western Cape as *A Home for All*.

Collaboration and Partnership

Collaboration and partnerships between government, key actors and stakeholders are vital to the successful delivery of iKapa Elihlumayo.

Provincial government recognises the key role that the national and local spheres of government, state-owned enterprises (SOEs), the private sector, non-government actors, citizens, development stakeholders and the formally constituted social partners play in shifting the development path of the Western Cape.

This draft strategy published as a Green Paper, offers an opportunity for more intensive formal interaction and dialogue between Government and social partners on how best to achieve the long-term development framework for the Western Cape.

The Strategy is the first of its kind in the Western Cape. It is prepared and driven by the Department of the Premier which will also conduct an annual review (through stakeholder

¹ Framework Agreement on Growth and Development, November 2003

² 14 November 2005, Memorandum of the Western Cape Growth and Development Strategy

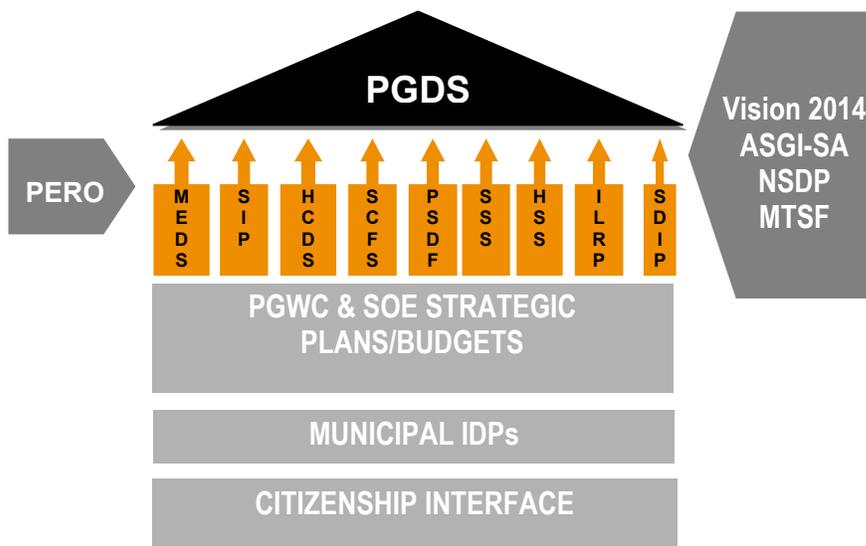
structures (including the Provincial Development Council) to incorporate new data, base strategy refinements and assess the progress in delivering on the collective vision.

Developing iKapa Elihlumayo

iKapa Elihlumayo sets out a rationale and plan to achieve the imperative of shared growth and integrated development within the Western Cape by 2014. This document puts forward an assessment of the nature of regional development challenges in terms of environmental, economic, social, spatial and governance issues. It outlines a range of interventions and targets that will guide Government with respect to its priorities, resource allocations, operational plans and partnerships over the next decade.

The proposals presented here draw heavily on nine iKapa Elihlumayo ‘base-strategies’ as well as the policies and strategic planning processes of other spheres of government, as depicted in Figure 1 below.

FIGURE 1: IKAPA ELIHLUMAYO DEVELOPMENT PROCESS



iKapa Elihlumayo is not simply a synthesis of data sets – it is a high level analytical and strategic framework to guide investment decisions of multiple actors. It will also facilitate collaborative development spend between spheres of government in order to realise the shared growth and integrated development imperative.

The Role of the Developmental State

It is widely accepted that higher rates of GDP growth are a prerequisite for boosting job creation. However, in the Western Cape the means must justify the ends to secure a sustainable future. The quality and impact of economic growth is important. Given the iKapa Elihlumayo emphasis on shared growth and integrated development it is clear that one of the major roles of the state is to ensure an enabling environment for sustainable economic growth. This means accelerated economic growth must directly respond to the following provincial development challenges:

- Improving regional competitiveness through lowering the reproductive costs of labour (e.g. cheaper transport) and the input costs of business (e.g. cheaper ICT or energy services)
- Economic participation and empowerment through equitable distribution of assets, opportunities and services
- Spatial integration and urban restructuring
- Improved environmental quality through minimising negative resource impacts and safeguarding environmental assets
- Improved quality of life, human well-being and social cohesion
- Enhanced good governance
- Improving and enhancing public transport

In a context of resource scarcity, growing inequality and increasing environmental degradation - making strategic choices on where and how to invest scarce resources in order to maximise social and economic returns is an imperative.

Conventional economic theory suggests that markets would provide the best means of allocating scarce resources. However, market failure in addressing the aforementioned developmental challenges provides a strong rationale for government intervention.

This position is reinforced by a resurgent belief in the role of the state as a driver of economic development (associated with the success of the Asian tigers).³ The idea of a developmental state is one where government leads growth creation and identifies the major beneficiaries of growth through active interventions, such as in infrastructure investment, SOE initiatives, sector support, targeted procurement or direct spatial development.

In assuming its developmental role, government recognises its position as a key facilitating, partnering and collaborative economic agent through its fixed investment and development spend. Public investment is therefore a key mechanism to achieve higher GDP growth as it guides private investment decisions and facilitates social and economic spin-offs.

iKapa Elihlumayo focuses the role of government at the regional scale around the following areas:

- Provincial leadership
- Protection of the public interest (access, equity, quality and opportunity)
- Good governance
- Strategic infrastructure and social investments
- Innovation and increased efficiency gain
- Intergovernmental coordination
- Maximisation of state and non-state resources

- Sustainability (planet, people and prosperity)

Provincial government's responsibilities in promoting shared growth and integrated development is viewed through three lenses:

- The obligations that the Constitution places on the provincial sphere
- Defining the developmental role of provincial government
- Understanding the importance of effective intergovernmental action
- Sustainability

This places an increased emphasis on the imperative to build developmental state structures, delivery mechanisms and accountability systems⁴. iKapa Elihlumayo is designed to facilitate sustainable economic growth, prevent growing inequality and promote environmental sustainability while recognising the importance of Provincial government development levers and institutions available to deliver on this agenda.⁵

The Role of the Province

Until recently it was assumed that national government played the principal role in economic affairs because of its responsibility for macro economic policy, and tax, trade and tariff negotiations. But there is an increasing recognition of the differing roles of each of the three spheres of government in fostering economic development.

Local government is expected to play a far more important role in boosting economic growth through service delivery, better planning, regulation and enforcement.

Across South Africa the role of provincial government in economic growth promotion, however, remains poorly developed.⁶ Provincial government's largely social functions require that they focus on programme implementation and service delivery in health, welfare and educational service disbursement. This is reflected in 86% of Western Cape provincial spending which is concentrated in the social cluster, and is driven by national norms and standards.

Although provinces' budgets are constrained by their inability to generate their own revenue, they have co-responsibility for economic sectors such as transport, planning and environment. Expectations are rising in these domains, both within and beyond Provincial government.

⁴ President Thabo Mbeki, State of the Nation Address, February 2006.

⁵ de Paula & Dymski 2005.

⁶ Notwithstanding the positive impact of Gauteng's Blue IQ initiative and the successful impact of some provincial initiatives such as Kwa Zulu Natal's tourism promotion.

Major national policy reviews, especially the introduction of 'Breaking New Ground'⁷ and the focus on skills development and scarce skills in ASGI-SA have heightened awareness of provincial responsibilities with respect to housing, education and links to growth-supporting action.

In addition, both the National Spatial Development Perspective (NSDP) and ASGI-SA place a greater onus on provincial government to foster economic development. These national policy developments also highlight provincial competencies in the areas of regional development, IDP approval, planning, and environmental management.

A more robust provincial economic development role is therefore critical in strengthening and supporting co-operative governance and co-ordinated actions that promote growth and development across all spheres and amongst social partners.

A definite shift in strategic approach, vigorous regional economies and development programmes are increasingly recognised as providing the basis for the realising national goals.

Intergovernmental Dynamics

iKapa Elihlumayo is a regional policy statement which also addresses the overall role of the state in the Western Cape, through the lens of the provincial sphere of government.

As a critical mechanism in the national planning and budgetary framework, the Strategy ensures effectiveness and coordinated delivery across the three spheres of government. It is the core mechanism to ensure policy and budgetary alignment across the different spheres of government. It must adhere to guidelines prescribed by the Presidency Policy Coordination and Advisory Services Unit (PCAS) and the national Department of Provincial and Local Government (DPLG).

The strategy therefore plays a key role in aligning the vision and operation of government across the spheres and will function as a keystone of intergovernmental co-operation at the regional scale, as seen in Figure 2.

At the level of Provincial government, this strategy is aimed at giving regionally specific and relevant direction to Government's agenda and to harmonizing the developmental path of the Western Cape together with key national government policies and initiatives as well as the priorities of the 30 municipalities in the Province. The Inter Governmental Relations Framework Act No 13 of 2005, places this responsibility on the Department of the Premier.

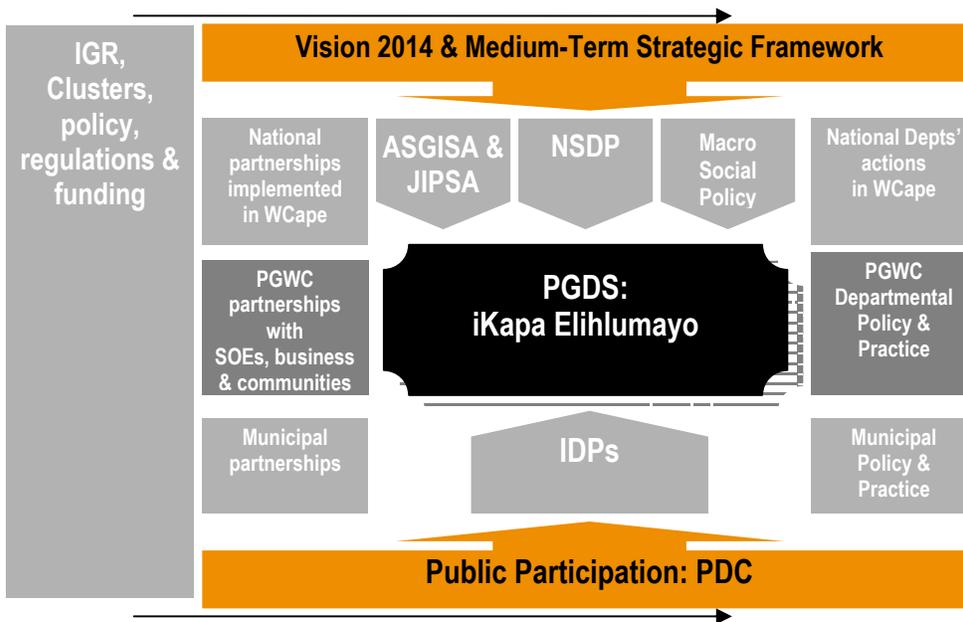
In light of the three spheres of government having separate and overlapping mandates, Provincial government plays a direct role in growth-supporting action by:

- Ensuring the education, training and social reproduction of workers

⁷ Department of Housing, 2005

- Identifying regional development nodes
- Facilitating development partnerships with all stakeholders in the Province
- Enhancing alignment and harmonisation of planning, investment and intervention within and between spheres of government - in particular – informing district growth and development strategies, ensuring oversight of municipal integrated development planning, providing provincial leadership in intergovernmental action and stimulating high profile interventions to unlock development.

FIGURE 2: ALIGNMENT OF STATE IN WESTERN CAPE



As part of the iKapa Elihlumayo process, a growth diagnostic scan (drawn from the ASGISA approach) has been initiated to assist the Province in identifying key obstacles or binding constraints (matched to national, provincial and local policy levers) to shared growth and integrated development within an intergovernmental context.

The diagnostic framework is more appropriate for use at the meso level, taking into account the broader co-operative intergovernmental system within which the province operates.

Where policy levers are within the Provincial domain, they will be subject to Provincial political and resource prioritisation within the annual budget process.

National and local policy levers demand a different approach, requiring provinces to work closely with national, local and other partners, notably public entities, in order to lever policy, programmatic and budgetary resources to address key obstacles or constraints to shared growth and integrated development at the regional level.

Given the regional specificity of the Western Cape, the framework has been further amended to take account of environmental sustainability, spatial, equity and empowerment concerns. Further shaping is required to suit the Western Cape's particular socio economic development context and challenges.

The next step is to map the policy interventions that have already been identified and to some extent resourced in the nine iKapa Elihlumayo first and second generation base strategies onto the diagnostic:

- Strategic Infrastructure Plan (SIP)
- Microeconomic Development Strategy (MEDS)
- Provincial Spatial Development Framework (PSDF)
- Human Capital Development Strategy (HCDS)
- Social Capital Strategy (SCFS)
- Sustainable Human Settlements Strategy (SHSS)
- Scarce Skills Strategy (SSS)
- Integrated Law Reform Project (ILRP)
- Sustainable Development Implementation Plan (SDIP)

Gap analysis will determine the areas where research and attendant policy interventions and resourcing responses are required.

The diagnostic therefore provides a useful analytical tool that may be used to identify, test and make evidence based decisions on the most appropriate and targeted interventions that the province should make in order to have the greatest impact in moving the Western Cape onto a shared growth and integrated path.

Financing iKapa Elihlumayo

iKapa Elihlumayo is a strategy for the entire Province and will need to be supported and resourced by all social partners, role players and stakeholders concerned with ensuring the sustainable growth and development trajectory of the Western Cape.

Province has a central role to facilitate delivery through prioritising its investments, focusing developmental spend and facilitating intergovernmental collaboration. However the provincial budget is the smallest of the spheres of government in the Western Cape. The nature of the conditional grants and the currently limited capacity of provinces to generate their own revenue also make the Provincial budget the most inflexible.

While the issue of finance, including the imperative of provinces being empowered to generate their own revenue, is dealt with in greater detail in Section 6, the iKapa Elihlumayo interventions have been conceived within the current funding parameters.

While every effort must be made to put Provincial resources behind iKapa Elihlumayo the 'budget envelop' is nowhere near sufficient funding to make the kind of difference that is necessary to shift the development path of the Western Cape. Province will therefore seek to lever additional

resources from its partners and from external agencies to implement the iKapa Elihlumayo objectives through:

- Maximising the impact of existing allocations within national, provincial and local government, the SOEs, Provincial and Municipal Agencies through better co-ordination, planning and good governance.
- Promoting multi-stakeholder Lead Intervention delivery based on the iKapa base strategies generating new investment especially from Provincial and Municipal Agencies, SOEs and the private sector.
- Raising new revenue from external sources for the 'path-breaking' public transport action.
- Lobbying National Treasury for the approval of own revenue generation (and thus capacity to raise loans) by Provinces.

Reviewing iKapa Elihlumayo

The Department of the Premier has responsibility to develop and drive *iKapa Elihlumayo*, to conduct an independent annual review (through stakeholder structures including the Provincial Development Council) and to assess progress in delivering on the articulated vision. *iKapa Elihlumayo* will be revised every five years to align with the MTEF cycle. These responsibilities re-enforce the Province's legal requirement and social partner mandate to develop and implement a growth and development strategy.

In September 2006 a draft Green Paper will be presented for public debate and comments from all stakeholders. It is anticipated that the Province will release the Provincial Growth and Development Strategy: *iKapa Elihlumayo* in its final form as a White Paper in December 2006

Structure of iKapa Elihlumayo

The document has two parts:

Part 1 presents a long term perspective towards a shared growth and integrated development trajectory. It highlights investment priorities, strategic goals and priority interventions which have been identified through a situational analysis of the Western Cape.

Part 2 constitutes a high level collaborative action plan which sets annual goals and targets located in a comprehensive governance framework comprising institutional, IGR, monitoring and evaluation considerations

A glossary of technical terms and acronyms within the document can be found on pages 11-15.

Role of the PGDS

This section highlights the role, objectives, parameters and policy informants of iKapa Elihlumayo.

iKapa Elihlumayo is the pivotal planning mechanism to guide investment decisions and development spend of multiple stakeholders towards realising the vision of shared growth and integrated development in the Western Cape.

This Strategy identifies the strategic basis for planning, budgeting and making trade-offs of multiple actors within the Province, presenting a clearly articulated plan of action and basis for a sustainable development trajectory.

PGDS Objectives and Parameters

iKapa Elihlumayo has seven core objectives:

- To commit the PGWC, given its capacities and resources, to a development path that promotes shared growth and integrated development.
- To identify shared principles and strategic goals to shift the developmental trajectory of the Western Cape onto a sustainable path
- To identify and promote the spatial and sectoral location of accelerated growth in the Western Cape in accordance with the principles of the NSDP and ASGI-SA.
- To align and harmonise the planning, budgeting and implementation of all spheres of government in the Western Cape.
- To design the institutional architecture and reforms necessary for achieving shared growth and integrated development.
- To identify the appropriate levers for Government to shift to a developmental path of the Western Cape.
- To provide a framework for improved collaboration and co-ordination of all stakeholders in the Province that is focused on a shared growth and integrated development agenda.

Purpose and Scope

The PGDS culminates a three year process of implementation of the 2003 Framework Agreement on Growth and Development in which the Provincial social partners have extensively engaged and developed a policy and strategic framework for Growth and Development in the Western Cape. Key growth and development target identified by the social partners include:

- 100 000 sustainable jobs
- R5billion of FDI in priority sectors by 2008
- Comprehensive support and supply side measures to SMMEs
- 120 000 EPWP jobs

Nine First and Second Generation iKapa Elihlumayo strategies (refer to Table 1) constitute the Provincial policy and situational base of the PGDS. Having been initiated with different departure points and developed with different methodologies, an iterative process between the strategies and

the PGDS is being undertaken to ensure consistency and alignment as all strategies are refined and mature.

TABLE 1: IKAPA ELIHLUMAYO BASE STRATEGIES

1st Generation Strategies	2nd Generation Strategies
Micro-economic Development Strategy (MEDS)	Scarce Skills Strategy (SSS)
Strategic Infrastructure Plan (SIP)	Human Settlement Strategy (HSS)
Human Capital Development Strategy (HCDS)	Integrated Law Reform Project (ILRP)
Social Capital Formation Strategy (SCFS)	Sustainable Development Implementation Plan (SDIP)
Provincial Spatial Development Framework (PSDF)	

First and Second Generation implementation plans are being aligned with the principles and strategic goals of the PGDS as well the implementation of PGDS Lead Interventions.

The PCAS/DPLG PGDS Guidelines (Aug 2005) identify the following parameters for the document:

- The PGDS should provide a long-term strategic view of the Province’s development trajectory - framed within a sustainable development paradigm and drawing on the NSDP and MTSF.
- As a collaborative and developmental framework, the PGDS is a platform for coordinated multi-party action within the Province.
- As a core alignment mechanism for the Province, the PGDS is the Provincial coordination and implementation strategy which is driven by PGWC and championed by the Premier.

Objectives and principles in key national policy documents also served as policy informants of iKapa Elihlumayo:

- Vision 2014
- National Spatial Development Perspective (NSDP)
- Accelerated and Shared Growth Initiative of South Africa (ASGI-SA)
- Draft The Regional Industrial Development Strategy (RIDS)
- Draft National Strategy for Sustainable Development (NSSD)

Legal Considerations

In coordinating and guiding intergovernmental investment and development spend within the Province, the PGDS recognises Government’s Constitutional mandate to provide basic services to all irrespective of the economic potential of a particular settlement. This includes infrastructure required to provide basic services.

South Africa has one of the most progressive Constitutions in the world. As such the Western Cape seeks to become a Province in which quality of life and the realisation of our Bill of Rights becomes the status quo (Table 2).

TABLE 2: BILL OF RIGHTS, SOUTH AFRICAN CONSTITUTION, 1996

Right to equality	Right to human dignity
Right to life	Freedom and security of person
Freedom from slavery, servitude and forced labour	Right to privacy
Freedom on religion, belief an opinion	Freedom on expression
Right to assembly, demonstration, picket and petition	Freedom of association
Political rights	Citizenship rights
Freedom of movement and residence	Freedom of trade, occupation and profession
Right to labour relations	Right to a healthy environment
Right to property	Right access to housing
Right to access to food, water, healthcare and social security	Children's rights
Right to basic education	Right to language and culture
Access to information	Just administrative action
Access to courts	
Rights to arrested, detained and accused persons	

South Africa's rights-based Constitution is the starting point for Government's development agenda and its aspiration for a better future.

Resource and capacity constraints mean Government must make choices and ensure that fundamental constitutional rights of all citizens in the region are progressively fulfilled.

This suggests that Government must:

- Ensure effective and consistent delivery of various essential social, economic, environmental and cultural services on which citizens, communities and enterprises depend for their well-being.
- Expand investment in public assets, services and infrastructure in ways that ensure the progressive realisation of basic rights for all citizens. In the Western Cape, urgent attention to the nature and location of investment in human settlement development is the uppermost priority.
- Engage both the formal and informal economies, as well as formal and informal settlements in a growth-enhancing agenda. Effective bridges are essential to grow economic participation in the economy and more equitable distribution of income and assets.
- Address problems of racial and gender inequality in order to ensure non-discriminatory access to economic opportunities and economic resources in the Western Cape.

CONTENTS

GLOSSARY

Forward Ebrahim Rasool, Premier of the Western Cape
Executive Summary

PART 1 DEVELOPMENT PERSPECTIVE

Chapter 1: Situational Analysis

PART 2 IMPLEMENTATION

Chapter 2: Strategic Outcomes

Chapter 3: Lead Interventions

Chapter 4: Resourcing iKapa Elihlumayo

Chapter 5: IGR Coordination and Alignment

Chapter 6: Holistic Governance

Chapter 7: Action Plan (2007 – 2014)

ANNEXURES

ACRONYMS AND DEFINITIONS

Acronyms

ARV	Anti-retroviral
ASGI-SA	Accelerated and Shared Growth Initiative for South Africa
BBBEE	Broad Based Black Economic Empowerment
BOD	Burden of Disease
BPO	Business Processing and Outsourcing
CDWs	Community Development Workers
CoCT	City of Cape Town
CTFR	Cape Town Functional Region
CTP	Cape Town Partnership
DLA	National Department of Land Affairs
DoA	National Department of Agriculture
DoE	National Department of Education
DoH	National Department of Health
DoPW	National Department of Public Works
DoT	National Department of Transport
DotP	Department of the Premier
DEAT	Provincial Department of Environmental Affairs and Tourism
DEA&DP	Provincial Department of Environmental Affairs and Development Planning
DEDT	Provincial Department Economic Development and Tourism
DPLG	Provincial Department of Provincial and Local Government
DLG&H	Provincial Department of Local Government and Housing
DGDS	District Growth and Development Strategy
DT&PW	Provincial Department of Transport and Public Works
DTI	National Department of Trade and Industry
DoSS	National Department of Social Services
DoSR	National Department of Sports and Recreation
EAP	Economically Active Population
ECD	Early Childhood Development
FET	Further Education and Training
GDPR	Gross Domestic Product per Region
GGP	Gross Geographic Product
GVA	Gross Value Add
HCDS	Human Capital Development Strategy
HIV	Human Immunodeficiency Virus
HSS	Human Settlement Strategy
HDI	Human Development Index
ICT	Information and Communication Technology
IDPs	Integrated Development Plans
IGR	Intergovernmental Relations
ILRP	Integrated Law Reform Project
JIPSA	Joint Initiative on Priority Skills Acquisition
LED	Local Economic Development

MEDS	Micro Economic Development Strategy
MDGs	Millennium Development Goals
MLL	Minimum Living Level
MSTF	Medium Term Strategic Framework
MTEF	Medium Term Expenditure Framework
NSDP	National Spatial Development Perspective
NSSD	National Strategy for Sustainable Development
PCAS	Policy Coordination and Advisory Services (Presidency)
PCC	President's Coordinating Council
PCF	Premier's Coordinating Forum
PDC	Provincial Development Council
PGDS	Provincial Growth and Development Strategy
PMCF	Premier's Metro Coordinating Forum
PERO	Provincial Economic Review and Outlook
WC PSDF	Provincial Spatial Development Framework
PT	Provincial Treasury
RIDS	Regional Industrial Development Strategy
R&D	Research and Development
SCFS	Social Capital Formation Strategy
SDIP	Sustainable Development Implementation Plan
SIP	Strategic Infrastructure Plan
SMMEs	Small, Medium and Micro Enterprises
SOEs	State Owned Enterprises
SPV	Special Purpose Vehicle
SSS	Scare Skills Strategy
WCPG	Western Cape Provincial Government
TDIF	Tourism Development and Investment Framework

Definitions

Climate Change

Shifts in the amount of energy received by the earth. Gradual changes in climate and the associated adaptation of the biosphere and of human activity are well documented. Rapid climate change, such as predicted by current models, is harder to adapt to and can have negative consequences, especially in vulnerable populations and in climate sensitive regions.

Developmental State

Government intervention in areas of clear market failure to redress of apartheid history and geography or inadequate response to sustainable developmental imperatives of environmental integrity, empowerment and spatial performance.

Development Cycle

Five interrelated aspects of development process: policy and planning, capital investment, finance and regulation, institutional /organisational development and operational considerations.

Energy

Current debates around energy focus on access to energy and the move towards cleaner and renewable energy sources. The oil-dependent economic realities that dominated the 20th century are set to shift. The price of oil is a major determinant of global economic stability and overall predictions are for increasing rather than declining oil process, especially post 'peak' oil'. In the global context, governments and business are repositioning to adjust to the changing energy environment. There are particular opportunities for developing nations through Clean Development Mechanisms (CDM).

Gini-Coefficient

The Gini Coefficient measures income inequality. It is measured from 0 to 1, where 0 corresponds with perfect equality (everyone has the same income) and 1 with perfect inequality (where 1 person has all the income and everyone else has zero income).

Globalisation

Globalisation refers to technological, economic, political and cultural exchanges and their integration and or interdependence across borders. In practice globalisation means that labour, capital and goods are highly mobile internationally. Because cities, especially ports, are gateways of these global exchanges they have become increasingly important sites of power as globalisation has advanced. South Africa's experience of globalisation has been especially pronounced since 1994

Growth Potential

An NSDP and PSDF term referring to a locality with the attributes of both high economic growth prospects and concentration of human need within a particular locality

Informality / 2nd Economy

Economic informality refers to a range of economic assets and activities that are not conventionally regulated and which are either marginalised from full public scrutiny and /or lack public support. Low wages, seasonality, inadequate environmental protection, and low levels of unionisation and benefit payments are among the generally inferior conditions of work of informal workers. Includes informal land system, where insecure tenure does not enable individuals to participate in the formal land market and its institutions (for raising finance, gaining credit, trade etc).

Institutional Architecture

Refers to the institutional framework and mechanisms required to implement the shared growth and development agenda in relation to structure, systems and operational processes

Knowledge Economy

Information and knowledge can be considered the foundations of the new economy. Within the context of an increasingly inter-connected world, it has been contested that the smartest working, not the hardest working, regions that will succeed. This implies moving away from a commodity driven economy to one driven by innovation and a strong skills base. Key aspects of the knowledge economy include access to ICT, a strong and growing human capital base, investment in research and development and willingness by business and government to implement these new ideas.

Levers

Mechanisms for catalysing change in developmental systems, processes and institutions.

Market failure

Economic theory suggests that markets would provide the best means of allocating scarce resources. However, in the Western Cape the market has not responded adequately to the developmental challenges of spatial distortion, resource scarcity, growing inequality and increasing environmental degradation.

Minimal Living Level

Regional Imperatives

Critical areas of intervention to underpin the shared growth and integrated development trajectory e.g. natural resource management, spatial integration and empowerment – which if unrealised will mitigate against meeting the iKapa Elihlumayo vision.

Regional Specificity

Systematic and developmental trends and characteristics unique to a particular province or region – in this document this refers to the Western Cape

Riparian Habitats

A crucial component of water systems which stabilises river banks, filters nutrients and sediments, provides ecological habitats and reduces the impacts of flood events.

Second Economy

Space-economy

Refers to the organisation of demographics, human settlements, economic, social and environmental trends and the juxtaposition or relative location of residential, industrial/retail, and recreational areas.

Spatial Integration

A strategy to address the spatial fragmentation legacy of Apartheid spatial planning and land use management is associated with Acts such as the Group Areas Act, Urban Areas Act, Physical Planning Act, Homelands Act etc. The strategy engages issues of urban restructuring, settlement location and property development to reduce urban sprawl, integrating different communities (mixed-income and mixed-tenure), land use activities (mixed-use: commercial, retail, recreational, transport, residential, social services etc.) and the shift from single motor car urban design concept to a new urban design concept based on public transport.

Sub-national government

Refers to the provincial or local spheres of government

Thiel Index

A second measure of inequality, the *Theil index* also lies between 0 and 1, and facilitates analysis of the relative contributions of 'within-group' ('race') and 'between-group' ('race') inequality and how these change over time.

Urbanisation

A process of population out-migration from the rural hinterland into urban environments (city/town centres)

Urban Restructuring

A strategy to increase urban quality of life and urban citizenship through integrated transport-led land reform (densification, infill and development of strategically located public brown/greenfields sites) within a demarcated urban edge, and upgrade of (previously) degraded areas and new developments.

FORWARD

To be completed on finalisation of iKapa Elihlumayo White Paper

E Rasool: Premier of the Western Cape

EXECUTIVE SUMMARY

This section will be revised once iKapa Elihlumayo has been refined based on public comments and inputs from stakeholder engagement workshops and the PGDS Summit in 2006. It provides an overview of the Western Cape developmental challenge, unpacks iKapa Elihlumayo's conceptual approach and developmental strategy.

iKapa 2014

By 2014 the Western Cape will be a sustainable Home for All its citizens, whether rich or poor, boy or girl, regardless of mother tongue, race or creed and whether living in the countryside, suburb, township or informal settlement. The Western Cape will be an empowering place to live through improved opportunities through shared growth and integrated development. All Western Cape residents will enjoy a quality of life characterized by greater levels of equality, improved access to economic and social opportunities, assets and resources and healthy living environments that foster well-being. Wider economic participation will fuel a higher than average rate of growth and the natural resource base - including the vital ecosystems of air, water, land and biodiversity - will be enhanced and supported by iKapa Elihlumayo.

Contextual Overview

iKapa Elihlumayo is a broad based strategy to overcoming these challenges and shift the development trajectory of the Western Cape towards a future of *shared growth and integrated development*.

In light of the regional imperatives of the province, iKapa Elihlumayo carries the following assumptions regarding the future of the Western Cape:

- The developmental role of the state is central to achieving shared growth and integrated development
- PGWC must play an enhanced leadership role if the Western Cape is to realise the iKapa Elihlumayo goals
- A shared growth and integrated development approach recognizes that environmental, social, and institutional factors have a critical impact on the development agenda as drivers of economic growth and as well as vehicles that can be used for growth enhancing action
- Youth hold the key to the future and should form the focus of public sector investment and developmental action

- The unique position of the Western Cape and the Cape Town Functional Regional in the global and national spatial, ecological and economic system must underpin the long-term growth path of the region.
- The growth path of the Western Cape should take into consideration the carrying capacity of its highly sensitive ecological systems.

Regional Imperatives

The Western Cape is on the threshold of hope and shared prosperity. We face a range of complex and interrelated social, economic and environmental challenges which also constitute profound opportunities to seek a fundamental shift in the developmental trajectory of the Province.

Despite its obvious wealth and prosperity the Western Cape is still a place of extreme poverty and hardship for many, as **illustrated in Figure 1** below. The Western Cape has a deeply entrenched legacy of inequity and marginalisation rooted in unequal income and asset distribution as well as a distorted spatial structure. The long history of human settlement in the Province under slavery, colonialism and apartheid is associated with entrenched social divisions and massive racial inequality

Although home to two of the world's ecological hotspots, the Province faces increased biodiversity loss and key environmental resource constraints (water and energy) with increasing vulnerability to the impacts of climate change.

These factors coupled with rapid rates of urbanisation and a workforce (especially blacks and youth) increasingly marginalised within a rapidly globalising economy creates a highly volatile Provincial context of dichotomy and social fragmentation. Accelerated growth in a business as usual scenario will exacerbate high levels of poverty⁸ and crime concentrated in pockets of depravity that exist on the periphery of a small affluent community with high consumption lifestyles.

Over the last decade government activities to provide access to basic services, expand the social grant system and improve labour market prospects have had major impacts on poverty alleviation. However, poverty is not purely an economic condition. Halving poverty by 2014 requires a clear and comprehensive response to the multiple dimensions of poverty in which social and spatial dynamics play a critical role. International research has revealed a correlation between poverty, informal settlement development and the 2nd economy.

Higher HDI – an average indicator - in urban areas often hides pockets of severe urban poverty due to significant high levels of wealth and access to high quality services. Cape Town is seen as an affluent city, yet over 30% of the population lives below the Household Subsistence Level.

⁸ International norms define poverty according to monetary factors - the extent of low income or low expenditure. The poor are those who fall short of an income threshold and/or a certain amount of expenditure for consumption (rather than quality of life)

iKapa Elihlumayo seeks to respond to the multi-dimensional nature of poverty in the Province⁹ as illustrated in Table 3. This condition expands beyond monetary factors and includes a multiplicity of social, spatial, infrastructure etc. factors.

TABLE 3: MULTI-DIMENSION CONDITION OF POVERTY IN THE WESTERN CAPE

Poverty Indicators	Dimension
Security and Peace of mind	<ul style="list-style-type: none"> • Physical and emotional insecurity • Lack of safety net • Lack of resources and opportunities. • Limited access to information, money, food and jobs.
Gender Relations	<ul style="list-style-type: none"> • Unequal opportunities for women within training programs • Discrimination in job opportunities • Domestic violence
Institutions	<ul style="list-style-type: none"> • Lack of integration of communities • Minimum integration of Government at all levels • Lack of synergy amongst various stakeholders • Lack of empowered leadership
Social Relations	<ul style="list-style-type: none"> • Discrimination • Rejection within society • Deprivation within education system • Isolation.
Capabilities	<ul style="list-style-type: none"> • Lack of information, education, skills, human capacity, self-esteem and confidence • Inability to take responsibility
Vulnerability	<ul style="list-style-type: none"> • Risk of health • Under-nutrition • Death • Youth and aged • Dependency ratio on elderly • Substance abuse.
Spatial	<ul style="list-style-type: none"> • Spatial distribution, location and inequality • Lack of access to land • Distance to service delivery and jobs.
Physical	<ul style="list-style-type: none"> • Hunger, exhaustion, under-performance
Income and Assets	<ul style="list-style-type: none"> • Income insecurity • Seasonal inadequacies • Lack of access to resources.

Source: *Poverty Definition and Measurement, Z Ishmail – Jan 05*

⁹ Draft Integrated Poverty Reduction Strategy for the Western Cape, April 2005

A shared growth and integrated development approach will directly address the key characteristics of poverty as it manifests itself in the Province.

The regional imperatives to shift away from 'business as usual' towards a more strategic approach as defined by shared growth and integrated development is clear.

These facts about the uneven distribution of wealth, plus the reality of a steadily increasing poor population in need of economic opportunities, basic infrastructure and social support makes economic growth the biggest priority in the long run. Yet to date, despite 12 years of democracy and sound economic performance, the underlying injustices of the region have been entrenched and poverty has deepened.

Although economic performance in the Western Cape has improved considerably since the late 1990s (**Figures 3 and Table 4** – figure and table still to come), it is not sufficient to meet new social demands, eradicate poverty or adequately address a legacy of inequality and exclusions. To meet the challenges of shared growth and integrated development that face the Western Cape, we need a shared consensus on the parameters of economic growth and the attraction of the Western Cape with its opportunities for its residents and other provinces.

Based on recent economic indicators and a careful assessment of the economic opportunities for the Province, it seems realistic to aim a growth rate above 6% (the national target) over the 2010 – 2014 period.¹⁰

If the Province's population increases at an annual rate of 0,7 per cent to 5,4 million by 2015 as projected in **Table 5** below, this level of growth could significantly negatively impact on current levels of Provincial poverty, both with respect to jobs and with respect to service and infrastructure backlogs further sharpening the gap between the poor and rich.

Regional Specificity of the Western Cape

The Western Cape has commonly been viewed as "another country". Indeed, the Province has particular characteristic that distinguish it from other Provinces e.g. the relative 'invisibility' of the poor, black and coloured communities from the mainstream society and economy except along the N2 from the airport. The Western Cape is the only region with:

- A winter rainfall and two oceans
- Its own plant kingdom
- No known mineral base
- A fundamentally different history of human settlement both before and during apartheid (particularly the absence of Bantustans)
- Linguistic specificities; and unusually high levels of urban settlement.

¹⁰ PERO, 2006

The Western Cape is a largely urban Province. The distinction between urban and rural is not an adequate proxy for wealth and poverty. In part this is because the Province is approximately 90% urbanized - almost everyone lives in a city or town, whether in a rural or urban setting. Moreover, in the Western Cape, unlike many other parts of South Africa, the cities are where the poor live and the rural areas are home to many of the wealthy.

Capital-intensive farming in areas such as the Jonkershoek or the Franschoek valleys has created high land values and a concentration of wealth amongst owners of agri-businesses. Farm workers, who are among the poorest of the Province's population are frequently faced with evictions and subsequently migrate to or are dumped by farmers in urban centres. Even in the Province's most highly impoverished Karoo District, more than half of the population is urbanized making poverty a characteristic of the economically marginalized hinterland rather than of rurality.

More startling than the relative affluence of the rural areas, is the concentration of extreme poverty in the Province's urban centres. **Figure 4 and Table 6**, which maps poverty using a multiple index of deprivation, highlights the South Eastern corridor of the greater Cape Town as an area of informal settlements along the N2 motorway.

Unlike any other Province, nineteen of the fifty most impoverished wards of the Western Cape are concentrated in the Cape Town Functional Region (CTFR). Significantly, outside of the CTFR, poverty is concentrated in the hinterland and in the emerging metro area of George, Knysna, Mossel Bay and Plettenberg Bay, rather than along the coastal strip of small towns. Though large areas are reflected on the map as the areas of highest deprivation, it is important to note that they have the lowest population densities in relation to the concentration of people in the CTFR.

This highlights the critical factors of rapid urbanization (in-migration patterns characterized by the poor from the Eastern and Northern Cape and the wealthy from Gauteng and overseas) and the significance of the CTFR in dealing with issues of poverty and marginalization within the Western Cape (refer to Table 10).

iKapa Elihlumayo Principles

Economic growth is a prerequisite for boosting job creation, better quality human settlement and improved human well-being. However, the quality of growth must foster environmental sustainability and social benefit in the long term. Growth must provide the basis for a more equitable distribution of assets and opportunities; as well as protecting our economy and the environment.

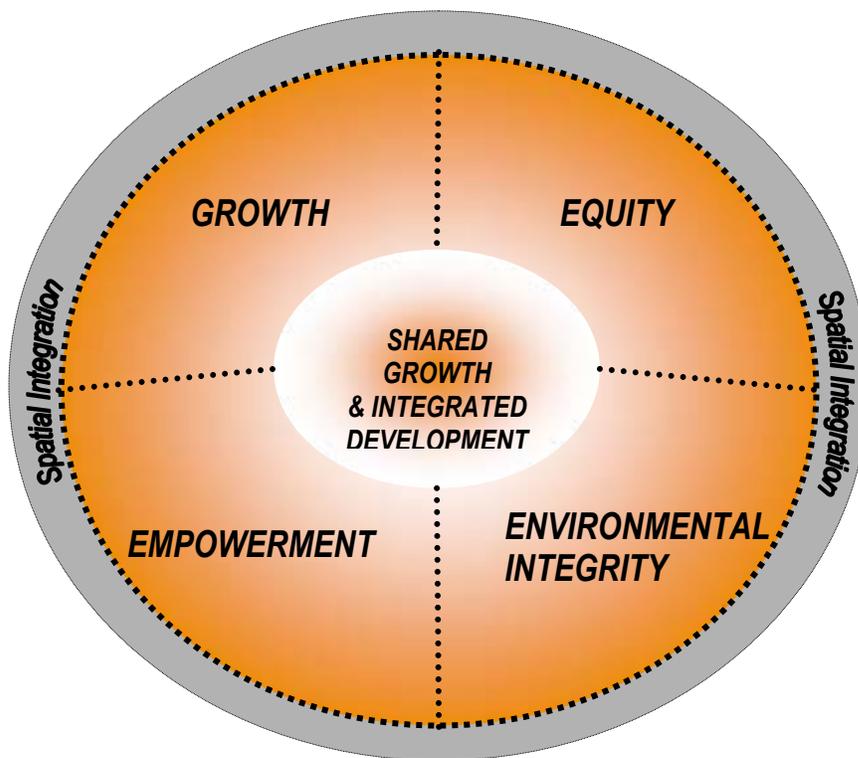
iKapa Elihlumayo identifies the regional imperatives of growth and development and outlines the role Government can play in shifting the development path of the Western Cape between now and 2014 based on four key pillars: Growth, Equity, Empowerment and Environmental Integrity.

The shared growth and integrated development approach sets the Strategy apart from other development strategies in that equity, empowerment and environmental concerns are not just given equal weight to economic imperatives, but they are seen as a necessary part of the economic imperative; as is the nature in which these intersecting principles manifest themselves to ensure spatial integration.

The future regional growth path must take account of the fragile ecological base, the fragmented social and spatial structure as well as widening rates of economic participation into account if it is to be a success in short, medium and long term.

In this context shared growth and integrated development must address poverty reduction, a decline in levels of inequality, environmental integrity and economic growth as four interdependent elements of its development strategy over the medium to long term, as depicted in Figure 5 below.

FIGURE 3: PRINCIPLES OF SHARED GROWTH AND INTEGRATED DEVELOPMENT



Expanding GGP entails growing the regional economy, diversifying the economic base to reduce economic volatility and establish a sustainable growth path over the medium-term.

Equity will be ensured by securing basic Human Rights, ensuring access to a minimum standard of basic and social services, protecting the public good (e.g. safe communities and public space) and enhancing access to economic opportunities and assets.

Empowerment entails redressing historical disadvantage in access to assets, capital, procurement opportunities and employment, supporting formal and informal networks that enable individuals and groups to participate in activities that build social cohesion and strengthen political participation in the electoral system, ward committees, and other participatory fora.

Ensuring environmental integrity requires that the Province develops within carrying capacity of the environment, that the natural resource base is protected through effective policy, pricing and regulation and that the Western Cape mitigates and adapts to environmental risks associated with climate change.

Operationalising these principles of sustainable development within future developmental and investment activity will underpin the realisation of a shared growth and integrated development path - the *golden thread of iKapa Elihlumayo*.

Shared Growth and Integrated Development

iKapa Elihlumayo is positioned within the broader intergovernmental system building on and shaping both vertical and horizontal synergies in planning, budgeting and delivery in a dynamic and fluid interaction.

As such, iKapa Elihlumayo is embedded within National government's stated socio-economic development policy priorities¹¹ and draws together the integrated development plans (IDPs) of all 30 municipalities in the Western Cape.

This strategy also builds on the President's drive to raise South Africa's development prospects by 2014 as set out in the Accelerated and Shared Growth Initiative for South Africa (ASGI-SA). In taking forward the President's call to action, it is argued that the path of accelerated and sustained economic growth in the Western Cape is determined by specific spatial, economic, social and environmental considerations.

Given the regional imperatives, iKapa Elihlumayo is thus not simply about accelerated and shared growth, but is rather about shared growth and integrated development within which the ASGI-SA program is embedded.

Shared Growth

Shared growth is a development strategy that views poverty reduction, the empowerment of historically disadvantaged people and economic growth as being inter-dependent goals over the medium to long term. That is, that the fates of the poor and the wealthy are intertwined; that the only option for sustained economic growth is to widen the participation rates in the economy and to spread the benefits of growth.

¹¹ These are set out in the annual State of the Nation Address (SoN), the Medium Term Strategic Framework (MTSF) and the National Spatial Development Perspective (NSDP).

In light of a growing population and past inequalities, higher levels of economic growth are critical to reducing unemployment and poverty over the medium- to long term. Through higher levels of growth (6 - 8% band) the Western Cape's economy can generate sufficient investment and stimulate the levels of economic activity that are conducive to generate the necessary levels of job creation.

Accelerated growth is not the ultimate aim - it is the means to the end - creating a better life for all.

Experience in South Africa, and more specifically the Western Cape has demonstrated that growth alone will not bring benefits to the wider community. Our first decade of democracy reveals that the wealthy are able to capture economic rents, while poorer communities have few resources or capabilities to respond to social, spatial and economic changes. There is a high correlation between the percentage increase in growth and higher levels of inequity.

Yet economic growth also has the ability to make a significant contribution to reducing poverty and improving people's livelihoods and future opportunities. High levels of inequity reinforce the negative impact of accelerated growth on poverty reduction. In turn, boosting the long-term growth potential of an economy depends on a more equitable distribution of income, capabilities and geographic location of communities and economic activity that enable the benefits of growth to be shared.

When poor people have access to tangible assets, such as land, housing, water, energy, sanitation, transport, credit, or intangible assets, such as education and health, they hold the means to participate in economic activity and therefore are better placed to benefit from economic growth.

A shared growth strategy is therefore simultaneously pro-growth and pro-poor.

The quality of growth is also affected by environmental sustainability concerns. High levels of growth may have a short-term impact on reducing poverty. But if headed on a path that is environmentally unsustainable, medium- to long-term costs are likely to erode any short-term gains.

Environmental sustainability is critically important for the Western Cape. The Province is a bio-diverse economy that depends on agriculture, agro-processing and eco-tourism, and faces considerable risk from unrestrained urban sprawl and global climate change, particularly in respect of water and energy use, and biodiversity protection. Spatial patterns of development associated with over consumption and social exclusion have driven a pattern of unsustainable development. Embarking on a path of spatially responsive sustainable development is not a platitude, it is an

imperative. We use the term integrated development to denote the resource, economic viability and geographical dimensions of ecological and social sustainability.

Integrated Development

Integrated development therefore acknowledges that the Province's economic growth trajectory will have to take place within the carrying capacity of the resource base and create new sustainable human settlements through spatially appropriate interventions. The argument in *iKapa Elihlumayo* is that the form and rate of growth will need to be framed by resource availability, especially of water, energy and biodiversity.

The shared growth and integrated development approach prescribes inherently to the triple-bottom line approach to sustainable development with the imperatives of empowerment and spatial integration.

iKapa Elihlumayo Strategic Goals

As iKapa Elihlumayo provides the overarching regional development framework for the Western Cape, its vision and mission must have tangible outcomes that inform public policy resource prioritisation at the provincial and local levels.

Eight strategic goals have been identified to guide activities and interventions towards the shared growth and integrated development trajectory that is necessary to achieve the iKapa Elihlumayo vision. These are:

- **Broadening economic participation**
- **Investing in efficient 'connectivity infrastructures'**
- **Planning, building and managing effective public and non motorised transport**
- **Creating liveable communities**
- **Fostering resilient and creative communities**
- **Ensuring greater spatial integration**
- **Nurturing a culture of tolerance and mutual respect**
- **Creating and protecting effective governance institutions**

The strategic goals reflect priority government strategic levers to establish shared growth path and reinforce the iKapa Base Strategies. They should inform budget and capacity building priorities whilst also improving the general government performance and capability. The Department of the Premier is leading initiatives which require National and SoEs leverage as well as interdepartmental action.

Infrastructure Investment Focus

How government invests in infrastructure lays the foundation for the location, form and type of economic development. It is therefore a critical issue in defining the type as well as scale of growth.

iKapa Elihlumayo gives specific attention to infrastructure interventions for a number of multiplier benefits:

- ASGI-SA infrastructure-led growth priority
- Scope for empowerment
- Relatively high capital cost with impact on borrowing and thus macro economic stability
- Impact on the environment and spatial development trajectory
- Knock on ramifications for the intergovernmental system.

Transport consistently emerges as the path-breaking action required to fundamentally shift the Western Cape space-economy towards a shared growth and integrated development trajectory, as illustrated in Table 6 below: Although this is a sector that needs a massive injection of finance and effort, considerable ground work has already undertaken and the Western Cape is 'ready to start the engine'.

iKapa Elihlumayo Interventions

This Strategy is a plan for action for all actors involved in the Western Cape economy and concerned with its success. It sets out the directions in which PGWC will seek to work with others in the public, private and community sectors until 2014.

Its underlying principle is that progress in improving social equity and inclusiveness for all Western Cape citizens, in tackling problems of social and economic exclusion, environmental degradation and making the Province an ideal place to live, work, play, study and visit are vital to the sustainable success of the Province.

As has been argued above, accelerated economic growth is not entirely sufficient to deliver these benefits by itself, but realising them will be impossible without it. Sustainable growth and development is conversely impossible, without addressing these regional imperatives. The need for shared growth and integrated development makes these linkages and hence iKapa Elihlumayo relevant.

This Strategy therefore seeks to define a long-term growth and development path which:

- Protects sensitive environmental assets and enhances environmental quality
- Minimises negative resource impacts and adapts to climate change
- Accelerates economic growth
- Enhances regional competitiveness
- Eradicates poverty and enhances general quality of life
- Expands economic participation and empowerment rates
- Ensures spatial integration and enhanced urban performance
- Improves social cohesion and good governance
- Is responsive to local specificity requirements

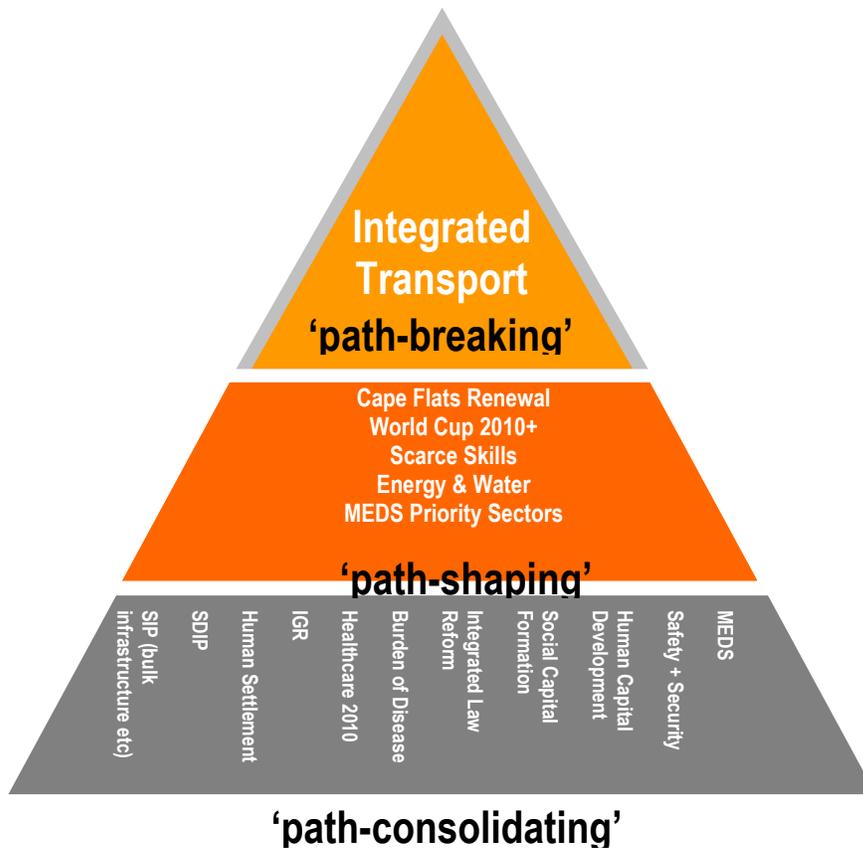
- Overcomes institutional, financial and human resource constraints through innovation and partnership
- Ensures a move away from the single motor car urban design concept to a public transport approach and urban layout

The contextual overview shapes iKapa Elihlumayo’s response – action towards a development trajectory of shared growth and integrated development. This further translates into the ways in which we should achieve the vision through operationalising the four core principles and realising the identified eight strategic goals.

In light of resource constraints and the limited powers of the provincial government and its partners, a clear view of when intervention is sensible and effective, and the form it should take are articulated.

A range of lead interventions have been identified to ensure that we achieve our shared growth and integrated development objective (Figure 6).

FIGURE 4: IKAPA ELIHLUMAYO LEAD INTERVENTIONS



PART ONE: DEVELOPMENT PERSPECTIVE

1. Situational Analysis

This section presents an assessment of the regional trends impacting on shared growth and integrated development. These trends suggest that the manifestation of social, spatial, environmental and institutional issues will influence and even predetermine shared growth and integrated development outcomes.

The following regional imperatives and trends impact on shared growth and integrated development. Implicit in the analysis and response is that issues of spatial development, equity, empowerment and environmental integrity are as fundamental to the development trajectory as economic drivers of growth in the Western Cape.

1.1 Western Cape Space – Economy

Space is the common platform against which investment decision can be made. It is also the landscape on which the qualitative impacts of investment decisions and economic performance are experienced at a human dimension.

The apartheid legacy of deliberately planned and implemented inequitable social and economic development in the Western Cape has been further entrenched by contemporary market driven trends of spatial marginalisation from economic opportunity. Until 2005 patterns of human settlement formation and spatial planning practice have consistently failed to locate people (the poor and low income communities) in proximity to economic opportunity.

A fundamental aim of iKapa Elihlumayo is to prevent market perpetuation of the apartheid space-economy and guide investment choices and public developmental spend in a manner that:

- Reconfigures spatial relations and implements spatial priorities to enhance regional performance
- Realises maximised socio-economic returns and builds social cohesion to enhance the human condition
- Ensures delivery of Constitutional imperatives to providing basic services to all and alleviating poverty and inequality which is spatially manifest in concentrated pockets of social exclusion and inequality
- Ensures environmental integrity

Alleviating inefficient and inequitable spatial structure will not only reduce the costs of doing business but also lift the burden on the poor (e.g. cost of long distance commuting).

This necessitates underpinning accelerated growth and development with greater equity, ownership and empowerment in relation to the economy and social assets, opportunities and services. Ultimately a shared growth and integrated development trajectory would positively impact the quality of life of the most marginalised, poor and vulnerable citizens of the Western Cape - the black and coloured communities, women and youth.

An analysis of the Provincial spatial structure, combined with an understanding of economic, social and environmental trends provides a common understanding of the Provincial space-economy and in particular:

- The relationship between development trends, poverty and inequity and how these are reinforced over space and time
- The identification of investment priorities, areas and localities with high growth potential

Table 4 reveals a snapshot of current Western Cape economic, demographic/social, settlement and environmental trends:

TABLE 4: KEY WESTERN CAPE GROWTH AND DEVELOPMENT TRENDS¹²

Economic	<ul style="list-style-type: none"> • Western Cape has 2nd highest per capita contribution to national GVA – accounting for 16% of GDP of which 12% is from City of Cape Town in 2004 • Total GVA (2004) approximately R212.4 billion in 2004 • Highest generators of Provincial GVA: City of Cape Town Metro and George/Mossel Bay • In 2004, three of 20 top municipalities contributing to national GVA were located in the Western Cape: City of Cape Town (rated 2nd highest contributor to at 11.23%), Cape Winelands District (rated 11th at 1.89%) and Eden District (rated 20th at 1.13%). • In 2004: 40.7%, 28.7% and 18.6% of Provincial GVA was generated in services & retail, labour-intensive mass produced goods and Public Service and Administration (PSA) respectively.
Population	<ul style="list-style-type: none"> • High population concentrations in the port City of Cape Town. • Coastal towns and cities generally experience a net gain in people while inland rural areas experience a loss • Out-migration in the Karoo (3.1%) and Central Karoo (0.12%) rated 27th and 34th respectively out of 34 municipalities experiencing the highest out-migration of population between 2001–2006 in the country • Immigration patterns from E Cape to S Cape, City of Cape Town and Cape Winelands • Major movement of people from Johannesburg Metro to City of Cape Town 21 364 people (2001 – 2006) • The rate of economically active population is relatively high in Western Cape with 7.8% of EAP informally employed, 23.6% unemployed and 66.5% formally employed in 2004 • All Western Cape district and metro municipalities experienced a net in-migration of people with focused migration towards either the strong metro area or secondary Southern Cape node (2001-2006). • Except for town-wards shifts most localities outside of metro areas experienced net decline in population due to out-migration, declining fertility and increasing HIV/AIDS.

¹² Draft NSDP, June 2006 (PCAS)

	<ul style="list-style-type: none"> Youth dominated population: 62.9% of population under 39 years: 35.6% (20–39 years), 27.3% (0-14 years) and 22.5% (40–65 years)
Poverty	<ul style="list-style-type: none"> Western Cape had 1 051 516 people under the MLL - 4.46% of national population under MLL in 2004 Multi-dimensional character of poverty in Western Cape: ill health, impact of migration, material well-being, informal housing, access to basic infrastructure and social services, illiteracy and social exclusion
Education	<ul style="list-style-type: none"> Relatively high levels of education in matric and higher categories High levels of school enrolment drop-off rates between Grade 8 and Matric Changing employment figures and trends in work opportunities mean declining employment opportunities in service related categories. Trend and demand for innovation and highly flexible and skilled labour market highlights skills development challenge for Province.
Human Settlements	<ul style="list-style-type: none"> Increasing social housing backlog e.g. 260 000 backlog in CoCT increasing at 10000 households per annum Diversified housing supply demand: social housing (up to R3500), low-income housing and affordable/gap market (R3500 – R7000) Diversified housing tenure requirements: rental, ownership, rent-to-buy, share-ownership etc. Need for rapid land reform: land restitution and urban restructuring to meet empowerment targets
Environment	<ul style="list-style-type: none"> 90% of river ecosystems critically endangered or endangered Significant critically endangered areas of biodiversity Climate change increases environmental disasters (fires and floods) Warmer, drier climate with increased demand and competition on scarce water resources

Strengths

- Overwhelming urban character of Province with increasing population and economic concentrations in Cape Town Functional Region
- Rapid urbanisation and human settlement formation
- Areas of growth potential of CoCT/CTFR, emerging secondary urban system around George, Knysna and Plettenberg Bay
- Highly diversified urbanising population
- Coastal economy characterised by dominant port City of Cape Town
- Emerging industrial coastal nodes at ports of Saldhana and Mossel Bay
- Specific areas of high inter-provincial growth potential: regional motor regions, development corridors and transport corridors
- Geographic spread of well-resourced 'Leader' towns: exceptionally high growth potential, relatively high levels of human need and critical supportive role to develop of surrounding towns and settlements

- High-quality, internationally recognised environmental quality and landmarks – South Africa’s premier tourist and retirement destinations (especially along southern and west coast)

The Western Cape is a complex and interdependent patchwork of rural and urban ‘Leader’ towns, motor regions and development/transport corridors dominated by the City of Cape Town Metro and its surrounding municipalities (Cape Town Functional Region) including the towns of Paarl, Stellenbosch and Wellington. Each has its own characteristics and needs, yet plays a unique role in the Provincial. While the direct effects of the trends described in Chapter 1 are seen most dramatically in the CoCT, their wider implications and indirect impacts affect the entire Province in different ways. It is essential to understand these linkages and their spatial impact across the whole Province so that appropriate policies can be designed and implemented for different areas and types of spatial agglomerations in the Western Cape.

The Provincial space-economy is characterised by four significant spatial components which are key areas of economic and growth opportunity (see Table 5):

- Regional motors
- Regional development corridors
- Regional transport corridors
- ‘Leader’ towns

TABLE 5: AREAS OF ECONOMIC OPPORTUNITY

Area	Characteristics
Metropolitan Area City of Cape Town	<ul style="list-style-type: none"> • Highest locality of growth potential and human need (poverty, unemployment, crime, ill-health and housing) and rapid in-migration rates – highly diversified communities • Port city and top rated international tourist destination with linkages to Boland part of Winelands district (Paarl, Wellington and Stellenbosch) • High resource constraints (water, electricity, sanitation and waste disposal) and declining roads and rail infrastructure (incl. passenger services)
Regional Motors Saldhana-Vredenburg	<ul style="list-style-type: none"> • Emerging industrial port of Saldhana-Vredenburg services key sectors: oil & gas, iron-ore exporting and steel processing. • High industrial development potential contrasted by proximity of highly sensitive and internationally renowned lagoon/wetlands system
Southern Cape	<ul style="list-style-type: none"> • Consists of Mossel Bay, George, Knysna and Plettenberg Bay • Diversified economy (industrial, tourism and construction sectors)

		with seasonal vulnerability
		<ul style="list-style-type: none"> Highly sensitive lakes and mountains ecosystems
Regional Development Corridors¹³		
Breede River Valley		<ul style="list-style-type: none"> Linking City of Cape Town to Southern Cape Potential for public road-rail services to address commuter congestion emerging on N2 between Mossel Bay and Knysna Possibility for urban development
		<ul style="list-style-type: none"> Linking industrial areas between City of Cape Town to Saldhana-Vredenburg esp. Atlantis [towns not part of Breede Valley-DEADP]
Oliphants River Valley		<ul style="list-style-type: none"> N7 rail and road links to Northern parts of Province (Clanwillian, Citrusdal and Vredendal). Accelerated growth potential: increased agricultural potential along Oliphants River as well as tourism Possibility for urban development
Regional Transport Corridors		
		<ul style="list-style-type: none"> N1 road-rail link (freight and passenger) to Gauteng N2/R316 connecting agricultural and ecologically significant Aghulas Plain (tourism potential)

The Provincial Growth Potential of Towns Study¹⁴ and the PSDF present a rationale for focusing fixed infrastructure investment in 'Leader towns'¹⁵ and towns with high growth potential and high need to ensure highest leverage of expenditure and greatest possible social benefit as demonstrated in Table 9:

TABLE 6: SETTLEMENT INVESTMENT PRIORITIES

Town Investment	Social Investment	Social & Town Investment	Leader Towns	Minimal Investment
High Dev Potential / Low Need	Low Need / High Dev Potential	High Dev Potential / High Need	Highest Growth Potential	Low Dev Potential / Low Need
Betty's Bay	Bitterfontein	Cape Town	Cape Town	Aghulas/Struisbaai

¹³ High intra-provincial development potential

¹⁴ Growth Potential of Towns Study, 2005

¹⁵ Defined as well resourced towns with exceptionally high growth potential and relatively high levels of human need with critical role to support and develop surrounding towns and settlements in their regions. W Cape PSDF, Dec 2005

Bredasdorp	Botrivier	Ashton	Vredendal	Albertinia
Brenton-on-Sea	Calitzdorp	Beaufort West*	Vredenburg/	Arniston
Caledon	Clanwilliam	Ceres	Saldanha	Aurora
Franskraal	De Doorns	Elim	Malmesbury	Barrydale
Groot Brakrivier	De Rust	Franschoek	Worcester	Bonnievale
Hawston	Doringbaai	Gansbaai	Wellington	Buffelsbaai
Herold's Bay	Dysselsdorp	George*	Stellenbosch	Citrusdal
Jacobsbaai	Eendekuil	Grabouw	Hermanus	Darling
Jamestown	Elandsbaai	Hermanus*	Swellendam	Dwarskersbos
Keurboomsrivier	Friemersheim	Kalbaskraa	Mosselbay	Ebenhaeser
Kylemore	Genadendal	Klapmuts	Beaufort West	Gouritsmond
Langebaan	Goedverwacht	Knysna*	George	Greyton
Malmesburg	Gouda	Oudtshoorn*	Hermanus	Hopefield
Moorreesburg	Graafwater	Paarl*	Knysna	Jongensfontein
		Plettenberg Bay	Oudtshoorn	
			Paarl	

Social development programmes e.g. health, education and skills development and entrepreneurial development will be provided in all settlements according to need.

The Province's development strategy must reflect and capitalise on its largely urban character of settlement while making sure that natural and rural areas are protected and effectively integrated into the larger Provincial spatial economy

Cape Town Functional Region (CTFR) ¹⁶

The CTFR is the key driver of the Provincial economy and as a key Provincial economic asset is a hub in a bigger system, in which smaller settlements share an interdependent future.

The CTFR is of critical significance in both the Provincial and national space-economy as demonstrated in the socio-economic indicators below¹⁷:

- 4 out of all 5 Western Cape residents live in the CTFR and 2 out of 3 live in Cape Town
- CTFR is dominated by the CoCT - the third most populous metro municipality in the country constituting 6.45% of the national population in 2004
- The CoCT is the metro municipality which has experienced the highest level of population growth in the country: 7.9% between 1996 – 2004
- Wynberg and Mitchells Plain (including Khayelitsha) in CoCT is two of six national magisterial districts with the highest population concentrations and settlement densities¹⁸ as well as the sharpest rise in settlement density in the last decade (1994 -2004) in the country

¹⁶ City of Cape Town, Cape Winelands and Overberg

¹⁷ Source: draft NSDP, June 2006 (PCAS)

¹⁸ Over 2000 people per square km

- The CoCT Metro Municipality has the 8th highest percentage of people living under MLL in country (3.05% of national population and 34.37% cumulative provincial population) and the highest unemployment rates in the Province

The critical challenge for the CTFR, however, is to capitalise on the global trend in which the most rapidly growing localities are coastal based metropolises.

An economically strong and growing CTFR (6 – 8%) has many advantages and can create positive effects for the whole Province, including bigger markets for producers; better infrastructure, education and specialised health care; technology transfers and an international profile. Development failure in the CTFR will mean failure for the region as a whole.

The South Coast

A strong secondary metro areas emerging around George and Knysna that links to a strip of small towns along the southern coast. The previous character of a holiday strip with seasonal occupants has transformed into the second most important economic hub of the Provincial economy.

The urban node that is developing around George/Knysna and Plettenberg Bay is directly linked to the tourist strip of high value development that stretches along the Southern Coast (George, Knysna and Plettenberg Bay). As South Africa's premier retirement and tourist destinations, the coastal belt has a very productive service sector and is experiencing a major construction boom.

The sub-region faces enormous pressures – especially from uncontrolled development and unsustainable residential expansion. Water and rising inequality present the most pressing challenges in the face of rapid population expansion.

The Hinterland

The geographically large hinterland is characterised by a number of functional areas with low population living in small towns and rural areas. It comprises economically declining settlements in the interior subject to a process of de-urbanisation. Many of these are dry settlements in ecologically fragile parts of the Karoo.

Environmental protection and sustainable agriculture and eco tourism are more readily achieved without large-scale infrastructural investments, but there is an imperative to securing adequate investment in the people who live there.

Cape Town and the CTFR are the clear priority for economic investment together with development opportunities in the Saldhana-Vredenburg and Southern Cape regional motors and the development and transport corridors that link them. Many of the constraints to shared growth and

integrated development, notably the lack of water and sanitation, pollution and the need for an integrated public transport system, extend into neighbouring municipal jurisdictions.

1.2 Western Cape Investment Priorities

The NSDP stresses the importance of understanding the investment implications of the changing patterns of urbanisation, making sure people are not offered false incentives (e.g. housing) to remain in declining areas with no economic potential. From the standpoint of the NSDP, Government must ensure that people are equipped to take up new opportunities and see to it that there is adequate investment in areas of economic expansion. This Strategy identifies areas with high growth potential helps direct investment. iKapa Elihlumayo takes this one step further, arguing that spatial, social, ecological and economic factors must be brought to bear in deciding what sustainable investments in human settlements are.

Urbanisation and human settlement formation are all crucial factors in determining the quality and performance of economic development. People with diverse backgrounds tend to follow economic opportunities. However, with an absence of appropriate governance frameworks to manage rapid urbanisation and economic integration especially for the low-income and low-skilled, new-comers are most likely to end up in informal settlement trapped in poor quality poverty pockets. This trend reinforces the spatial legacy of Group Areas and Influx Control rather than facilitating economic expansion through diversification.

Because of the overwhelmingly urban character of the Western Cape the Province's development strategy must address challenges to sustainable human settlements directly. In practice this means:

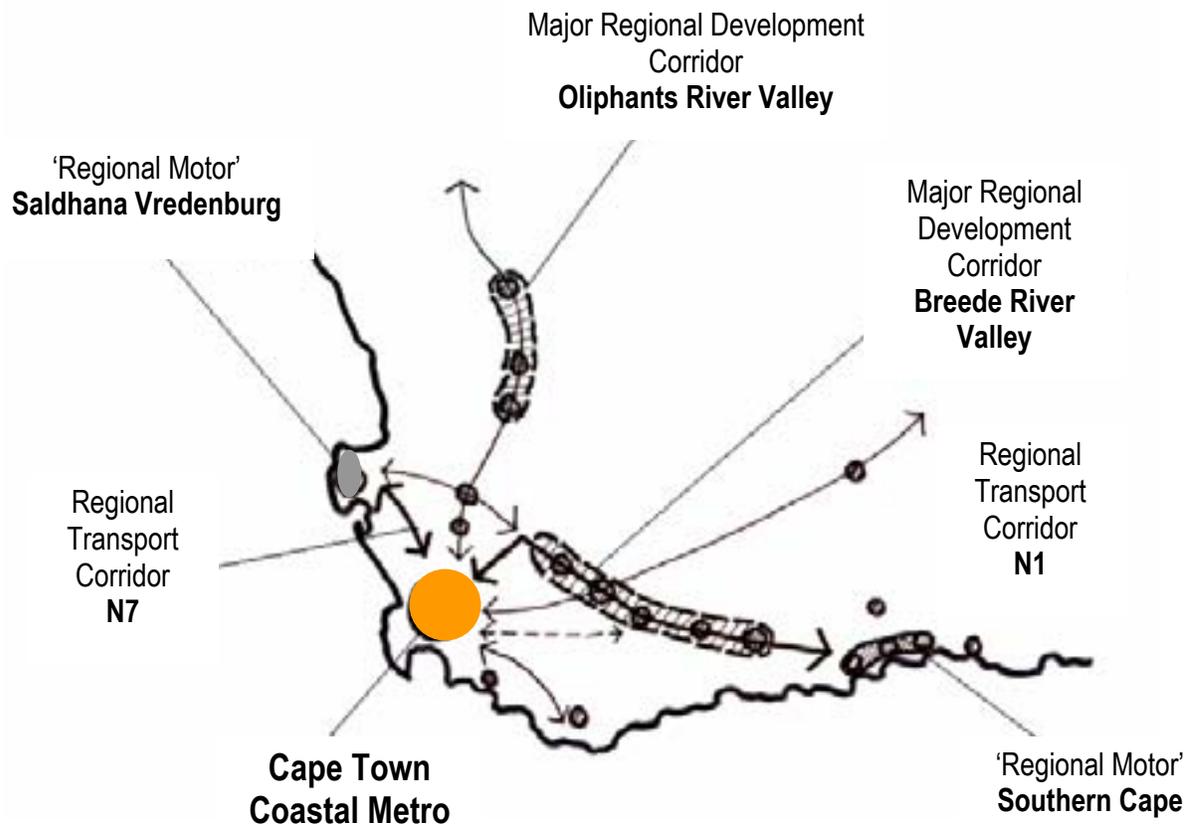
- Acknowledging the ecological and climate imperatives informing the location, form and design of existing and future development
- Addressing the imperatives of public transport and bulk infrastructure (roads, services and utilities) to underpin sustainable settlement performance
- Tackling the history of spatially determined racial segregation and vulnerability of particular groups within settlements through urban restructuring and spatial integration
- Expanding settlement choices to accommodate a diverse range of housing and a multiplicity of land uses and income groups (from hard core poor in 'site and service' to gap housing for the emerging middle class)
- Addressing marginalisation from economic opportunities and assets as well as public goods and services such as parks, quality social services, public spaces etc.
- Improving quality of life and environmental quality for residents and visitors

There is an urgent need to tackle major problems of urbanisation and human settlement – especially in light of their relationship to deprivation and social exclusion. The PSDF identifies a set of growth areas which holds opportunities for prioritised economic intervention to address these problems and contribute to meeting the Western Cape’s need for sustainable and integrated human settlements. To achieve the full growth potential of these areas, linkages between the spheres of government and SOEs is vital to ensure a coordinated approach to sustainable and integrated human settlement formation.

Across the Province it means responding to the growth opportunities in the CTFR, facilitating the emergence of a strong integrated secondary urban system around George, Knysna and Plettenberg Bay, controlling the strip development along the southern and west coasts and managing depopulation of the hinterland.

This system of regional economic and demographic flows was first identified in the PSDF and forms the spatial guide of iKapa Elihlumayo action and investment referred to in Figure 6 below.

FIGURE 5: PRIORITISED AREAS OF ECONOMIC INTERVENTION



iKapa Elihlumayo does not advocate prioritising metropolitan development at the expense of the hinterland or the City at the expense of the Districts. The strategy promotes focusing infrastructure investment and developmental spend to areas of growth potential which span the length and breadth of the Province. Government must still support and guide investment activity to improve and/or maintain the quality of life in areas of low/limited economic potential through basic service provision and human capital development while enhancing the places that make the biggest contribution to tax incomes, job creation and poverty alleviation.

TABLE 7: ANALYSIS OF SPATIAL IMPERATIVES AND TRENDS

Factor	Challenges	Threats	Opportunities
Structure of regional space-economy	<ul style="list-style-type: none"> • Achieving 8% growth rate in Cape Town regional motor in medium-long term • Enhancing output of emerging regional motors: Saldhana-Vredenburg and Southern Cape • Declining rural hinterland • Integrated corridor development • Integrated road-rail transport corridors • Settlement investment in Leader towns • Bulk infrastructure bottle-necks • Spatial exclusion of poor/low-income communities from active participation in the labour market through inadequate public services and infrastructure (compounds disadvantage). • Sustainable development, with due cognisance of the ecology 	<ul style="list-style-type: none"> • Limited bulk infrastructure capacity at local level to support future growth (roads, water supply, sanitation and energy) • Poor underlying Provincial integrated roads and rail infrastructure • Affordability: high-cost base impedes employment growth and long-term competitiveness 	<ul style="list-style-type: none"> • Enhance economic and spatial performance of regional motors, development/transport corridors and leader towns through targeted infrastructure investment, urban restructuring and targeted socio-economic interventions • Regional integrated transport solution • Enhanced locally specific competitiveness through District Growth & Development strategies (GDS), IDPs and Local Economic Development (LED) strategies
Coastal economy	<ul style="list-style-type: none"> • Capitalise on the global trend CoCT of economic and population concentration in coastal metropolises (CoCT) • Infrastructure requirements for CoCT port efficiency and competitiveness • Effective and efficient connectivity infrastructure 	<ul style="list-style-type: none"> • Limited CoCT port expansion ability 	<ul style="list-style-type: none"> • Potential of 'gateway' into West African Trade Corridor (Cape Town and Saldhana ports) • MEDS Oil & Gas sector implementation

Apartheid urban landscape

<p>between industrial coastal nodes (Saldhana and Mossel Bay) to airport and CTFR</p> <ul style="list-style-type: none"> • Environmental degradation and socio-economic exclusion in South and West Coast tourist and retirement destinations 		<ul style="list-style-type: none"> • Destination marketing and TDIF implementation in South and West coast • Capitalise on areas of high environmental quality to stimulate SMME development, BBBEE and 2nd Economy
<ul style="list-style-type: none"> • Rapid urbanisation and growth • Housing backlogs are clustered in the CTFR with over 90% housing demand concentrated there (CoCT 72%, Cape Winelands, 13%, Overberg 5%) of which majority of poor are concentrated in urban informal settlements. • Juxtaposition of deprivation and wealth • Inadequate housing supply - mismatched between subsidised housing delivery capacity and housing backlogs • Inadequate institutional mechanisms and delivery models to deliver required range of housing supply • Diversified housing demand e.g. gap/affordable and low-income • Market failure in gap/affordable housing provision • Limited site identification within or in proximity to town/city centres of high growth potential 	<ul style="list-style-type: none"> • High rates of illegal settlement formation • Unbalanced social housing delivery - focus on informal settlements rather than diverse needs reinforces social conflict • Inflated property market – property prices escalated to unaffordable levels makes land reform commercially unviable and limits access to first time home owners. • inadequate bulk infrastructure delivery or capacity (roads and utilities) • Low density settlement development (juxtaposed golf estates and social housing) 	<ul style="list-style-type: none"> • Urbanisation of diverse communities and related renewal opportunities • Urban restructuring and spatial integration • Developing Provincial urban and rural development management frameworks • Identification of cross-subsidisation mechanisms e.g. development conditionality • Linking areas of disadvantage with developments in areas of opportunity • Stimulate innovative market-driven housing supply processes e.g. buy-to-let market

- Limited affordable housing opportunities within or in proximity to city/town centres
- Poor environmental quality in low income settlements (environmental unsustainable and crime)
- Sub-optimal housing delivery rate
- Urban sprawl encroaching on ecologically sensitive/agricultural areas
- low density settlement development on urban periphery

- Gated communities

- Informal settlement upgrade
- Cater for gap/affordable housing, backyarders, key worker etc. markets
- Enhance local government capacity to spend housing budget
- Innovative, collaborative delivery models and institutional mechanisms for rapid housing delivery
- Enforcement of urban edge
- Mixed-use, mixed-income and mixed-tenure development
- 'Recycling' underutilised state land and buildings
- Inner city/town centre intensification
- Address sustainable and integrated human settlement formation in IDPs and SDFs
- Densification and link to public transport
- Recycling construction and building materials

1.3 Environmental Imperatives and Trends

iKapa Elihlumayo places a particular emphasis on the importance of sustainable resource use. With the economic base of the Western Cape lying in tourism, agriculture and coast-based economic activities, constraints on the natural resource base will define future economic growth paths.

Combining a sensitive ecological system and a heavily resource based economy is a challenge in terms of sustainable development. Protecting, growing and managing the ecological system therefore have to be integrated into any future vision of growth and development.

The Provincial Spatial Development Framework (PSDF) and the forthcoming Integrated Law Reform process provide the guiding principles, legal parameters and environmental management tools that will frame environmental questions raised by or following from the implementation of *iKapa Elihlumayo*.

National legislation, including the National Environmental Management Act (No. 107 of 1998) and national targets set by the 2002 Johannesburg Plan of Action are important reminders of the importance attached to these trends nationally and globally. The Western Cape's State of the Environment Report for 2005 includes a list of relevant national and international obligations that influence the shared growth and integrated development path of *iKapa Elihlumayo*.

The following critical environmental challenges have an immediate bearing on the growth and development prospects of the Province. Consideration of these dynamics would shape a comprehensive response to the environmental integrity imperative in pursuing a shared growth and integrated development trajectory:

Climate Change¹⁹

The Province's climate is predicted to become hotter and more variable with increased extreme events (fire, flooding, drought and heat waves), water scarcity, reduced biodiversity and greater seasonal variability.

¹⁹ PSDF, 2005 – Section 4.1.2 and Climate Change Report, 2005

Energy²⁰

Access to energy sources such as electricity is critical for increasing economic productivity (growth) and improving livelihoods. The energy sector is therefore regarded as one of the major sectors through which equitable economic growth and sustainable development can be achieved.

Water²¹

Water scarcity has an immediate impact on human settlements and restricts economic growth, especially in water intensive industries such as agriculture. Bulk water supply is at full capacity with no further options for dam construction on already depleted and endangered river catchments, as depicted in Figure 7 below.

Waste and Pollution²²

Waste production, waste disposal and exposure to hazardous waste are intractable problems whose severity increases with the affluence of a society. The Western Cape is confronted by waste and pollution challenges driven by population growth, higher living standards, increased waste generation and the need to redress environmentally unsound waste management practices, shown in Figure 8 below.

Biodiversity and Ecological Hot Spots²³

Biodiversity transcends the ecological aspects of sustainability. It embraces the richness in species as well as the wealth in endemic plants and animals. Protecting the natural resource base is essential to any economic and socially sustainable system, even when the full economic value of natural resources has not yet been calculated. Biodiversity protection and the protection of ecological hot spots are internationally recognised imperatives governed by specific international agreements.

Land-cover change associated with agricultural expansion and urbanisation are the most significant drivers of decline in ecosystem health, shown in Figure 9 below. Almost 500 sq km of virgin land was approved for cultivation in the Western Cape over the period 1989 to 2003, nearly 80 per cent on the West Coast. Over the last two decades the land cover of Cape Town has increased 40 per cent.

²⁰ PSDF, 2005 – Section 4.2.7

²¹ PSDF, 2005 – Section 4.1.3 and Sections 4.2.4

²² PSDF, 2005 – Section 4.2.6, Provincial State of the Environment Report, 2006

²³ PSDF, 2005 – Section 4.1.5, Climate Change Report, 2005 and State of the Environment Report, 2006

TABLE 8: ANALYSIS OF ENVIRONMENTAL IMPERATIVES AND TRENDS

Factor	Challenges	Threats	Opportunities
Climate Change	<ul style="list-style-type: none"> • Climate sensitive province • Significant agriculture sector (rural livelihoods) • Current spatial structure requires reliance on road-based vehicular transport - one of the main sources of greenhouse gases is vehicular transport • Poor resource management, regulatory and compliance mechanisms in relation to greenhouse emissions 	<ul style="list-style-type: none"> • Vulnerability of coastal, resource-based and rural livelihoods • Increased human vulnerability (especially the poor) to extreme events and lack of adaptation to the shifting climate regime. • Change in average temperatures and rainfall are likely to change agricultural conditions and the crop species that can be commercially farmed in the Province. 	<ul style="list-style-type: none"> • Innovative adaptation and mitigation measures • Urban water resource management • Emissions reduction focus for planning and regulation of human settlements** • Improved public transportation and building codes • Green building technology** • Environment Economy**
Energy	<ul style="list-style-type: none"> • W Cape is one of the fastest growing markets and consumes 10,6% of electricity production in South Africa. • W Cape currently dependent on externally generated energy • W Cape a 'long haul destination' for tourism, imports and exports – susceptibility of Provincial economy to oil price fluctuations. 	<ul style="list-style-type: none"> • Fluctuating oil prices (peak oil) • Carrying capacity of existing infrastructure • Affordability (high oil and gas prices) 	<ul style="list-style-type: none"> • Developing alternative clean and safe energy generating capacity • Mainstreaming renewable energy: solar, wind generation and natural gas • Energy efficient building technology

Water

<ul style="list-style-type: none"> • Oil and private vehicle-dependent settlements • Inadequate and poor quality public transport infrastructure and inappropriate residential service installations exacerbate energy vulnerability. • Access to basic and affordable energy for the poor hinges on the roll out of indigent policies in each municipal area. 		<ul style="list-style-type: none"> • Environment Economy • Green Building Technology
<ul style="list-style-type: none"> • Dry Province with 350mm rainfall per annum below national average (500mm)²⁴ • Winter rainfall patterns vs. highest demand during low capacity season (summer). • Urban expansion and rising demand, (esp. tourism-based economies and residential) • Intensive agricultural sector likely to exceed demand given current expansion patterns • Ageing infrastructure and expensive winter rainfall storage infrastructure • Access to affordable water and sanitation (key instruments of poverty reduction) • Bulk water supply at full capacity • No further options for dam construction on already depleted and endangered river catchments • Encroachment of urban development into 	<ul style="list-style-type: none"> • Restricted economic growth in water intensive industries such as agriculture • Restricted scope for human settlement development • Low-income and low density residential development on urban periphery places riparian buffer zones at risk • Lack of access to affordable water and sanitation undermines improvements in health, especially in HIV and AIDS impacted households. 	<ul style="list-style-type: none"> • Improved asset management • Bold new interventions in the form and location of settlement expansion • Alternative technology in water and de-salination purification • Co-ordinated and integrated planning of regional motors expansion e.g. CTFR and the coastal strip of the Southern Cape • Responsive land use policies and building regulations • Poor management of water catchments has resulted from a lack of cooperation between various government departments and a lack of

²⁴ DWAF, 2004

Waste and Pollution

<p>floodplains and wetlands - destruction and pollution of river ecosystems</p> <ul style="list-style-type: none">• Lack of co-ordinated planning for the northward expansion of the CTFR and the coastal strip of the Southern Cape has led to inadequate capacity for the provision of water supply and sanitation services.• Poor land use policies has resulted result in an increase in impervious (hard) surfaces with knock on effects in the form of pollution and groundwater scarcity.• Poor cooperation and integrated planning (intra and inter) results in poor management of water catchments.		<p>integrated planning between spheres of government.</p> <ul style="list-style-type: none">• Grey-water harvesting and recycling• Environment Economy
<ul style="list-style-type: none">• Unacceptable levels of carbon and nitrogen production. The Cape Town area produces approx. 80% of the air pollution and green house gas emissions in the Province, of which motor vehicles and aircraft are the major contributors.• Difficulties in identifying safe land fill sites and wastewater treatment sites• Landfills and wastewater treatment works are both a source of atmospheric emissions and odours. The production of sulphur oxide based compounds result in unpleasant odours and emissions from fish-meal factories, which is a particular concern	<ul style="list-style-type: none">• Encroachment into pristine fynbos and ecologically sensitive areas	<ul style="list-style-type: none">• Increased waste reduction, reuse and re-cycling• Enhanced integrated waste management in urban areas• Environment Economy

	<p>along the West Coast.</p> <ul style="list-style-type: none"> • Waste minimisation • Redressing Apartheid planning legacy by transforming an inequitable waste management system • Major sources of water pollution in the Western Cape reflect the profile of industrial nations²⁵. • Meeting key Millennium Development Goal 		
<p>Biodiversity and Ecological Hotspots</p>	<ul style="list-style-type: none"> • Habitat destruction and fragmentation through urban sprawl and uncontrolled urban edge. • Alien invasive species • Increased fire frequency for fire-prone and fire-dependant fynbos and renosterveld shrublands means escalating material costs of fire protection in the Western Cape. 	<ul style="list-style-type: none"> • Land-cover change associated with agricultural expansion and urbanisation.²⁶ 	<ul style="list-style-type: none"> • Large portions of designated conservation areas (sourcing resources for effective management and enforcement). • Enforcement of urban edge • 'Working 4 Water' and 'Working 4 Fire' programs • Cape Floristic Kingdom and Biosphere Reserves – offers educational, conservation and tourist opportunities

²⁶ Pollutants are agricultural run-off (fertilisers and pesticides) and return flows, urban run-off and effluent discharges (bacteriological contamination, salts and nutrients), industries (chemical substances), mining (acids and salts) and areas with insufficient sanitation services (microbial contamination).

²⁶ Almost 500 sq km of virgin land was approved for cultivation in the Western Cape over the period 1989 to 2003, nearly 80 per cent on the West Coast. Over the last two decades the land cover of Cape Town has increased 40 per cent.

1.4 Economic Imperatives and Trends

The Western Cape is a significant producer, distribution centre and consumer market in increasingly complex global, national and regional economic systems. However it is distinct from other provinces such as Mpumalanga, the North West and Gauteng that currently benefit from the global commodity boom. Informality, unemployment, the structure of economic sectors in the province and its resource base also require a different approach.

National economic targets are set out in both the Programme of Action from the Presidency and in ASGI-SA. The target of 6% within two years is key to poverty reduction. Within the ASGISA framework national government has indicated its support for major infrastructure led growth as well sector support. The way that this strategy plays out in the Western Cape will differ from the interior of the country because of underlying differences in the nature of the regional economies; this includes the imperative for the City of Cape Town regional motor to perform above national target and closer to 8% in the medium to long term.

Nationally defined economic parameters impact on regional economic performance, including financial regulations and South Africa's adherence to global economic agreements. The performance of sub-national or regional economies will occur within these macro economic parameters.

Economic Growth

The Western Cape, one of the richest provinces, may continue to generate a higher than average growth rate:

- Between 1999 and 2004, the Province grew at a faster rate than national, with the margin of out performance being 0,7% per year
- In 2004, the Provincial economy expanded by 5,3% in real terms, compared to 4,5% for South Africa.
- The Provincial forecasted growth rate of 5,3% in 2005/06 is expected to slow down to 4,8% by 2008/09 as illustrated in **Table 12**
- Provincial real fixed investment growth has averaged 4,4% per annum a year over 1999 - 2004, slightly faster than the national performance of 3,5%.
- Evidence points to fixed investment acceleration, albeit off a low base. The real growth in 2004 is at 8,4%, increasing the Province's ratio of fixed investment to GDP from 16,5% in 2001 to close to 18% in 2005.

Looking ahead, the medium-term outlook for regional fixed investment spending is rosy. Projections are that the Western Cape's real fixed investment rate will grow by 9,1% a year over the forecast period, due to significant new investment in port upgrades and human settlement investment (housing, services, transport).

This is more or less equivalent to the anticipated fixed investment growth nationally. Should the estimated fixed investment growth materialise, the Western Cape's fixed investment rate could pick up further to 20% of GDP.

Municipalities are expected to align their IDPs and LED strategies with broader government economic objectives (unemployment, job creation, infrastructure deepening, poverty alleviation etc.) and also lend support to regional economies. To achieve iKapa Elihlumayo vision of shared growth and integrated development for all residents of the Western Cape, this vision needs to be taken up in all municipal IDPs and LEDs across the Province.

Given the diversity of the Western Cape economy in terms of industries, as well as the unique composition of previously disadvantaged peoples of the Province, there are specific challenges that need to be faced.

Globalisation²⁷

Through Cape Town, the Western Cape economy is directly integrated into the global economy, creating opportunities and challenges. Cities tend to dominate the globalised economy – highlighting the increasing economic significance of the CTFR. The GCTFR is highly sensitive to the impact of labour market shifts, trade agreements, investment patterns and movements of labour on a global scale.

The Provincial employment profile is racialised, characterised by:

- A pattern of a rising job share of the traditionally highly educated white population
- An increase among the traditionally least well educated African population's share of employment
- An absolute increase in employment share among coloureds who occupied semi skilled positions in the Province, depicted in **Table 13**.

Infrastructure improvement is the critical imperative to maximise global engagement particularly in the areas of improved air transport capacity, port upgrades and low cost broad band connectivity, energy supply and transport networks.

Economic Structure²⁸

Regional economies flourish when their sectoral and geographical advantages are optimized within the wider national and global systems. Consolidating a local market provides a generally sound base, but most regional economies are also externally oriented, if in highly differentiated ways. While South Africa's overall economic niche is grounded in a strong resource sector and its position within Africa, the Western Cape's strong economic performance has been based on

²⁷ PERO, 2006

²⁸ PERO, 2006

agriculture, construction, retail and financial services, niche manufacturing as well as property development (owing to low rand) and tourism.

Given the structure of the Western Cape's employment tabulated in **Table 13** below, through the MEDS²⁹, the Province has identified regionally specific sectors that have considerable potential to meet the goals of ASGISA and iKapa Elihlumayo.

Spatial concentration of economic growth is likely in the large urban centres where business process outsourcing (BPO) and clothing industries are located. Tourism support is likely to impact more widely across the Province.

Of critical importance is the impact of employment dynamics on work-seekers of different age-groups, seen in **Figure 12** below. Evidence is mounting that older people are tending to keep their jobs, while younger people are struggling to find employment. This has important implications for future economic growth, as long-term unemployment begins to erode the skills and knowledge that younger labour force members have but are unable to extend or even maintain through employment. Yet, the economy does need the experience of its older employees as well as appropriate retirement planning for low-skilled employees.

Informality and Illegality

Economic informality refers to a range of economic assets and activities that are not conventionally regulated and which are either marginalised from full public scrutiny and /or lack public support. Thus the existence of a dual informal land system, where insecure tenure does not enable individuals to participate in the formal land market and its institutions (for raising finance, gaining credit, trade etc) has been identified as a major barrier to the participation of the poor.

Low wages, seasonality, inadequate environmental protection, and low levels of unionisation, lack of child care and benefit payments are among the generally inferior conditions of work of informal workers.

Nevertheless, in economies characterised by inadequate expansion of formal work the informal economy absorbs unemployment, but is also seen as a potential incubator of growth. Debates about informality therefore focus either on formalisation or removing government disincentives, excessive regulations and overbearing enforcement to facilitate informal activity. The "2nd Economy" also has a role to play in essential services (craft sector) – it is possible to leverage talent and latent design from 2nd into the global economy³⁰.

²⁹ The MEDS implementation plan highlights priority sectors Provincial government can play a significant role in spurring growth and the realisation of equity objectives

³⁰ Cape Craft and Design Institute program to take local township youth and women into export market with special skills and knowledge in marketing, colours, trends, pricing etc.

Economic Participation

As the South African economy overcomes its unequal past the economy has prospered. South Africa's economic history has left a legacy of skewed economic participation whereby the majority of the population was systematically excluded from the mainstream economy. It is now widely accepted that unless the poor in general, women, and people with disabilities are more fully incorporated into the mainstream, economic growth will be less effectual as a driver of development. The key is to harness their strengths for paid labor e.g. home-based care for terminally ill.

Empowerment

Black Economic Empowerment is Government's response to uneven economic participation broadly and enterprise ownership in particular. In 2003 the Broad Based Black Economic Empowerment Act (2003) was promulgated. The Act introduces the Codes of Good Practice for the implementation of BEE by business, making it in the economic interest of firms to transform.

Since 2002 various industries have implemented transformation charters to enhance economic participation of previously disadvantaged individuals. Of particular interest to the Western Cape are the charters for financial services, ICT, tourism and agriculture.

Unemployment

High rates of unemployment lie at the heart of both poverty and inequality. The problem of unemployment is compounded by the trend to jobless growth and youth marginalisation. Employment is the primary means by which citizens can be incorporated into the economy.

Nationally, the country experienced significant growth in employment before 2000; however, in recent years employment growth has slowed (with recent statistics indicating job creation). Employment is increasingly affected by structural shifts in the economy, some of which are determined by the effects of globalisation e.g. clothing and textiles, canned products, fish resources decreased. These declining industries have critical impacts on coastal villages and rural towns.

Skills mismatch

Structural shifts in the economy and an inefficient labour market have contributed to a misalignment between the demand and supply of human capital. This has created a lack of high-end skills that are in considerable demand as well as a growing pool of underemployed and unemployed people at the lower end of the skills spectrum where demand in labour intensive sectors is limited.

The Deputy President has recognised appropriate and adequate skills as the key ingredient for the achievement of the 6% growth target set by the government as part of ASGISA. To this effect government has launched the Joint Initiative on Priority Skills Acquisition (JIPSA). A local skills development strategy is identified as a path shaping intervention in chapter 4. Enhancing skill levels is vital for future employment growth.

The Knowledge Economy

Information and knowledge can be considered the foundations of the new economy. Within the context of an increasingly inter-connected world, it has been contested that the smartest working, not the hardest working, regions that will succeed. Literature talks of “institutional thickness” i.e. depth of public and private institutions and established working life.

Innovation and a strong skills base allow people to do new things or the same things better and faster. Other developing countries e.g. India, are increasingly moving away from relying on commodities and cheap manufactured goods to becoming centres of excellence in innovation in their own right.

The knowledge economy presents the Province with opportunities but it also confronts us with enormous challenges. Already, the services sector accounts for 65% of the Western Cape economy and the majority of new jobs are created in service-related industries, e.g. tourism and hospitality financial sectors, film industry, craft and design...

The ingredients necessary to take advantage of the knowledge economy include: access to information and communication technology, a strong and growing human capital base, investment in research and development and willingness by business, organized labor and government to implement these new ideas and ways of working.

Where the sectors of the economy are strong and growing, so will the region flourish and visa versa: where sectors decline, unemployment and out-migration increase, leaving the least immobile and vulnerable behind.

TABLE 9: ANALYSIS OF ECONOMIC IMPERATIVES AND TRENDS

Factor	Challenges	Threats	Opportunities
<p>Accelerated Economic Growth Rate</p>	<ul style="list-style-type: none"> • Lack of a minerals base in the region • Gross fixed capital formation at a record low • Low human and infrastructure investment spending, especially by government • Job creation • Competitiveness • Reduced costs of doing business • Low private sector Infrastructure investment to build productive capacity • Determining a balanced growth path - human and physical capital grow in tandem as they reinforce each other, particularly as the provincial economy moves further into a service-based economy. • The provincial economy is susceptible to exchange rate volatility due to its high exposure to exchange rate sensitive sectors • The fluidity of capital and competition from other South African and international cities • Fundamentals for competitive economy: efficient infrastructure, reliable service provision, a decent quality of life, affordable labour and an enabling regulatory regime 	<ul style="list-style-type: none"> • Constraints to growth over the medium term include the decline of manufacturing exports • Increasingly competitive imports from China and India • Sensitivity of tourism and agricultural exports to the strength of the Rand. 	<ul style="list-style-type: none"> • Targeted interventions in the economy to sustain a high growth path. • Investment in economic and social infrastructure to stimulate growth • Significant new investment in port upgrades and human settlement investment (housing, services, transport) • Facilitating development of ASGI-SA / MEDS priority sectors: call centre/BPO Tourism; SMMEs and ICT. • ASGI-SA drive for increased infrastructure investment • Pro-cyclical investment expenditure trends linked to economic growth • Establishment of

	<p>are fundamentals.</p> <ul style="list-style-type: none"> • Infrastructure blockages with respect to the port, airport and general road and rail freight transport networks³¹. • Provincial rate higher than 6% - correlating requirement of exceptional performance of CTFR as it is the major growth engine. 		<p>investment in alternative sectors, such as construction that can lead the post commodity boom (e.g. airport and port upgrade and major public transport that will increase local efficiencies).</p> <ul style="list-style-type: none"> • Development of business conducive environment
<p>Globalisation</p>	<ul style="list-style-type: none"> • Increasing economic dominance of the CTFR – managing urban-rural tensions • CTFR highly sensitive to labour market shifts, trade agreements, investment patterns and movements of labour on a global scale. • CTFR experiences growth in unskilled work, accompanied by erosion of semi skilled jobs • The Western Cape is a price receiver not a price setter in global terms – vulnerability of major sectors • Poor infrastructure capacity • ASGI focuses on national issues and in favour of the industrial heartland and mining core where growth generation is expected to be highest. 	<ul style="list-style-type: none"> • CTFR experiences increasing social polarisation • Racialised employment profile. 	<ul style="list-style-type: none"> • Increasing economic dominance of the CTFR • Through CoCT, the Western Cape economy is directly integrated in the global economy • Growth of highly skilled employment • Financial and tertiary sectors are set to continue expansion highlighting BPO as opportunity to capitalise on location/time zone and skills base • Diversification of the Provincial economy to

³¹ This is taken up as a path breaking intervention in chapter 4.

			<p>minimize these impacts across most major sectors of economy.</p> <ul style="list-style-type: none"> • Improvements in air transport capacity, port upgrades, low cost broad band connectivity, energy supply and transport networks • Identification of Provincial infrastructure deepening strategies
Economic Structure	<ul style="list-style-type: none"> • Consolidating a local market within an externally oriented regional economy • Urban spatial concentration of economic growth potential (rural development) • Youth unemployment (52%) is acute and structural. (Long-term unemployment erodes skills and knowledge base). • Western Cape informal economy relatively small is relatively small generating 10% of jobs in 2004 (down from 14% in 2000).³² 	<ul style="list-style-type: none"> • Acute and structural youth unemployment • 	<ul style="list-style-type: none"> • Enhancement of regionally specific sector with considerable potential to meet the goals of ASGISA and iKapa Elihlumayo: Oil & gas, BPO/Call Centres, Tourism etc. • Urban spatial concentration of economic growth potential (sectors)
Informal/2nd Economy	<ul style="list-style-type: none"> • Barriers to participation of the poor in formal economy and inadequate expansion of formal work 	<ul style="list-style-type: none"> • Marginalised and un-regulated 2nd Economy 	<ul style="list-style-type: none"> • 2nd economy absorbs unemployment and

³² Budget Overview 2006

Economic Empowerment

<ul style="list-style-type: none"> • Inferior work conditions: low wages, seasonality, inadequate environmental protection, and low levels of unionisation and benefit payments • Zoning and regulatory frameworks of ex-township areas generally poorly adapted to the needs of the 2nd economy. • 50% of households in CoCT live in structures that are not registered as formal dwellings and do not appear on the billing, land use management or other formal systems of the public and private sectors³³ - limiting informal work opportunities to basic retail. • Links between the 1st and 2nd economies are poorly understood 	<ul style="list-style-type: none"> • Extensive 3rd (illegal) sector (drug dealing, taxi. shebeens, marine activity etc.) is associated with organised crime, contributes directly to social dislocation and environmental degradation enriches a small elite while contributing nothing to public purse through taxation 	<p>potential incubator of growth</p> <ul style="list-style-type: none"> • Possible government intervention to facilitate 2nd economy activity: formalisation, removing government disincentives, excessive regulations and overbearing enforcement • Regulation of tax industry • MEDS 2nd Economy research esp. dominant provincial economic sectors³⁴
<ul style="list-style-type: none"> • Incorporating poor, women and people with disabilities into economic mainstream • Land distribution - whites currently own 87% of land in the Province while only 22% of land targeted for redistribution has been transferred to black ownership 	<ul style="list-style-type: none"> • Coloured community accounts for 2/3 of people classified as PDIs - feelings of exclusion need to be addressed. • Apartheid legacy of entrenched exclusion of black community from 	<ul style="list-style-type: none"> • Implementation of industry BEE charters esp. Financial Services, Oil, draft ICT, Construction and Tourism • Re-skilling individuals • Land Redistribution

³³ In practice these households cannot raise credit, cannot receive indigent service support and are outside of the formal communication system (post, billing based distribution lists etc). These are not conducive business environments for informal work other than very basic retail.

³⁴ E.g. Clothing and textiles, where outsourcing has taken place on a large scale, and in the tourism and agricultural sectors, where unregulated season work is common.

		meaningful engagement in economy.	<ul style="list-style-type: none"> Upcoming new farmers Agri-BEE Charter WC PSDF – 10% subsidy and 10% social housing provision
Unemployment	<ul style="list-style-type: none"> Unemployment compounded by jobless growth Youth unemployment and marginalisation and related social issues. Young people aged 16- 25 years account for just below 40% of the Province’s unemployed. Central Karoo has the highest unemployment rate in the Province Unemployed concentrated in the CoCT – 71% of the Western Cape’s unemployed Address unemployed profile. Over 50% - coloured, 41% - Africans (greater disadvantage in the labour market with unemployment share double their share in employment). Faster employment and unemployment growth rates. 	<ul style="list-style-type: none"> Growing pool of underemployed and unemployed people at the lower end of the skills spectrum where demand is limited. 	<ul style="list-style-type: none"> SMME development Entrepreneurial and life skills development 2nd economy interventions
Skills development	<ul style="list-style-type: none"> Skills mismatch from structural shifts in the economy and an inefficient labour market which have contributed to a misalignment between the demand and supply of human capital. Lack of high-end skills where demand is high in technology-intensive sectors. Declining manufacturing industries and job-shedding e.g. clothing and textiles 	<ul style="list-style-type: none"> Growing pool of underemployed and unemployed people at the lower end of the skills spectrum where demand is limited. 	<ul style="list-style-type: none"> Re-skilling individuals losing their jobs Ensure education institutions responsive to the demands of industry in order for graduates to more easily obtain work. Scarce skills strategy for

	<ul style="list-style-type: none"> • Growth in tertiary sector i.e. service sector and higher education 		<p>MEDS priority sectors</p> <ul style="list-style-type: none"> • Preparation for a flexible future – careers/job for life approach
SMME Development	<ul style="list-style-type: none"> • SMMEs dominate Provincial economic activity - a handful of major sectoral deals will not significantly transform the economy or empower previously disadvantaged communities. 	<ul style="list-style-type: none"> • Lack of comprehensive policy and enabling environment for sustainable SMME development • Disabling regulatory framework e.g. business licensing and registration processes • Attitudes of entitlement 	<ul style="list-style-type: none"> • SMME development • Entrepreneurialism development • 2nd economy interventions • Address barriers to sustainable growth of SMMEs: long-term access to finance, affordable operating premises, proximity to markets and suppliers and access to long-term procurement opportunities
Knowledge Economy	<ul style="list-style-type: none"> • Access to information and communication technology, • Strong and growing human capital base • Investment in research and development • Willingness by business and government to implement new ideas. • Reducing 26,3% broad unemployment rate, especially by creating jobs for young people (19-24 year olds) 	<ul style="list-style-type: none"> • Increasing skills requirements • Limited availability of higher order and intermediate skills. 	<ul style="list-style-type: none"> • MEDS priority sectors with potential to generate (in) direct employment, especially for the semi-skilled • Support sectors which have significant prospects, but which are less demanding of semi-skilled

- Labour absorbing or employment creating growth.
- Enhancing skill levels incl. for semi-skilled intensive sectors.



labour.

1.5 Social Imperatives and Trends

Addressing social problems is critical to the economic development planning agenda. In the Western Cape, crime is a major impediment to development. The perceived lack of rule of law detracts investors, constricts economic and social activity (especially at night and in poor neighbourhoods) and generally erodes confidence. Furthermore, multiple layers of discrimination (race, gender, class and age) are acknowledged to be substantive social impediments to free access to the job market and a dynamic, diverse economy and society.

Social stability and social cohesion objectives form an integral part of iKapa Elihlumayo³⁵. Social targets set out in the Millennium Development Goals provide a clear indication of the priorities of meeting basic needs and upholding human rights. An improved material basis is required to underpin the iKapa Elihlumayo vision to ensure that the socially marginalised are able to participate in the growing economy.

Demographic structure

From the perspective of service provision the most critical trend is the declining size (and associated proliferation) of households, aging, the lowering of fertility rates and the impact of disease and unnatural causes of death. From a labour market perspective, rates of population growth and labour market absorptive capacity and the generational structure relative to the employment opportunities are key. From the perspective of urbanisation – a highly diversified migrant population from rural areas, the Eastern and Northern Cape, Kwazulu Natal and Gauteng largely located within urban areas – raising the issue of diverse population growth and urban management .

Race

The legacies of apartheid race classification and the coloured labour preference policy will have enduring impacts and undesirable outcomes unless tackled openly and directly. Elsewhere in the world diversity has either provided a base for economic vibrancy and global competitiveness. Societies that are growing economically are societies that attract new immigrants. New immigrants are often young and versatile, innovative and entrepreneurial.

Cape Town is set to remain a majority 'Coloured' city by 2030. There will be an increasing proportion of African people and a relative decline in the number of whites. Similar trends are evident across the province (**Figure 14**). Inevitable tensions exist from the Northern and Eastern Cape, as well as countries to the North; however the positive contribution of immigrants to the dynamism and diversity of the regional economy must be recognised and enhanced.

Vulnerable Groups: Youth and Women

While the youth represent the hope of the future, disproportionately high levels of youth unemployment and social exclusion present a threat to social and economic stability.

³⁵ This is further expanded upon in the Provincial Social Capital Formation Strategy.

Internationally, targeted efforts to improve social and economic inclusion among the youth include a greater focus on sport and cultural activities and creative sector employment.

Burden of Disease

The health sector makes vital inputs into the human and productive capacity of any growth focused economy. Poor health indicators translate directly into lower development gains. In middle-income countries like South Africa, long term planning in health is increasingly focused on identifying the factors that drive the burden of disease. In practice, it is essentially about putting more money and effort into prevention and changing the focus from infectious to chronic diseases. The burden of disease in the Western Cape varies significantly (in rates of HIV/Aids and TB infection) from the national profile (**Figure 15**). Substance abuse and foetal alcohol syndrome is also a key issue.

Poverty and vulnerability

Halving poverty by 2014 has been identified as one of the overarching goals for South Africa. This commitment by the President makes poverty reduction a public policy priority. A broad understanding of poverty, to include non-income dimensions of household's livelihood strategies (like access to land or natural resources and social capital), now prevails. The Millennium Development Goals and an increasing global concern with urban vulnerability to extreme events (aggravated by climate change) or the spread of infectious diseases have reinvigorated the emphasis on the public good and the importance of risk mitigation within urban management.

Crime and Violence

Crime and violence are legitimate and immediate concerns for government, business and ordinary citizens of the province. Crime increases the cost of doing business in the region, erodes confidence, undermines social cohesion and strengthens a third sector economy that brings not only no benefits to society or government, but actively undermines the quality of life of our people. Crime and Violence is associated with substance abuse e.g. tik

The Western Cape currently spends roughly R1 billion on crime and safety functions (combined national, provincial and local government). Despite these significant resources and investment, criminality and violence are in some categories the highest in the nation.

In the long run, a development path that promotes social inclusion, economic participation and more resilient community life, local urban space and public transport designed for safety and surveillance, is the best available means of addressing vulnerability to crime amongst women, youth and the unemployed.

TABLE 10: ANALYSIS OF SOCIAL IMPERATIVES AND TRENDS

Factor	Challenges	Threats	Opportunities
Demographic structure	<ul style="list-style-type: none"> Poverty in Western Cape is concentrated in urban informal settlements within CTFR – the location of major housing backlog and 90% housing demand. Declining household size below national average at 3,6 people (2001) with correlating declining proliferation reduces overcrowding among the chronically poor yet lowers average household income and weakens social capital. Relatively low HIV rates in the Western Cape compared to national rates impact directly on social expenditure in health, social grants and on mortality. Increasing number of jobs in the Western Cape - from 1 601 000 (2000) to 1 691 000 (2004) have not kept pace with number of new young job seekers entering the labour market. The Western Cape will need to grow employment at 16.8% (19.9% according to official definition) to absorb all new labour market entrants into employment (at 2000-2004 levels) 	<ul style="list-style-type: none"> Poor labour market absorption - only 33.5% of all new labour market entrants into employment (2000–2004). Xenophobia 	<ul style="list-style-type: none"> Integrated and sustainable human settlement development Support SMME development and supporting 2nd economy activity Skills development and skilled migration (from African countries and refugees)
Racial dynamics	<ul style="list-style-type: none"> Sharp inequalities in income distribution, racially defined unemployment patterns and property (especially land) ownership. Marginalisation of black (Africans, coloureds and Indians) participation from meaningful participation in economic 	<ul style="list-style-type: none"> Apartheid legacy of racialisation of poverty and the underdeveloped nature of the black (especially African) 	<ul style="list-style-type: none"> Optimise migration [clarity required] and embracing diversity as key factor in economic vibrancy and global competitiveness.

activities (production, distribution and consumption).

- Entrenched Apartheid spatial fabric.
- Poverty and vulnerability reinforced by poor environmental quality and degraded physical landscape e.g. Cape Flats
- Racially differentiated and divisive public policy and a pattern of isolation underpins fosters lack of racial trust and acceptance which erodes good will, reduces productivity and undermines prosperity.
- Cape Town in particular attracts an increasing number of immigrants of various backgrounds (ranging from black urban professionals and entrepreneurs from Johannesburg and Lesotho to low-income/skilled people from the Eastern and Northern Cape) causing inevitable tensions with existing communities.
- African economic and political refugees

middle class.

- Apartheid legacy of racially skewed allocations of expenditure on public health, infrastructure, education and access
- Apartheid legacy of criminalising black business activities
- Legacy of Apartheid settlement management (racial segregation, unequal access to state benefits and environmental quality)
- Failure to develop a unified Cape identity across the 'racial' groups creates a climate of fear and distrust and erodes social stability

- Harness benefits of immigration i.e. diversity (professional skills, innovation and entrepreneurialism)
- Accelerated land redistribution and restitution.
- Support BBBEE and implementation of industry transformation Charters.
- Improved security of tenure
- Creation of new non-racial settlements: Home for All
- Developing safe and aesthetically desirable social assets within blighted communities (public realm, urban greening with associated public services and economic opportunities) to foster social tolerance and build powerful local place-based identities
- Incorporating immigrants into mainstream social and

Youth development

		economic fabric.
<ul style="list-style-type: none"> • Limited investment in 'hope of the future' beyond basic social services • High levels of youth unemployment • Youth isolated from peer group and socio-economic opportunities 	<ul style="list-style-type: none"> • Youth social and economic exclusion present a threat to social and economic stability • Vulnerability to gang culture • Prevalence of drugs abuse, especially tik. 	<ul style="list-style-type: none"> • The development of non-motorised transportation, especially bike paths to facilitate greater access to social and economic opportunities. • Augment traditional youth sport programmes by better use of Provincial natural environment (surfing, mountain climbing etc) • Popularize sport, particularly school sport • 2010 World Cup presents opportunity for youth involvement and training, especially in Cape Town. • Make public realm and environmental assets accessible to youth • Youth employment through support for tourism, creative industries and business process outsourcing sectors • Introduction of broadband

Burden of disease

of

		<p>in impoverished urban areas to support youth development.</p> <ul style="list-style-type: none"> • Life and job skills development for youth
<ul style="list-style-type: none"> • Western Cape in a period of epidemiological transition – declining infectious diseases and increasing lifestyle/chronic diseases driven by affluence • TB and AIDS prevalence an anomaly linked to poverty • TB rates in the province are amongst the highest in the world and have increased 20% over the last decade. • Regulating and/or mitigating factors that drive high rates of trauma/homicide and HIV/AIDS • High rates of violence is closely linked to alcohol abuse, vehicle accidents • Dramatically increase probability of premature death for women over last 25 years (1990-2015) i.e. women’s vulnerability to violence and unsafe sex. • Intimate link between vulnerability and poverty in the Western Cape e.g. lower HIV/AIDS prevalence amongst employed women • Urban development and settlement patterns in the province aggravate the burden of disease. 	<ul style="list-style-type: none"> • Highest contributors to death in the Cape Town metro area are trauma/homicide and HIV/AIDS • Rapidly declining female life expectancy 	<ul style="list-style-type: none"> • Multi-sectoral interventions to mitigate childhood obesity, cancers (especially those affecting women), unsafe sex and interpersonal violence • Enhance health services in the Metro to increase decreasing rate of infection rates in Cape Town • Developing integrated social cluster initiatives to mitigate causes of violence, trauma/homicide and HIV/AIDS prevalence • Gender-focussed health and social security agenda to reduce vulnerability and mitigate impacts on women through social, economic and health interventions. • Job creation as key determinant to a better

			quality of life and dignity.
			<ul style="list-style-type: none"> Urban restructuring to enhance spatial equity, access to basic services, safety for women and children and accessibility for the disabled
Poverty and vulnerability	<ul style="list-style-type: none"> Poverty reduction - halving poverty by 2014 (MDG). Multi-dimensional nature of poverty including access to land or natural resources and social capital. Vulnerability of poor to extreme events (aggravated by climate change) Link between poverty, proliferation of informal settlements and 2nd economy activity Poor carry burden of disease and vulnerable to infectious diseases Poor provincial record for informal settlement improvements, upgrades and urban renewal. Increased fires and floods, especially in informal settlements, have increased poverty for many households in the Province. Women and children are disproportionately affected by exposure to environmental risks and disasters 	<ul style="list-style-type: none"> Critical capacity and institutional constraints to delivery of basic service benefits to poor through municipalities. Eleven municipalities in the Western Cape, including the City of Cape Town, appear on the project consolidate list. 	<ul style="list-style-type: none"> Emphasis on the public good, improving and enhancing access to public goods, services and assets. Risk mitigation within urban management. Enhance comprehensive roll out of integrated social package (welfare, health and education benefits) to further reduce poverty and minimize vulnerability. Eradicate bucket system i.e. major initiative to rollout sanitation to all residents is (detailed in chapter 4).
Crime and	<ul style="list-style-type: none"> Vulnerability of women and children to contact and violent 	<ul style="list-style-type: none"> Crime and violence 	<ul style="list-style-type: none"> Liquor outlets/shebeens

violence

crimes

- Youth vulnerability: child arrest rates have doubled (1 500 per month in 1999 to 3 000 children per month in 2003), increased incidence of child abuse has increased by 62% since 1992³⁶ (of these cases, 51% involve sexual abuse).
- Youth in poor communities susceptible to gang and criminal activity
- Limitations on women economic participation and basic human rights reinforced by poor environmental quality and design.
- Thirty five% of reported crime originates in two areas of the City of Cape Town – Kuils River and Khayelitsha of which 'contact crime' is prevalent complaint.
- In the CoCT, homicide is the biggest cause of premature mortality overall (18,4%) and the biggest cause of premature mortality amongst men (26,5%)³⁷
- Exceptionally high levels of violence, homicide and road accidents.
- Spatial patterns of human settlement in the province are a major co-factor in patterns of crime

exacerbate existing social and development problems in the areas of highest poverty.

- Extreme gender and youth violence
- Gangs and criminal syndicates

regulation

- Crime prevention through urban and environmental design
- Youth development programmes
- Targeted social and economic interventions to reduce risks to women and children
- Road safety measures
- Integrated and sustainable human settlements
- Gender Awareness

³⁶ Child Welfare Society

³⁷ Source: Cause of death and premature mortality in Cape Town, 2001

1.6 Institutional Imperatives and Trends

Government had a particular developmental role in realising the iKapa Elihlumayo vision. Over the last two decades the focus on institutions as agents of change has raised the profile of how government itself acts, how government facilitates and influences the actions of other actors and how the systems of government frame action.

One of the most important tasks of government is to establish an enabling environment for growth. The iKapa Elihlumayo growth agenda includes both qualitative and quantitative aspects of desired economic expansion making a simplified and enabling regulatory framework an imperative. Having inherited a dysfunctional apartheid regulatory environment that is disempowering and burdensome, the legal frameworks of development (land, housing, environment, heritage, economic development etc) are in urgent need of reform.

From the perspective of residents and investors there is only one Government. Presenting a single face of Government to the public necessitates 'joined up' or well co-ordinated government. This is especially challenging as different spheres have varied roles and resources to invest in the same physical spaces, necessitating inter and intra governmental collaboration around a common developmental vision.

Political contestation between spheres of government, while a sign of a healthy democracy, can undermine co-operative governance and detract from operational energy for development. The Intergovernmental Relations Framework Act (No. 13 of 2005) formalises a new approach to this collective engagement. Chapter 7 outlines what this means in practice.

Specific challenges for the Western Cape:

- The Province faces outdated and uncoordinated legislation, particularly with respect to planning.
- There is limited alignment between provincial and local government strategies and budgets and information management systems.
- In many instances, provincial and local powers and functions are not streamlined.
- An integrated, province-wide monitoring and evaluation system has not yet been developed or implemented.
- The province faces diverse political party control of different local areas, 24 of the 30 municipal authorities are not held by a clear majority, contributing to political instability at the local level, and feeding into political dynamics at the Provincial level. The past pattern of election results suggests that political instability is likely to be a permanent feature of the Western Cape and should be built into the design of the institutional mechanisms for development.

Conclusion

This chapter provides a detailed overview of the dynamics that shape the Western Cape as a regional economy. As such it provides rich context against which the Province's policy and budget allocation responses are formulated, shaping the Western Cape's trajectory and integrated future.

The overarching findings in the five main sub-sections are:

- The Western Cape is structurally different from the national space-economy in respect of extreme dichotomies and distortions within its spatial structure, social, economic and environmental dynamics. Addressing these critical aspects of regional specificity must inform the path to realizing shared growth and integrated development.
- The demographic and economic dominance of the Cape Town Functional Region³⁸ (together with emerging motor regions, 'Leader' towns and development corridors) locates opportunities for infrastructure investment and developmental spend to accelerate growth and address poverty and socio-economic exclusion.
- Given the inextricable linkages between spatial, environmental, social and economic imperatives in the region, the shared growth and development agenda cannot focus on growth alone. It must engage the imperatives and implications that equity, empowerment and ecological integrity, together with growth, hold for shifting towards a shared growth and integrated development trajectory in the province.
- Addressing these factors requires an integrated and multi-sectoral approach to ensure the realisation of growth, equity, empowerment and environmental integrity imperatives

³⁸ The Cape Town Functional Region is not defined by administrative but rather planning borders.

PART 2: IMPLEMENTATION

2: Strategic Outcomes

This section unpacks the iKapa Elihlumayo strategic goals in relation to issues to be addressed and province led collective interventions.

Actions to achieve iKapa Elihlumayo should demonstrate ability and means of addressing the eight strategic outcomes:

- 2.1 Broadening economic participation** through targeted skills development and higher rates of human, infrastructural and financial investment
- 2.2 Efficient ‘connectivity infrastructures’** to stimulate and sustain economic growth (transport, energy and ICT)
- 2.3 Effective public and non motorised transport** that provide access to all citizens of the province, especially the poor and those disconnected from opportunities
- 2.4 Liveable communities** that foster/nurture the well-being of all residents (consistent with the ideals of sustainable human settlements)
- 2.5 Resilient and creative communities** that are inter-connected through webs of social solidarity (bridging social capital)
- 2.6 Greater spatial integration** embedded in a drive to protect and develop public places³⁹ and the natural resource base (about overcoming apartheid spatial legacies)
- 2.7 A culture of tolerance and mutual respect** that harnesses the creativity/innovation dividend that stems from dealing explicitly with social-cultural differences and unequal power relations
- 2.8 Effective governance institutions** that are able to harness the diverse energies of multiple interest groups and actors towards shared goals of the PGDS

These goals will guide investment and developmental spend undertaken collaboratively between different spheres of government, SOEs, the private sector and civil society. Consistent application of these principles, strategic goals and development principles should ensure synergy and alignment in government priority setting, resource allocation and implementation. Table 17 unpacks the eight strategic goals in relation to key issues, areas of collective intervention and strategic partnership.

³⁹ Refer to significant parks and squares (municipal and other spheres of government) and publicly owned land.

3: Lead Interventions

This section unpacks the iKapa Elihlumayo Lead Interventions and the development criteria required to realise the shared growth and development principles through their delivery. It also addresses particular levers available to Provincial government to realise these in relation to undertaking its core business more effectively.

3.1 iKapa Elihlumayo Lead Interventions

The mission of iKapa Elihlumayo is to shift the developmental path of the Western Cape. In addition to conducting normal business more strategically, taking bold steps through carefully selected Lead Interventions and working together more effectively, it is necessary to initiate extraordinary projects that will make a significant difference in achieving the shared growth and integrated development outcomes and meeting of the iKapa Elihlumayo targets.

The iKapa Lead Interventions are big budget public sector projects actions with the potential to unlock the developmental path of the Western Cape.

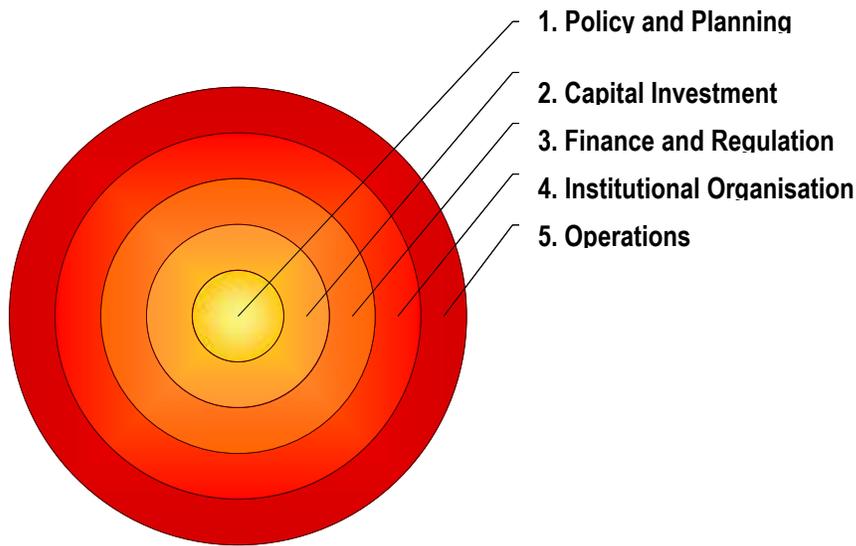
While large scale infrastructure is a potent instrument in leveraging growth, its value as a developmental tool must be contextualised. Within a developmental state, the various ways government is involved⁴⁰ are interconnected parts of a holistic system or developmental cycle.

Infrastructure investment must be implemented in consideration of the full implications of the development cycle (illustrated in Figure 16) and the following factors:

- Spatial location
- Beneficiaries of construction contracts and supply chain procurement
- Technology and environmental standards to be applied
- Financing whole-life costs (capital, operating and maintenance)
- Regulations required to ensure lifetime effectiveness
- Identification of the adequately skilled people and systems necessary to run the services that flow from the large scale investments

⁴⁰ Policy and planning; capital investment; finance and regulation; institutional and organisational development and operational activities

FIGURE 6: THE DEVELOPMENTAL CYCLE OF ACTION



The activities in the developmental cycle vary in importance and form across different sectors. Just as all the forms of action are important so too it is crucial that government perform across all the sectors – though some areas, like water and sanitation, are more fundamental to meeting basic needs.

Appropriately therefore iKapa Elihlumayo, guided by the SIP, has identified the provision of basic sanitation to all residents as a key area of action. This focus is also an important deliverable on our commitment to the Millennium Development Goals.

3.2 PGWC Levers for Change

As levers of the developmental state, the iKapa lead interventions fall into the following, potentially overlapping categories:

Policy and Planning

Entails building strategic planning and coordination capacity for enhanced intergovernmental action to achieve the NSDP/PGDS/WC PSDF/IDP alignment objectives. Guidelines for this are laid out in the IGR Framework Act. How this new legislation might best be utilised is described in greater detail in the section on intergovernmental co-operation.

Capital investment

Multi-year expenditure from potentially multiple stakeholders in fixed assets or infrastructure in line with the iKapa Elihlumayo vision and outcomes.

Finance and Regulation

Securing resources or creating an enabling environment for shared growth and integrated development. Clear parameters for public sector finance exist. Procedures for passing legislation

are similarly prescribed, though there is some ambiguity about the reform and promulgation of regulations, making this a critical area of IGR debate.

Institutional and organisational development

Restructured and aligned government to provide more efficient and effective government both within and across spheres. In order to implement the iKapa Elihlumayo outcomes, it is anticipated that it will be necessary to create, review and align SPVs and/or establish additional enterprises (national, provincial or local government).

Operations

A substantive programmatic shift in how or where government delivers an existing service.

3.3 Principles for Implementing Lead Interventions

Table 18 highlights principles to be applied in implementing Lead Interventions in order to ensure a shared growth and integrated development outcome.

TABLE 11: PRINCIPLES FOR IMPLEMENTING LEAD INTERVENTIONS

	PRINCIPLES
<p>Infrastructure projects</p> <p>Catalytic and high profile large scale investment with high multiplier effect</p>	<ul style="list-style-type: none"> • Focus private and public investment and IGR • Mobilise civil society and citizen enthusiasm, resources and participation • Achievable by 2014 • Demonstrate contribution (in selection and implementation) to equity, empowerment, environmental integrity and growth • be spatially aligned with the identified iKapa Elihlumayo prioritised areas of investment and relevant IDPs • Demonstrate appropriate institutional support within government or, where appropriate, an existing or new SPV • Long-term financial sustainability e.g. whole-life costing
<p>Regulatory reform initiatives</p> <p>Establishing an enabling environment for growth</p>	<ul style="list-style-type: none"> • Simplicity, comprehensiveness and coherence • Guided by the four principles of iKapa Elihlumayo • Minimise red-tape and cost of doing business, especially for the poor and SMMEs • Enable the informal/second economy. • Encourage investment • Facilitate transparency • Enable effective enforcement • Create a culture of effective and efficient government • Foster effective intergovernmental relations. • Guard against discrimination and social exclusion, especially of

women

Operational implications

Galvanising Departmental operations around the shared growth and integrated development agenda

- Activity realignment to ensure that iKapa Elihlumayo principles form an integral part of the operation, design and execution of the normal course of government business
- Geographical focus of implementation should align with the iKapa Elihlumayo priority nodes of investment
- Organisational structure and capacity of departments directed at realising the reformulated emphasis of iKapa Elihlumayo
- Intergovernmental co-operation fostered where appropriate

3.4 iKapa Elihlumayo Lead Interventions

Fundable proposals from the iKapa base strategy recommendations are identified generically as iKapa Lead Interventions. Details of each of the interventions are provided in the relevant iKapa Strategy Implementation Plans. iKapa Elihlumayo provides the opportunity to give strategic direction to government action by prioritising the iKapa Lead Interventions. These comprise combinations of planning, capital investment, regulatory, operational and institutional interventions. The following hierarchy is proposed:

#1 '**path breaking action**' of integrated transport is the core action required in the short-term to fundamentally shift the development trajectory of the Western Cape and set the province on a path of shared growth and integrated development. Issues for engagement include:

- integrated non-motorised and motorised public transport
- integrated regional rail network (freight logistics, passenger and commuter rail)
- ports and airports
- transport and development corridors
- strategic roads and interchanges

#2 '**path shaping interventions**': six ASGISA infrastructure and skills led growth opportunities to unblocking critical constraints to the regional space economy in the medium-term:

- World Cup 2010 and legacy
- Energy and water (including sanitation) infrastructure projects
- scarce skills development
- the Cape Flats Infrastructure Initiative
- MEDS priority sector implementation strategies: BPO/Call Centres, Tourism, Oil & Gas and Creative Industries
- Implementation of IGR Act by building regional planning and coordination capacity under the PCF, PMCF and DCFs
- WC PSDF – spatial basis for future growth and development

As a starting point public sector Water and Energy actions and investments have been identified (see Annex)

#3 path consolidating interventions: ten actions will lay the basis for a sustainable, empowering and enabling Western Cape, ensuring that the strategic outcomes of iKapa Elihlumayo are realised and reinforcing the path established and forged by the path-breaking and path-shaping interventions. These are:

- Sustainable and integrated human settlements
- Health Care 2010 and Burden of Disease interventions
- Strategic Infrastructure Plan (especially bulk infrastructure) implementation
- Early Childhood Development (ECD)
- Safety and security programmes
- Social Capital Formation Strategy roll out
- Integrated Law Reform Project
- Institutional reforms associated with the new Human Capital Development Strategy
- Economic Sector Support initiatives associated with Microeconomic Development Strategy and ASGISA priorities
- Implementation of the Provincial Sustainable Development Implementation

3.5 Integrated Transport – iKapa Elihlumayo ‘Path-Breaking’ Intervention

At this moment in the Western Cape’s development and given its challenges of meeting the iKapa Elihlumayo strategic objectives and reaching the target of 6-8% growth, the imperative is to identify those sectors where government action can make the biggest impact.

In this regard transport has been identified as the highest priority for iKapa Elihlumayo as well as ASGI-SA from the perspective of removing economic inefficiencies through freight and logistics infrastructure. This status should not imply that other interventions are unimportant. Rather, that the push or extraordinary effort that will be needed to reach the 6-8% growth target based on a shared growth and integrated development model, has to include a priority focus on the transport sector.

Not only is this a much neglected area of action, but it is a ‘path-breaking’ intervention that cuts to the core of iKapa Elihlumayo’s foundational principles (Table 18) which can be catalysed through World Cup 2010 investment.

TABLE 12: INTEGRATED TRANSPORT RATIONALE

Principle	Core Benefits
Economic Growth	<ul style="list-style-type: none"> • Enhanced regional economic performance • Efficient transport and logistics operations (freight, ports, airports, transport corridors and key interchanges) • Efficient movement of goods, services and people • Enhanced linkages to global, regional and national economies • Safe, affordable, reliable and well located transport is an essential service in the enabling environment
Environmental Integrity	<ul style="list-style-type: none"> • Reduced reliance on motor vehicles i.e. reduction in air pollution, harmful emissions over-consumption of scarce fossil fuels • Reduced energy consumption • Better land use planning • Reduction of regional ecological footprint
Equity	<ul style="list-style-type: none"> • Public transport ensures fundamental right to basic mobility to all citizens by directly redressing Apartheid legacy of Group Areas • Foundation of integrated settlement strategy ensuring greater access for all people to goods, services and economic opportunities • Critical to realising social and economic rights and opportunities
Empowerment	<ul style="list-style-type: none"> • Transport investment and operation holds enormous potential for empowerment, both in the sense of BEE deals and in its potential to improve personal confidence and well-being through facilitating greater exposure to public spaces and the environment beyond the home • Public transport as basic means of mobility for the pedestrian and the dislocated on the physical margins of urban areas

- Public transport addresses fragmented spatial structure
- Addresses dislocation of disadvantaged communities from economic activities and social amenity
- Enables viability of development corridors and nodes for densification and mixed-use development
- Urban and rural efficiency
- Allows for socio-economic integration of communities

Transport is an intractable issue, requiring strong political leadership across the spheres of government. By nature of the large costs and long time lags involved in the delivery of transport services this is not a quick win for anyone. Ambiguity in the legal frameworks and overlapping powers and functions make transport an intergovernmental service. When the transport system works well nobody notices it, but when it is absent *or breaks down the public and business react by* taking action into their own hands. The results of increased private motor car use by the wealthy, inconvenience for the workers and immobility among the poor are equally disastrous for shared growth and integrated development. Thus, while there are significant challenges in moving ahead in this complex sector, there is consensus that that the biggest risk of all is doing nothing.

Instead of isolating particular aspects of transport infrastructure, this 'path-breaking' lead intervention is presented in its full developmental context, drawing on the various elements of the developmental cycle as they relate to the transport imperatives of the Western Cape. Fortunately, while this is a sector that needs a massive injection of money and effort, there has been considerable ground work undertaken already.

There is consensus within and beyond government that a whole new paradigm for moving goods, services and people is required. Improved freight, public and non motorised transport consistently emerges as the single most important intervention by government in securing shared growth and integrated development. Guiding principles include a transport system that:

- Children and the elderly can use that is safe, simple and easy to use
- Supports economic growth
- Is reliable, affordable and accessible
- Ensures socio-economic integration
- Is based on higher residential densities
- Provides incentives for a move away from road based transport (regarding both freight and passengers) to a railroad system.

The Nature and Scale of the Problem

Significant progress in understanding the transport problems of the province has already been made. The SIP, a Provincial Land Transport Framework and the Provincial White Paper (1997) all provide overall provincial details. The George Knysna Mobility Plan, the Cape Town Integrated Transport Plan and the Cape Town Functional Region Proposed Agenda for Action drill down to the urban scale in the two major provincial nodes. All agree on the following challenges:

- Lack of investment in upgrade and expansion of safe and affordable public and non motorised transport
- Ineffective freight facilities
- The imperative of providing new planning transport infrastructure to service planned growth
- More effective asset management plan to protect the vast investments already made.

Differences remain over important aspects of the institutional consensus on CTFR body arrangements for an integrated transport authority, but working groups are already in place to find a resolution.

Political will and commitment from all spheres of government and SOEs is imperative to unlocking the resources for major new investment and will provide the opportunity to define a new mobility agenda that will shape development in the Western Cape. In proposing transport as the single iKapa Elihlumayo path breaking action the Provincial Government of the Western Cape is making such a commitment.

Annex unpacks the 'path-breaker' in terms of capital investment (include those planned by SOEs in the province over the next decade), finance and regulation, institutional and organisational development and operational considerations.

3.6 Provincial Leadership

iKapa Elihlumayo is more than a Provincial government plan it is a plan for the Western Cape. Provincial Government will lead the refocused regional development vision with particular attention given to its direct and indirect role in facilitating shared growth and integrated development.

Realising iKapa Elihlumayo strategic outcomes requires that Province government assumes a stronger leadership role in intergovernmental relations (Table 20). Provincial leadership in the operation of the inter-governmental system can be harnessed in the following ways:

- Ensuring that IDPs address the priorities of the NSDP and PGDS/WC PSDF and deal appropriately with the actions of all spheres of government within the municipal area
- Ensuring that District Growth and Development Strategies address PGDS priorities
- Providing a platform for identifying and addressing planning imperatives that cross boundaries and spheres of government
- Co-ordination of the activities of government, SOEs and SPVs that operate in the province
- Ensuring that regional dynamics of the Western Cape are adequately reflected and accommodated in national policy frameworks and funding protocols
- Monitoring the cumulative impact of development in the Western Cape and feeding this analysis into the revisions of the PGDS and NSDP/WC PSDF.

Through public consultation, to be led by the Provincial Development Council (PDC), the Social Partners will take forward their 2003 Framework Agreement commitment within iKapa Elihlumayo. The social partners may also consider proposing their own iKapa Elihlumayo Charters that spell out their commitments to implementing shared growth and integrated development.

TABLE 13: PROVINCIAL LEADERSHIP ON IKAPA ELIHLUMAYO

iKapa Elihlumayo Shifting the developmental path of the region through Provincial leadership	Partnerships outside of government	Changes within the Western Cape Provincial Government	Intergovernmental Actions to drive iKapa Elihlumayo	Path Breaking iKapa Elihlumayo multi party intervention
	<ul style="list-style-type: none"> • PDC to lead engagement on iKapa Elihlumayo's public endorsement and its implementation by the social partners 	<ul style="list-style-type: none"> • Revision of iKapa base strategies in line with iKapa Elihlumayo • Identify and implement fundable iKapa Lead Interventions: (infrastructure, regulatory; operational) • Refocused departmental action directed by iKapa base strategy implementation 	<ul style="list-style-type: none"> • Targeted IDP oversight • Co-ordination and facilitation of government, SOEs and SPVs through the Premier's Intergovernmental Forum. • Regional Planning and Financial Support under the PCF, PMCFs and DCFs. • Strategic and informed engagement in the President's Co-Ordination Committee 	<p># 1 issue – transport</p> <p>This is the key to social, economic, environmental and spatial restructuring. The intervention is broad and encompasses:</p> <ul style="list-style-type: none"> • Integrated Transport Planning • Transport Regulation • Transport Operation • Capital Investments • Institutional and organisational development

4: Resourcing iKapa Elihlumayo

This section unpacks the developmental role of Provincial government in relation to resourcing iKapa Elihlumayo through leading strategic action and efficiency gains. It also highlights mechanisms at province's disposal to catalyse the desired development trajectory which will need to be augmented by the contributions of the different social partners.

Successful implementation of iKapa Elihlumayo requires commitment and resourcing from all stakeholders and role-players in the provincial space-economy. A shared growth and integrated developmental path requires collaboration and partnership between social partners, the different spheres of government and SOEs under the leadership of the Provincial government. Partnership and collaboration entails sharing management, resourcing and promotion of the iKapa Elihlumayo vision in order to attain long-term sustainability of the Province.

The PDC, as the Western Cape institutionalised platform for social dialogue, will facilitate the identification of the developmental role and inputs of the different social partners towards realising the iKapa Elihlumayo. IGR structures will coordinate the actions of the different spheres of government. Outcomes of these processes will be embedded into the final iKapa Elihlumayo strategy document.

4.1 Provincial Budget

The Provincial budget is both the smallest and most inflexible of the spheres of government in the Western Cape due to the conditionality associated with the Provincial equitable share allocation and the currently very limited capacity of provinces to generate their own revenue. In the absence of clear resource commitments from the different social partners, iKapa Elihlumayo interventions have been conceived within these current funding parameters.

The following assumptions are made about funding for the different interventions:

- Delivering PGWC Departmental, Cluster and iKapa Base Strategy Implementation plans 'on budget', without additional or external resources beyond those committed by the relevant spheres of government (other than limited donor funds for seed activities).
- The intergovernmental nature of many of the iKapa strategy lead interventions, especially those involving infrastructure development, implies that budget support will be obtained from local or national government, the SOEs, Municipal Agencies or the private sector (Figure *).
- Infrastructure investments will only be approved by Cabinet as iKapa Elihlumayo lead interventions if they can be shown to be financially and environmentally sustainable as well as located in appropriate locations (areas of growth potential).
- Financial reallocation within Departments will be required as activities shift in line with the new priorities and as efficiency gains release resources for new work
- A change in the scale of the budget of the Social Development Department, as the welfare function is reallocated, provides an opportunity for reassessment of the overall departmental organisation of Province. iKapa Elihlumayo implementation must provide the rationale for any internal reconfiguration and budget realignment of the PGWC.

- Not all Departmental budgets will grow at the same rate over the 2004-2014 period, facilitating the gradual establishment of some discretionary funding within the Province to enable greater balance in realizing the spatial, social, economic and environmental priorities associated with iKapa Elihlumayo.
- Limited resources generated through new revenue streams e.g. the recently approved Provincial fuel tax, will further enable the development of funding capacity in the Province to lead iKapa Elihlumayo's implementation activities.
- As the Provincial purse expands, additional monies will be dedicated to the increasingly demanding tasks of intergovernmental facilitation and partnerships to ensure that the iKapa Elihlumayo strategic outcomes are achieved.

4.2 Partnerships

While every effort will be made to put Provincial resources behind iKapa Elihlumayo, the PGWC 'pot' is not sufficient funding to make the kind of difference that is necessary to shift the development path of the Western Cape. Province will therefore seek to lever additional resources from its partners and from external agencies to implement the iKapa Elihlumayo objectives through:

- Maximising the impact of existing allocations within the different spheres of government, the investment plans of SOEs and Provincial and Municipal Agencies.
- Promoting multi-stakeholder lead interventions based on the iKapa base strategies, generating new investment especially from Provincial and Municipal Agencies e.g. Wesgro and proposed Economic Development Agency, SOEs and the private sector.
- Raising new revenue from external sources for the path breaking public transport action.
- Lobbying National Treasury for the approval of own revenue generation (and thus capacity to raise loans) by Provinces, asymmetrically if necessary.

4.3 Changing the Way that PGWC 'Does Business'

Embarking on the iKapa Elihlumayo path requires expanding the leadership role of Province to ensure that the strategic outcomes are achieved through better alignment, co-ordination, partnerships and good governance. A critical precondition is changing the way that Provincial government thinks and acts.

Re-orientating Outputs of the Social Cluster

Given limited scope for own revenue generation, it must be assumed that the PGWC budget is unlikely to expand. Revenue from the fuel tax will not fundamentally alter the overall provincial financial position. There is only limited scope to shift disbursements between Departments - and the total budget allocated to social spending against conditional grants (currently 86% of fiscus) is relatively fixed.

Given the importance ascribed to social issues as determinants of the regional growth path, a major reduction in education, health, sport or community and social development expenditure (even if possible) would be undesirable. However, the argument presented in Section 3 highlights that social issues impact on and are in turn impacted upon by the economic growth trajectory and structure of the provincial space-economy. This necessitates that social expenditure of the province can and should be harnessed to realise the vision of shared growth and integrated development.

Social (and to a lesser extent environmental) spending must be adequately directed to generating shared growth or reorienting the spatial distortions of the past. There is no room for complacency. The Social Cluster of the PGWC in particular will need to demonstrate how its core business supports the iKapa Elihlumayo outcomes and embraces the iKapa Elihlumayo principles. By implication, it must be assumed that, like the MTSF at the national level, iKapa Elihlumayo means that new revenue in the Province will not be directed at further social spending.

Revising iKapa Base Strategies and Refining Implementation Plans

The iKapa base strategies have been developed to provide sectoral policy direction for PGWC Departments. iKapa Elihlumayo has expanded on this work and further refines the regional developmental path by defining principles, strategic outcomes and targets. Most departments have already begun to redefine their priorities in line within the iKapa base strategies.

In light of the base strategies being prepared in isolation [not entirely true in case of WC PSDF] of one another prior to their consolidation in iKapa Elihlumayo, it is critical that gaps are addressed as highlighted in Table 21:

Further iteration of the iKapa base strategies is required to facilitate alignment with iKapa Elihlumayo. General areas of revision include:

- Addressing the IGR context directly, defining implications raised by or to be taken up by the Premier’s Coordinating Forum (PCF) or the Presidential Coordinating Committee (PCC)
- Addressing the role of SOEs
- Directly addressing the spatial imperatives of integration and urban restructuring, the issue of the primacy of Cape Town and the implications of the strategy within the Cape Town Functional Region.
- Identifying how iKapa Elihlumayo principles of equity, empowerment, environmental integrity and growth will be incorporated within implementation plans.

TABLE 14: FOCUS AREAS OF IKAPA 1st GENERATION BASE STRATEGY REFINEMENT

IKAPA BASE STRATEGIES	FOCUS AREAS	ISSUES
WC PSDF	<ul style="list-style-type: none"> • Inter-urban scale • IGR • New urban structure based on public transport • Socio-economic integration • Sustainability • Predictability: where and when to develop 	<ul style="list-style-type: none"> • urban restructuring and spatial integration • rural development and urban land reform • urban and rural management • ecological service management
SIP	<ul style="list-style-type: none"> • overarching infrastructure investment framework 	<ul style="list-style-type: none"> • analysis of priorities • strategic public land acquisition and

	<ul style="list-style-type: none"> and prioritisation • IGR • SOEs 	<ul style="list-style-type: none"> disposal • economies of scale generated by multiple infrastructure investments • bulk infrastructure and alignment with PSDF
MEDS	<ul style="list-style-type: none"> • holistic view of economic development with more emphasis on location of sector support • IGR • SOEs 	<ul style="list-style-type: none"> • spatial dimension of the regional and sub regional economy • Rural development • LED and area based development • the role of unskilled and semi skilled work • the environmental economy • informal and third economy • empowerment
SCFS	<ul style="list-style-type: none"> • growth potential • mechanisms of social capital enhancement 	<ul style="list-style-type: none"> • implications of the demographic transition of the Province, including migration patterns • social dysfunctionality, especially violence and crime.
HCDS	<ul style="list-style-type: none"> • scarce skills strategy • IGR 	<ul style="list-style-type: none"> • ECD • assessment of the specialised professional environmental and spatial planning skills • skills retention • Quality Education and Expanding the skills Base • ABET • FET

Identify and Implement iKapa Lead Interventions

The implementation of the iKapa base strategies will take place within Departments as part of their core business on their own budgets. There are, however, some proposals that impact across departments and across other spheres of government. A number of the iKapa base strategies, especially the SIP, present capital intensive lead interventions. Not all of these ambitious iKapa proposals can be supported beyond existing departmental budgets and other committed resources.

5: IGR Coordination and Alignment

This section provides a strategy for participatory governance to ensure that the intergovernmental dynamics of the Province adequately address the shared growth and integrated development approach through coordination and alignment

iKapa Elihlumayo sets out a shared growth and integrated development path which requires a more robust kind of government than has been seen to date. Embarking on this developmental path entails:

- Targeted action
- Strategic investment
- Leadership and effectiveness
- Co-operative and collaborative governance

Consensus and sound analysis are the first steps to changing the status quo. Determined and direct action is required - we will not attain iKapa Elihlumayo strategic outcomes with a 'business as usual scenario' attitude in government.

Like the Programme of Action and the Medium Term Strategic Framework, iKapa Elihlumayo calls for a more interventionist role of the developmental state in consolidating South Africa's democracy and delivering shared growth and integrated development to the people of the Western Cape.

In its role as a developmental driver, provincial government has three major mechanisms at its disposal to kick-start progress on iKapa Elihlumayo outcomes [\[ref to 3 mechanisms but only 2 listed\]](#):

- Inter-governmental forums to foster collaborative ownership among multiple stakeholders with significantly greater resources. Key Provincial mechanisms for intergovernmental alignment and collaboration include: IDP oversight (strategic planning), Premier's Coordinating Forum (PCF) Premier's Metro Coordinating Forum (PMCF) and Premier's District Coordinating Forums (PDCFs) - intergovernmental coordination) and participation in the President's Coordinating Council (PCC).
- Extraordinary multi-partner initiatives to trigger developmental energy e.g. a transport investment program to catalyse the iKapa Elihlumayo vision in light of this critical and complex intergovernmental competency.

Legally constituted institutional mechanisms exist for each of these action areas, however, they will require re-engineering and re-capacitation to realise iKapa Elihlumayo's objectives. Three core key mechanisms provide the key leadership platforms for the Province in directing the shared growth and integrated development agenda. These are:

- The Provinces oversight of IDPs and District GDSs
- The Premier's Coordinating Forum (PCF)
- The President's Coordinating Council (PCC)

5.1 IDP Oversight

The IDP is a critical planning mechanism in which national, provincial and local governments' objectives must be aligned, implemented and made locally relevant. Although municipalities have no jurisdiction over SOEs or Provincial Entities, the IDP should articulate how any investments by the SOEs and private sector will be incorporated into its needs profile, planning and budget. Failure to do so means that the bulk of investment in the area will be ignored, the multiplier impacts negated and that long term issues of capital investment and asset maintenance could increase municipal exposure to financial risk.

Although many municipalities are still struggling to reconcile the demands of the IDP process, it is clear that this is the single most important planning instrument for translating developmental principles and objectives into action.

Provincial Government has been tasked with IDP approval and it is ultimately responsible, through the Municipal Financial Management Act (MFMA) for municipal budgets. In setting out the guidelines for IDPs and the associated municipal budget approval, the Province has an enormous responsibility yet also the opportunity to mainstream the iKapa Elihlumayo vision and principles at a local government level.

PGWC Treasury has stepped up its analysis of municipal challenges and expenditure in the PERO process. Its annual IDP hearings/Local Government medium term Expenditure Committee (LG Mtech) with DPLG&H are generating a growing culture of strategic planning across the province. The quality of analysis in most IDPs on key areas of economic investment, intergovernmental alignment, environmental and spatial integrity as well as long term financial viability is inconsistent and requires great capacity and support.

TABLE 15: CRITICAL MUNICIPAL DEVELOPMENT CHALLENGES, 2005/06 LG MTECH

ISSUES	FACTORS
Economic development	<ul style="list-style-type: none"> • Ad hoc approach to economic development through 'job creation' projects • Strategic aspects of economic planning lacking i.e. development of local economic base and how resources are used for long term socio-economic development.
Bulk infrastructure	<ul style="list-style-type: none"> • Inadequate bulk infrastructure (water, sanitation, energy and roads) capacity and investment are increasingly critical constraints to LED
Land management:	<ul style="list-style-type: none"> • Inability to engage strategic land use management • Responses lacking to critical issues e.g. land reform, small scale farming, communal land, release of state land and land audits. • Strategic planning tools (PSDF, SDPs) not used optimally and concepts (e.g. corridors and nodes) poorly interpreted • Human Settlement – still doing RDP housing on periphery
Cooperative governance and	<ul style="list-style-type: none"> • Lack of strategic intergovernmental co-operation and planning • Prevailing practice of fiscal dumping

alignment:	
Deepening democracy	<ul style="list-style-type: none"> Diversity of mechanisms and innovations in approaching citizenship participation e.g. ward committees, CDWs and local participatory forums with varying degrees of success
Natural resource management:	<ul style="list-style-type: none"> Poor response to imperatives of managing air, waste management and coastal zones Lack of coherent strategies on resource use, natural assets protection and linking resource management to long term socio-economic development

Notwithstanding the capacity problems and possible local reluctance to engage with other spheres on the IDP, this remains the critical space for shifting the developmental path of the Western Cape. Without sound local planning there can be no effective regional development planning. Without sound regional planning we will not reach national targets. The IDP/budget approval process is therefore a major site for implementation of iKapa Elihlumayo.

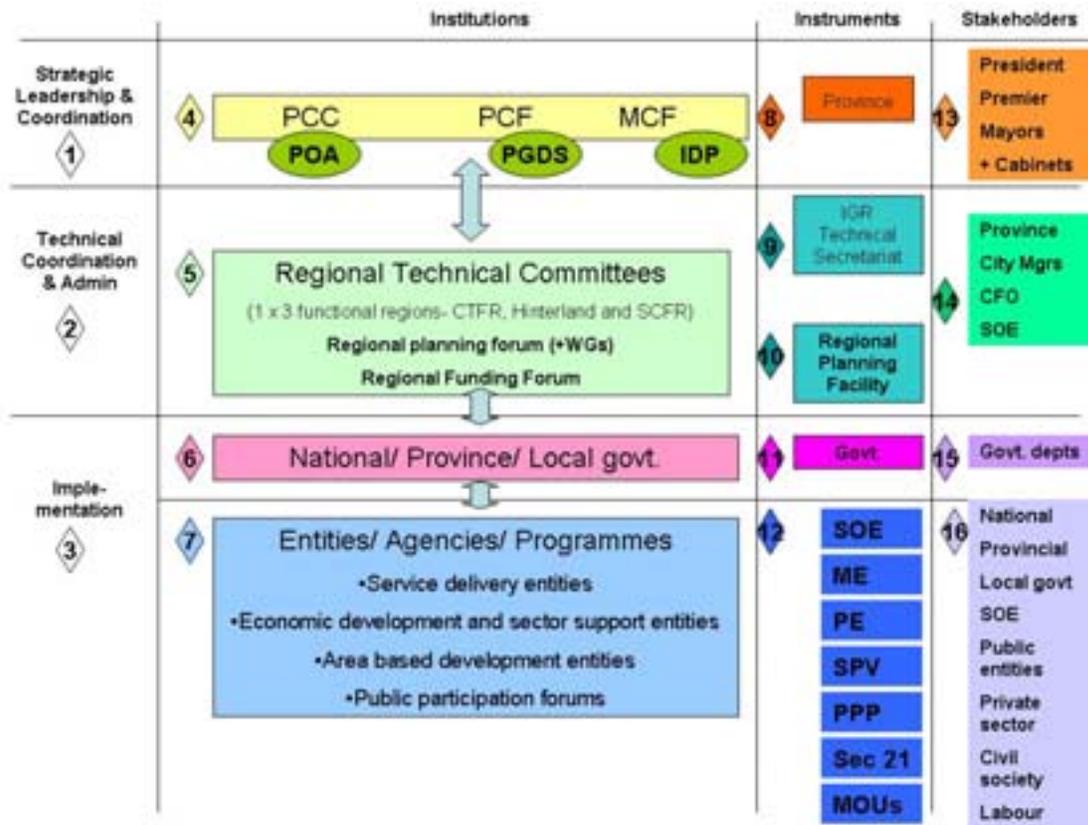
TABLE 16: ACTIONS TO ALIGN IDPS WITH IKAPA ELIHLUMAYO

KEY ACTIONS	DELIVERABLES	DotP Partners
1.Strengthen research capacity and align data systems	<ul style="list-style-type: none"> Common data sets Establish systems to assess local development dynamics within and between municipalities (districts) 	DBSA PT DEDT STATS SA
2.Consolidate Provincial oversight capacity	<ul style="list-style-type: none"> Guiding, overseeing and approving iKapa Elihlumayo aligned IDPs and budgets Guiding iKapa Elihlumayo aligned District GDSs 	DPLG DEDT DLG&H
3.Develop municipal technical capacity	<ul style="list-style-type: none"> Build capacity in municipalities around IDPs and IGR Increase expertise in mainstreaming spatial, environmental, social and economic development into medium-term planning processes and budgets 	DPLG DEDT DEADP PT DLG&H
4.Develop guidelines for iKapa Elihlumayo aligned IDPs	<ul style="list-style-type: none"> Investment plans (including other spheres and SOEs) Asset management plan IGR arrangements for joint planning and management Financial management plans (excl budget) Equity, empowerment and LED plans Spatial Development Plans (SDPs) that align with the NSDP, PSDF and forthcoming NSSD 	DT&PW PT DEDT DE&DP DLG&H

5.2 Premier's Co-ordinating Forum (PCF)

Under the Intergovernmental Relations Framework Act the PCF is identified as the hub of co-operative governance within the existing framework for IGR activity to ensure MTSF – PGDS – IDP coordination and alignment (see Figure 16 and Table 23). This framework responds to institutional, operational and stakeholder engagement aspects of IGR activity.

FIGURE 7: PCF WITHIN EXISTING IGR INSTITUTIONAL FRAMEWORK



The PCF is made up of the Premier and the Mayors it a major platform for intergovernmental dialogue. The primacy of the Cape Town as a key site for prioritised investment and intervention also necessitates more strategic direction of the Premier’s-Metro Coordinating Forum (PMCF). An organisational process for more directed intergovernmental co-operation in both the PCF and PMCF is required. Both structures provide an excellent vehicle for leading the alignment and implementation of the intergovernmental mandates of the MTSF, iKapa Elihlumayo and the intergovernmental components of IDPs.

Due to the magnitude of the IGR task and in an effort to focus collaborative engagement and foster shared ownership of strategic issues and actions, the PCF and PMCF scope of work should be restricted to areas of intergovernmental action (not an implementation or operational body).

TABLE 17: CORE ROLE AND ACTIVITIES OF IGR STRUCTURE

IGR STRUCTURE	ROLE	CORE ACTIVITIES
PCF	<ul style="list-style-type: none"> • MSTF/PGDS/IDP alignment and implementation oversight • Co-ordinating and facilitating development action transversing municipal boundaries and/or involving multiple public sector bodies 	<ul style="list-style-type: none"> • Regional Strategic Planning • Regional Strategic Financial technical support for the three major sub regions (Cape Functional Region, the Coastal Region and the Hinterland) • Convening (or ensuring that this was done by the MCF or DCF) IGR Working Groups⁴¹
PMCF	<ul style="list-style-type: none"> • MSTF/PGDS/IDP and Metro Growth and Development Strategy alignment and implementation oversight • Co-ordinating and facilitating development action located in the City of Cape Town Metro and/or involves many public sector bodies operating in a particular locality 	<ul style="list-style-type: none"> • Metro Strategic Planning (Term of Office IDP, Spatial Development Plan and Growth and Development Plan) • iKapa Elihlumayo Lead Intervention planning and delivery (2010, Cape Flats Infrastructure Initiative etc.)
PDCF	<ul style="list-style-type: none"> • MSTF/PGDS/IDP and District Growth and Development Strategy alignment and implementation oversight • Co-ordinating and facilitating district development action 	<ul style="list-style-type: none"> • District IDPs and Growth and Development Strategies • iKapa Elihlumayo Lead Intervention planning and delivery

⁴¹ Working Groups would cover sectors whose application or impact is not contained within a municipal boundary (water, waste, economic development etc) or area based projects where there are multiple development partners beyond that of the municipality

Incorporating Entities and Special Purpose Vehicles (SPVs)

In order to expedite a rapid response to particular problems or to ensure effective implementation of complex projects SPVs or agencies are often established to drive development projects. The Western Cape has several of these agencies/enterprises established by the different spheres of government e.g.:

- National: Transnet (transportation logistics) and Eskom (electricity generation and distribution)
- Provincial: ConvenCo (Convention Centre), Wesgro (Trade and Investment promotion) and Cape Town Routes Unlimited (destination marketing)
- Municipal: The Cape Town Partnership (central business district improvement) and RED1 (electricity distribution)

Further SPVs are proposed for the 2010 Green Point Stadium, Culemborg Head development and Regional Transport Authority. SPVs should be considered for other large investment plans currently under discussion to deal with the complexities of intergovernmental and multi-partner development. Not all SPVs are structured in the same way, though typically they are primarily accountable to their Boards, and through the Board to the establishing authority (via PFMA or MFMA)

SPVs have numerous advantages and challenges. Advantages include the ability to act swiftly, integrate various activities in a particular area, to hire appropriate staff (especially when this capacity is lacking in government) and dedicate attention to a single purpose. Well known challenges include the failure to link into the mainstream activities of government, or to developments outside of their geographical focus. They can be vehicles for de facto privatisation, removing themselves from the control of government. SPV are generally less accountable to participatory processes and demands for public scrutiny. In South Africa the difficulty is that the work of SPV, like that of SOEs falls beyond the ambit of the IDP and PGDS.

SPVs flourish because they are designed to get the job done fast and effectively. Judging by international experience it is very difficult to complete big budget projects, especially in metropolitan areas, without some form of SPV. The challenge is to harness the output of the projects driven by SPVs to the iKapa Elihlumayo agenda. In this regard their inclusion in the PCF offers an opportunity.

Sub-Regional Planning Forums and Working Groups

Shared growth and integrated development is not a geographically bounded process, and many of the opportunities and constraints manifest across municipal boundaries and play out unevenly across the region.

Three main functionally differentiated sub-regions have been identified as Cape Town⁴², the South Coast⁴³ and the Hinterland⁴⁴. Considering administrative boundaries include different types of spatial economies it is likely that municipalities might participate in more than one of the regional and strategic financial planning processes.

Given the dynamics of the development of the Cape Town Function Region high level planning activity under the PCF is an imperatives.

Rationale for CTFR IGR Dialogue

Benefits of enhanced IGR dialogue would lie in the areas of improved planning, economic development, natural and financial resource management. Crucially, the PCF should facilitate engagement with SOEs, provincial and local Agencies as well as SPVs.

- **Planning:** long-term information on regional trends (e.g. in urbanisation, economic performance, property prices, resource consumption, poverty profiles, settlement development etc) cannot only be undertaken at the municipal scale. A strategic planning support capacity can provide comparative planning information and advice within and across municipal areas of the province.
- **Economic Development:** the flow of goods, services and people between places is the lifeblood of the economy. Harnessing regional economic potential demands supporting economic activity that is not always fixed in space or whose impact extends beyond the area of intervention. Competition for investment and market share between places in the same region needs to be mediated and opportunities for collaboration identified.
- **Resources:** the ecological footprint, especially of urban areas, extends beyond the urban edge of the settlement. Managing the natural resource base (especially air, water and energy but also the land and coastline) in an informed manner that protects the public good is an imperative that requires consensus and collaboration between municipalities.
- **Finances:** large projects that have the possibility of shifting the development trajectory of the region, do not generally emanate from a single source, necessitating partnership arrangements. Alternatively, resources may be raised from one source but are transferred to a different institution for operation and maintenance. Large infrastructures, like ports or land fill facilities, service several municipalities. Typically local government inherits the assets/ liabilities of projects that it may have had little say in instigating or directing.

⁴² The old city, the inner core of the N1 and N2, the Metro periphery and edge, the South East, the peri urban land and the intensive agricultural belt

⁴³ The emerging secondary city around George, Knysna and Plettenberg Bay and the Southern coastal strip

⁴⁴ Low density agricultural and protected natural areas and small towns

5.3 President's Co-ordinating Council (PCC)

Under the South African Constitution there are three spheres of government and local and provincial government are expected to engage in national policy direction. The PCC is the institutional forum through which this engagement takes place. In its deliberations in the PCC PGWC has the opportunity to reflect on regional imperatives and to share the iKapa Elihlumayo vision with the rest of the nation. In practice this could encompass:

- Identifying the impact of national programmes on the region
- Inserting regional imperatives into the national programme of action
- Engaging in policy direction based on regional specificity

6: Holistic Governance

This chapter draws iKapa Elihlumayo to a close by affirming the notion of holistic government and outlines the ongoing processes of participation, accountability and evaluation that will accompany the endorsement of iKapa Elihlumayo principles, approach, interventions, targets and outcomes.

6.1 The Premise of Holistic Government

Holistic governance is intended to nurture a distinct pattern of mutually beneficial interaction. Out of this would emerge a new spectrum of functional norms and procedures based on a common understanding and response to identified policy imperatives. A holistic governance approach to the implementation of iKapa Elihlumayo is underpinned by the following:

- Policy coherence and coordination
- Integrated planning and implementation
- Integrated resource mobilisation
- Integrated service delivery and strategic action
- Participatory and collaborative governance and delivery

In an attempt to break away from the departmentalisation of service delivery which leads to functional silos, holistic governance serves to strengthen collaboration around a common purpose and institutional fusion. Integration takes place between different spheres of governance and various sectors. Such integration is characterised by coordination of functions between these spheres.

Holistic governance takes cognisance of the fact that common problems require common approach and answers. This is particularly important given limited resources in relation to increasing service delivery challenges. It circumvents unnecessary competition which often leads to wastage through duplication.

As a paradigm, holistic governance provides a rationale for the reordering and redirecting of institutional processes and activities to meet iKapa Elihlumayo desired outcomes.

6.2 Participatory Democracy

Successful implementation of iKape Elihlumayo will require the contribution of all social partners and various role players. The PDC is the core instrument to facilitate and ensure social dialogue between the four social partners (government, civil society, labour and the private sector) towards realizing shared growth and integrated development objectives of iKapa Elihlumayo.

The development, implementation and review of iKapa Elihlumayo should be an integral part of the work of the PDC. This will broaden the scope of ownership and accountability to all the social partners.

The role and input of various actors should be viewed within the context of the existing provincial government institutional architecture and increased move towards holistic governance, distinguished by the particular roles in relation to iKapa Elihlumayo implementation spectrum and resource contribution.

Role of the Provincial Government

- Provide strategic leadership in ensuring integrated approach to development and implementation of iKapa Elihlumayo
- Create a conducive and supportive environment for the implementation of iKapa Elihlumayo
- Establish integrated institutional measures for the implementation of iKapa Elihlumayo
- Ensure multi-sectoral and intergovernmental engagement in relation to the implementation of iKapa Elihlumayo
- Marshal sufficient resources for the implementation of iKapa Elihlumayo.
- Monitor and evaluate performance and impact in relation to the implementation of iKapa Elihlumayo

Role of SOEs and the Business

- Commitment to the implementation of the iKapa Elihlumayo lead interventions
- Effectively participate in various activities and institutional machinery central to the implementation of iKapa Elihlumayo
- Develop and implement strategic plans and programmes with due consideration to iKapa Elihlumayo
- Report progress on key programmes as part of implementation of iKapa Elihlumayo
- Provide necessary support and resources towards the implementation of iKapa Elihlumayo
- Attract and encourage investment initiatives central to the success of iKapa Elihlumayo

Role of Civil Society

- Commitment to implementation of strategic objectives and mobilise broad-based community ownership of iKapa Elihlumayo objectives
- Effectively participate in initiatives and multi-sectoral structures central to the implementation iKapa Elihlumayo
- Ensure transparency, inclusiveness, responsiveness and accountability in relation to the implementation of iKapa Elihlumayo
- Monitor and evaluate performance and impact in relation to the implementation of iKapa Elihlumayo in communities
- Ensures that the comments of NGO's be taken into consideration and their recommendations be included in deliberations.

Role of Labour

- Mobilise labour market commitment and ownership of iKapa Elihlumayo objectives and strategic goals
- Provide coherent response on developmental role of organised labour through retirement funds and trustee representation on boards
- Effectively participate in initiatives and multi-sectoral structures central to the implementation iKapa Elihlumayo

- Ensure transparency, inclusiveness, responsiveness and accountability in relation to the implementation of iKapa Elihlumayo

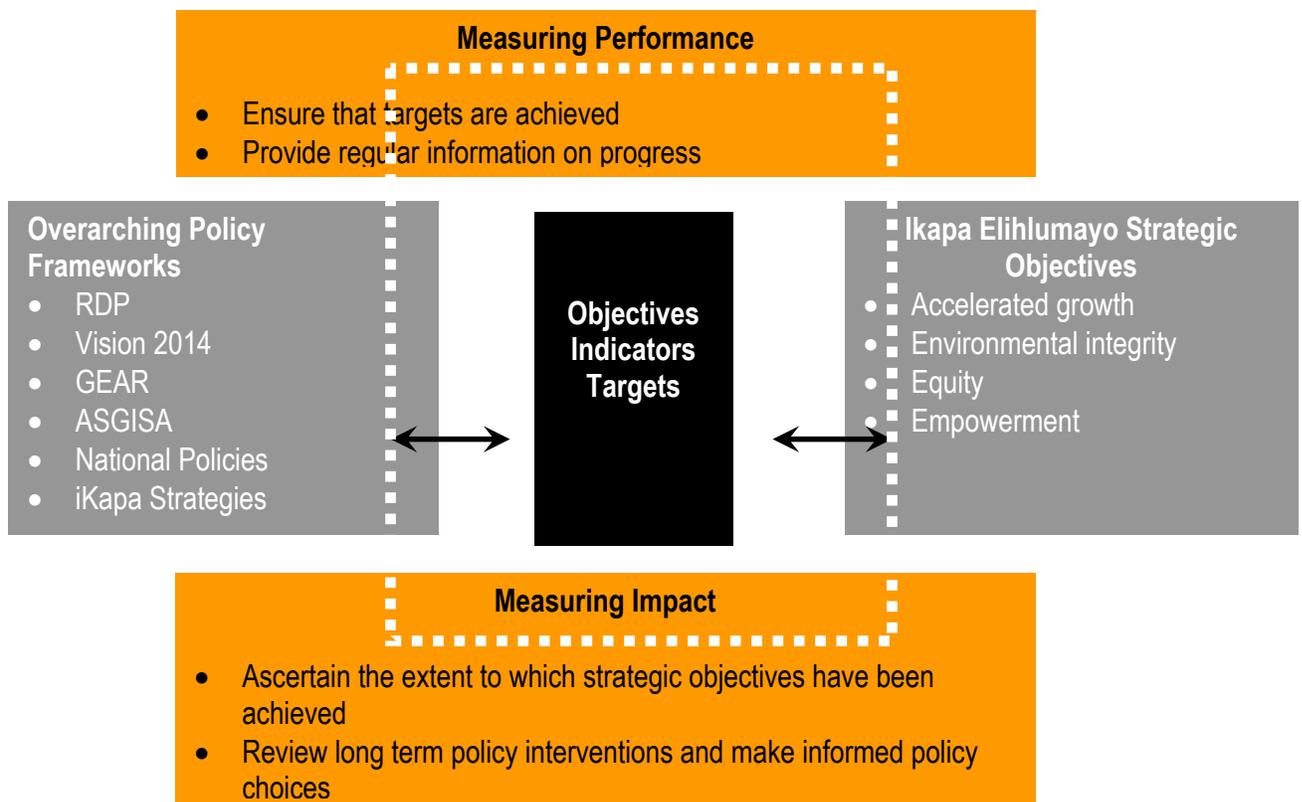
6.3 Monitoring and Evaluation

An M&E framework for iKapa Elihlumayo must provide a systematic, coordinated and integrated outlook on the implementation and impact of interventions undertaken. It should set the parameters and identify the linkages between iKapa Elihlumayo strategic objectives, intervention activities and desired outcomes to underpin a shared growth and integrated development trajectory.

As a performance and impact measure, the framework should enhance policy coherence, strategic focus and result-based orientated approach in the monitoring and evaluation processes. It should also serve as a device to pursue and facilitate shared dialogue, learning, outcomes and accountability amongst various spheres of government and strategic partners.

Indicators to measure inputs, outcomes and impact should be developed. The process for the development of indicators for iKapa Elihlumayo monitoring and evaluation instrument should be defined within the bounds of holistic governance features of cooperation, integration and partnership.

FIGURE 8: MONITORING AND EVALUATION FRAMEWORK



The Department of the Premier will produce an independent annual monitoring review of iKapa Elihlumayo that will indicate how successfully the Strategy is being implemented in relation to:

The impact of the Strategy on the regional spatial, economic, environmental and social development trajectory

Progress being made to achieve the objectives in the Strategy

Identified areas where further action is needed

The report will provide background information for all those interested in monitoring and scrutinising the effectiveness of shared growth and integrated activities in the Western Cape. The Action Plan in Section 6 lists the high level indicators for the Strategy. The core of the iKapa Elihlumayo review will be a detailed statement showing performance against these indicators.

Considerable opportunities to support implementation of the Strategy's objectives and actions will emanate from the PGWC direct service delivery responsibilities and the leadership and influence of the Department of the Premier (DotP). High level coordinated monitoring of iKapa Elihlumayo will be undertaken within the DotP province-wide monitoring system.

The DotP will draw on the expertise of Provincial Treasury (PT) and the Department of Local Government and Housing (DLG&H) to identify developing trends to inform new policy approaches and help direct and monitor impact of iKapa Elihlumayo implementation.

PT's Economic Analysis Unit provides a robust statistical and factual forecasting basis for policy-making and service delivery which is published in the annual Provincial Economic Review and Outlook (PERO).

PT and DPLG&H lead on annual Local Government Medium Term Expenditure Committee (LG MTech) engagements (Section 22 and 23, MFMA). These allow for strategic provincial department-municipal engagements to ensure alignment of planning priorities, development strategies and resources within draft budgets, IDPs and LED strategies. The DLG&H IDP Unit provides guidance and technical expertise to the annual municipal IDP assessment as well as planning and implementation support in each district. Collaborating with the Unit is crucial to coordination and alignment of policy and investment interventions as well as monitoring of iKapa Elihlumayo implementation at the cold face of delivery - the municipal sphere.

The W Cape Legislature and Cabinet scrutinises the work of the DotP and PGWC. It will have a role in monitoring delivery of iKapa Elihlumayo through the cluster system. Their wider role in considering issues of general importance to the Western Cape will also be important in assessing success, and identifying areas where more work might be needed. PCF working groups will coordinate and monitor iKapa Elihlumayo implementation and impact at the local government level.

FIGURE 9: HIGH LEVEL TARGETS

<p style="text-align: center;">Growth</p> <ul style="list-style-type: none"> • Increase GDPGR between 6-8% • 100 000 sustainable jobs and 120 000 EPWP jobs • 45 000 income earning opportunities • R5billion of investment in priority sectors by 2008 • 15 000 new enterprises with comprehensive support and supply side measures to SMMEs • Unemployment below 10% • Diversify the economic base 	<p style="text-align: center;">Equity</p> <ul style="list-style-type: none"> • Reduce the Gini coefficient to below 0.55 from the current 0.616 • Per capita GDPGR in top quartile for developing economies • Reduce the crime rate by 50% • Reduce the segregation index by 50% • Meet MDG targets of halving unemployment and poverty by 2014 • 50 000km bicycle and pedestrian network
<p>iKapa Elihlumayo Targets for 2014</p>	
<p style="text-align: center;">Environment</p> <ul style="list-style-type: none"> • Maintain per capita ecological footprints at 2005 levels • Maintain 2005 public transport dependency rates of 50%⁴⁵ • Effective environmental enforcement 50% improvement of environmental condition • 15% renewable energy generation by 2014 • 15% emissions reduction (on 2006) levels by 2010 • Reduced waste generation by 50% and disposal by 25% 	<p style="text-align: center;">Empowerment</p> <ul style="list-style-type: none"> • 50% of government infrastructure contracts for BBBEE • Ownership patterns reflect provincial demographics • Increase black land ownership by 50% • Women make up 50% of new professional FET qualifications • BBBEE procurement targets

The Action Plan

Up to this point, the Strategy has dealt with implementation in general terms. It has outlined the approach that will be taken, indicative interventions and the kinds of partners whose participation will be needed if the Strategy is to be implemented effectively. What follows is an action plan, which takes the strategic objectives set out in Section 4 and indicates how these will be pursued. For each objective it sets out:

⁴⁵ Includes dependency on public transport should increase with higher densities and a shift in urban design approach away from single motor car to a public transport approach

- Strategic objectives
- high level targets will provide a yardsticks to identify the direction and speed of change and enable an assessment of success
- Priority interventions – the kind of actions that will be taken to deliver the objectives. Much of the detail will have to be worked out in discussion with partners and set out in strategic and business plans and other strategic documents by the PGWC and its partners.
- an indication of the role of the PGWC in delivering each objective
- an indication of the timescale required to deliver each objective
- an indication of the budgetary and funding implications
- an indication of the kind of partner organisations likely to be involved in implementing the objectives.

7. Action Plan 2007- 2014

Towards a shared growth and integrated development trajectory to create a Home for All by 2014

STRATEGIC GOAL 1:					
Broadened Economic Participation to improve economic inclusion and enable all Western Cape citizens to fulfil their potential					
Objectives	Timescales for Delivery	Policy Interventions	Targets	PGWC Actions	Strategic partnerships of DotP
1. Tackle barriers to employment	2010	<ul style="list-style-type: none"> Targeted skills development - Scarce Skills Initiative (Audit) Tackle market - skills mismatch 	Increase overall employment rate for W Cape over economic cycle	<ul style="list-style-type: none"> Scare Skills initiative ECD roll-out ABET program FET MEDS priority sector implementation 	Dept. Education DEDT Business JIPSA
2. Reduce labour market disparities between groups	2010	<ul style="list-style-type: none"> Ensure employment programmes benefit marginalised communities Reduce/eradicate barriers to target groups attaining higher level employment Targeted interventions addressing labour market barriers for particular groups e.g. women, youth, people with disabilities Ensure employers implement Employment Equity legislation 	Increase employment rates of target groups over overall W Cape employment rates	<ul style="list-style-type: none"> EPWP MEDS priority sector implementation 	DT&PW DEDT Business

3. Investment in Human development	2010	<ul style="list-style-type: none"> • Crime prevention • Reduce high school drop-out rate • Youth and drugs interventions • Roll-out Burden of Disease • Roll-out HealthCare 2010 	Reduced crime rate especially youth arrests and violent crime	<ul style="list-style-type: none"> • PSDF Implementation (human and skills development programmes) 	Dept Community Safety Dept. Education Dept. Health Civil Society Business
4. Economic ownership through 2nd Economy interventions	2014	<ul style="list-style-type: none"> • Understand and intervene in 2nd Economy value chains • Ensure enabling regulatory environment e.g. zoning and bylaws 	100 000 sustainable jobs 120 000 EPWP jobs	<ul style="list-style-type: none"> • MEDS 2nd Economy research • EPWP • MEDS priority sector implementation 	DEDT Municipalities Civil Society
5. Increase overall sustainable livelihoods for W Cape	2014	<ul style="list-style-type: none"> • Tackle barriers to SMME development: access to finance, affordable premises and procurement opportunities) • Promote sustainable rural and coastal livelihoods 	15 000 new and sustainable enterprises	<ul style="list-style-type: none"> • RED Door and Mobile RED Door • Integrated Law Reform (cost of doing business) • Coastal Livelihoods program • Natural Resource Based Community Development and Livelihoods projects 	DEDT DEADP DTI DEAT
6. Increase ownership of economy	2010	<ul style="list-style-type: none"> • Support BBBEE through PGWV procurement • Support implementation of BBBEE Charters 	Increased black land ownership Increased land restitution settlements Increased number	<ul style="list-style-type: none"> • BBBEE Strategy • MEDS priority sector implementation • PGWC procurement 	PGWC DEDT Sectors: Financial Services Construction ICT Petroleum

			of sustainable black businesses		Maritime Services Tourism
7. Infrastructure investment	2014	<ul style="list-style-type: none"> • Bulk infrastructure investment • Public Transport investments • Investment in Ports and airports 	<p>Reduced infrastructure backlogs</p> <p>Establishment of CoCT integrated public transport system</p>	<ul style="list-style-type: none"> • SIP Implementation • MEDS priority sector implementation • Regional Rail Plan • PSDF implementation 	<p>DT&PW DEDT DEADP</p> <p>Municipalities</p> <p>DoT DoPW SARCC</p>
8. Higher rates of financial investment	2010	<ul style="list-style-type: none"> • Facilitate access to finance for SMMEs • Crowd in private sector investment around PGDS Lead Interventions • Catalytic develops on strategically located public land 	<p>Increased number of sustainable businesses (past 2 year threshold)</p> <p>Number of multi-stakeholder financed initiatives and PPPs</p>	<ul style="list-style-type: none"> • MEDS priority sector implementation • PGDS 	<p>DEDT Financial Services Sector Business</p>

STRATEGIC GOAL 2.

Efficient Connectivity infrastructure to stimulate sustainable economic growth

Objectives	Timescales for Delivery	Policy Interventions	Targets	PGWC Actions	Strategic partnerships of DotP
9. Investment in bulk infrastructure	2010	<ul style="list-style-type: none"> • Strategic roads and corridor developments • Energy, water and sanitation 	<p>Increased number of households with water and energy security</p>	<ul style="list-style-type: none"> • SIP • PSDF implementation 	<p>DT&PW DEADP Municipalities DoT</p>

		<ul style="list-style-type: none"> provision Asset management 	Eradicate bucket system		DWAF Eskom
10. Investment in integrated transport	2014	<ul style="list-style-type: none"> Integrated public transport system (rail, road, taxi and interchanges) Non-motorised transport network (bicycle and pedestrian networks) Integrated rail network (freight, passenger and commuter) Transport and development corridors 	<p>50 000km of bicycle and pedestrian network</p> <p>Increased public transport accessibility levels (PTALs)</p> <p>Reduced commuter time</p>	<ul style="list-style-type: none"> SIP Regional Rail Plan PSDF Implementation 	DT&PW DEADP SARCC CoCT Districts
11. Investment in ICT infrastructure	2010	<ul style="list-style-type: none"> Internet access Broadband networks 	Increased number of people with internet access	<ul style="list-style-type: none"> MEDS priority sector implementation 	DEDT
12. Upgrading ports and airports	2010	<ul style="list-style-type: none"> Cape Town port expansion, roads rationalisation and back-of-port operations Saldhana port development Cape Town Airport 	Enhanced port and airport operations and capacity	<ul style="list-style-type: none"> SIP 	DT&PW DEDT NPA ACSA
13. Investment in alternative energy supply	2015	<ul style="list-style-type: none"> Renewable energy (solar, wind, biogas, biofuels) Energy efficiency Environment Economy Strategy 	<p>15% renewable energy generation</p> <p>Increased access to safe and affordable alternative energy</p>	<ul style="list-style-type: none"> Integrated Energy Strategy SDIP PSDF Implementation 	DEADP DEAT DTI

			sources		
14. Water resource management	2010	<ul style="list-style-type: none"> Water demand management Water efficiency Alternative sources: grey water harvesting and desalination Environment Economy Strategy 	Increased investment in and access to alternative water supply innovation	<ul style="list-style-type: none"> SDIP PSDF Implementation 	DEADP DWAF Municipalities
15. Waste management	2010	<ul style="list-style-type: none"> Waste reuse and recycling and minimisation Environment Economy Strategy 	<p>15% emissions reduction (2006 levels)</p> <p>Decreased rate of landfill sites development</p>	<ul style="list-style-type: none"> SDIP PSDF Implementation 2-Wise-2-Waste roll-out 	PGWC DEADP Municipalities

STRATEGIC GOAL 3:
Effective Public and Non-motorised Transport to provide access and mobility to all citizens, especially the poor and those disconnected from livelihood opportunities

Objectives	Timescales for Delivery	Policy Interventions	Targets	PGWC Actions	Strategic partnerships of DotP
16. Effective public Transport Systems and infrastructure	2014	<ul style="list-style-type: none"> Multi-modal transport system 	Increased public transport accessibility levels (PTALs)	<ul style="list-style-type: none"> SIP WC PSDF 	DT&PW DoCS CoCT SARCC
	2009	<ul style="list-style-type: none"> Inner CoCT mass transit system 			
	2009	<ul style="list-style-type: none"> Cape Town Station Revitalisation (R95.33m) 	Reduced		

17. Invest in strategic transport corridors	2007	<ul style="list-style-type: none"> • Single ticketing system • Khayelitsha-Durbanville Line (2008-2010) • Public Transport Authority • Commuter Safety 	<p>commuter time</p> <p>Reduced commuter accidents</p>		
	2008 2008	<ul style="list-style-type: none"> • Proximity of housing, economic opportunity and social facilities • Klipfontein Corridor • Provincial transport corridors upgrades: N1 and N2 	<p>Social facilities clustered with 1km (15minute radius) of public transport</p>	<ul style="list-style-type: none"> • SIP • SHSS • LED Strategy 	<p>DT&PW DLG&H DEDT</p>
18. Develop non-motorized transport network	2010	<ul style="list-style-type: none"> • Pedestrian path • bicycle lanes 	<p>50 000km of bicycle and pedestrian network</p>	<ul style="list-style-type: none"> • SIP • PSDF 	<p>DT&PW DEADP</p>

STRATEGIC GOAL 4
Liveable communities that foster/nurture the well-being of all residents

Objectives	Timescales for Delivery	Policy Interventions	Targets	PGWC Actions	Strategic partnerships of DotP
19. Appropriate housing and human settlement typology	2010	<ul style="list-style-type: none"> • Proximity of integrated public transport, social facilities and services • Average gross density of 25du/ha • Adequate bulk infrastructure • N2 Gateway 	<p>Increase in high density and mixed use developments</p>	<ul style="list-style-type: none"> • SHSS • Healthcare 2010 • SIP • PSDF 	<p>DLG&H DoH DoSS DT&PW DEADP Municipalities</p>

<p>20. Design innovation in housing and human settlements delivery</p>	<p>2010</p>	<ul style="list-style-type: none"> • Urban design (public realm etc) • Environmental design (crime) • Resource efficiency (energy efficiency and water and construction material recycling) • Water demand management and efficiency • Innovative cross-subsidising models for design quality etc • Waste management systems: reuse, reduce and recycle • BioRegional settlement pilot 	<p>Reduced carbon emissions</p> <p>Increased resource efficiency</p> <p>Reduce waste generation by 50% and disposal by 25%⁴⁶</p>	<ul style="list-style-type: none"> • SHSS • Community Safety interventions • PSDF 	<p>DLG&H DoCS DEADP</p> <p>Municipalities</p> <p>DWAF DEAT</p>
<p>21. Appropriate and effective housing delivery</p>	<p>2014</p>	<ul style="list-style-type: none"> • Address blockages to rapid housing delivery • Multi-pronged housing delivery solution with diverse tenure options • PGWC-wide Vacant Land Audit • Sale of State Land • Project innovation (construction techniques, delivery mechanisms) 	<p>Reduction of diverse housing backlog: site and service, backyards, incremental, social and gap market</p> <p>Increased community driven delivery</p> <p>Increased mixed-</p>	<ul style="list-style-type: none"> • SHSS 	<p>DLG&H CTP Municipalities Private Sector Civil Society</p>

⁴⁶ Polokwane Declaration

	<ul style="list-style-type: none"> Partner with informal housing economy (PHP) 	income and tenure settlements		
--	---	-------------------------------	--	--

STRATEGIC GOAL 5
Resilient and creative communities that are inter-connected through bridging social capital and developing webs of social solidarity

Objectives	Timescales for Delivery	Policy Interventions	Indicators of Targets	PGWC Actions	Strategic partnerships of DotP
22. Social capital formation	2008	<ul style="list-style-type: none"> Childhood development Effective interface with CDWs Youth development programs Strengthen capacity and functioning of ward committees Citizenship Academy Provincial Volunteering program World Cup 2010 social legacy programme 	ECD Roll-out to reach 75 000 of children by 2009	<ul style="list-style-type: none"> ECD program CDW program SCFS HCDS 	DoE DLG&H DoSS DoSR Civil Society

STRATEGIC GOAL 6
Greater spatial integration to overcome apartheid spatial legacy embedded, protect and develop the public realm and secure the natural resource base

Objectives	Timescales for Delivery	Policy Interventions	Targets	PGWC Actions	Strategic partnerships of DotP
23. Protect integrity of	2008	<ul style="list-style-type: none"> Urban Edge Guidelines Urbanisation strategy 	Reduce biodiversity loss	<ul style="list-style-type: none"> SHSS SDIP 	DPLG&H DEADP

<p>natural resource base</p>		<ul style="list-style-type: none"> • Golf Course and Polo Fields Guidelines • Town/city centre densification • PGWC Green procurement policy 	<p>and agricultural land encroachment</p> <p>Reduced provincial ecological footprint</p> <p>40du/ha in town/city centres</p>	<ul style="list-style-type: none"> • PSDF 	<p>Municipalities</p> <p>PGWC</p>
<p>24. Appropriate settlement location</p>	<p>2010</p>	<ul style="list-style-type: none"> • Urban restructuring • Urbanisation strategy: densification, brownfields development etc • Land reform: utilisation of well located public sites, land restitution and farm evictions • Land Audit • Land acquisition and banking • Pilots: N2 Gateway, 2010 Greenpoint Stadium /Somerset Hospital Environs, Plettenberg Bay and Dido Valley • Identify public sites for urban expansion: Culembourg, District 6, Wingfield, Youngsfield, Ysterplaat, Swartklip and Greenpoint 	<p>Increased mixed-use settlements with clustering of social facilities within 1km socio-economic gradient</p> <p>Housing within 1km (15mins) of public transport</p> <p>40du/ha in town/city centres</p> <p>Settlement development on strategic public sites</p>	<ul style="list-style-type: none"> • SHSS • PSDF • SIP 	<p>DPLG&H</p> <p>DEADP</p> <p>DT&PW</p> <p>DPE</p> <p>CoCT</p> <p>Municipalities</p> <p>CTP</p>

25. Public realm and urban design quality	2008	<ul style="list-style-type: none"> • Provincial open space management strategy • Provincial public spaces upgrading program (tied with 2nd economy and clustered social services interventions) • PSDF Development levy to fund public realm investment • COCT public realm network 	Increased urban quality	<ul style="list-style-type: none"> • PSDF • SIP 	DEADP DT&PW CoCT CTP Municipalities
--	------	--	-------------------------	---	---

STRATEGIC GOAL 7
A culture of tolerance and mutual respect that harnesses the creativity/innovation dividend stemming from explicitly engaging social-cultural differences and unequal power relations

Objectives	Timescales for Delivery	Policy Interventions	Targets	PGWC Actions	Strategic partnerships of DotP
26. Nurture a society embracing of diversity	2008	<ul style="list-style-type: none"> • Home 4 All campaign • Youth and women empowerment programmes • Gender and Youth Commissions • Creative industries support programme • 2010 support projects • Identity, Art and Culture interventions: Athlone Power Station precinct, 2010 slavery memorialisation etc. • 2nd economy interventions 	Decreased incidents of racism Reduction in women mortality rate Integration of 2 nd economy into urban fabric Reduction in xenophobia linked	<ul style="list-style-type: none"> • Home 4 All • SCFS • MEDS implementation • 2nd Economy strategy 	DoSS DEDT DoSR

	<ul style="list-style-type: none"> Development of a public space cultural/sport programme tied to investment in public transport infrastructure 	violent crimes		
--	--	----------------	--	--

STRATEGIC GOAL 8
Effective governance institutions that harness the diverse energies of multiple interest groups and actors towards the shared goals of iKapa Elihlumayo

Objectives	Timescales for Delivery	Policy Interventions	Targets	PGWC Actions	Strategic partnerships of DotP
27. IGR coordination and alignment	2008	<ul style="list-style-type: none"> PGDS IDP Oversight and guidelines District GDS guidelines 	PGDS – DGDS - IDP alignment	<ul style="list-style-type: none"> iKapa Elihlumayo - PGDS LG Mtech Engagements District Growth and Development Summits 	DPLG&H DEDT PCAS
28 Participatory governance	2008	<ul style="list-style-type: none"> Well-functioning ward committees CDWs Capacitate PDC Mainstream Batho Pele 		<ul style="list-style-type: none"> Home 4 All PGDS PDC 	DLG&H PDC DoSS Municipalities Civil Society
29. Develop appropriate institutional architecture and capacity	2008	<ul style="list-style-type: none"> Well functioning IGR structures Multi-stakeholder resourcing of strategic interventions Innovative Provincial revenue raising mechanisms Establishment of provincial 		<ul style="list-style-type: none"> PCF, PMCF and PCC PGDS implementation iKapa base strategy implementation 	PT PGWC

economic development
agency

EVIDENCE BASE

Overview

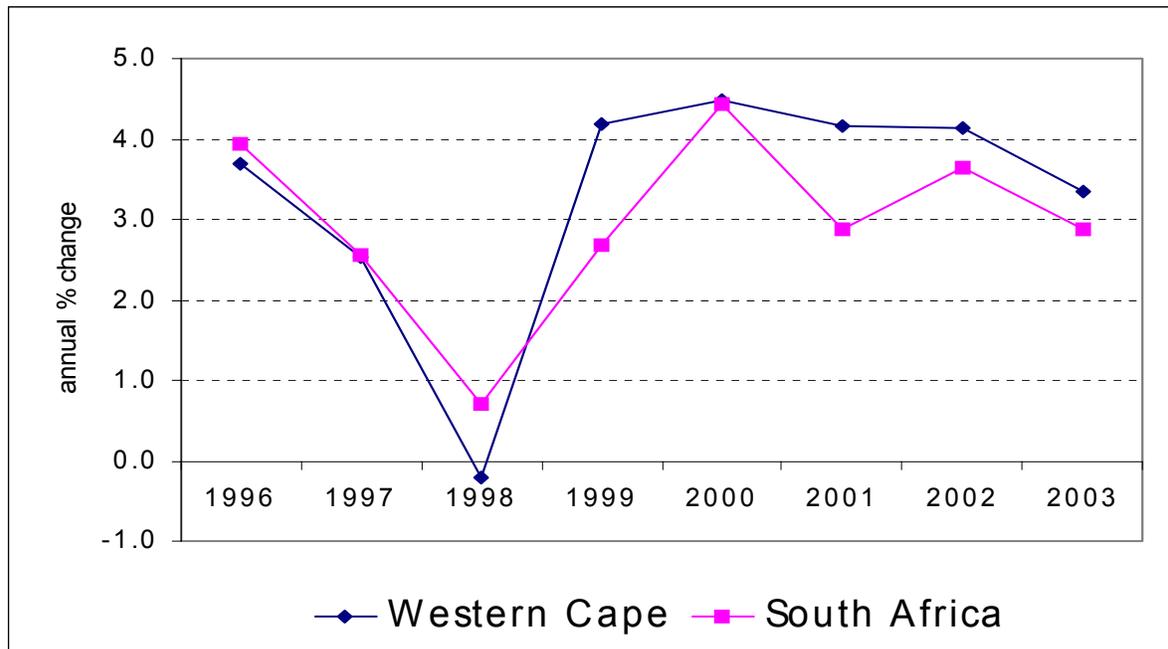
TABLE 3: INCOME INEQUITY/INEQUALITY MEASURES BY RACE⁴⁷, 1995 & 2000

		NATIONAL		WESTERN CAPE	
		Gini Coefficients			
Race		1995	2000	1995	2000
African		0,546 [0,543; 0,550]	0,589 [0,585; 0,594]	0,515 [0,479; 0,550]	0,541 [0,464; 0,617]
Coloured		0,488 [0,482; 0,495]	0,528 [0,517; 0,540]	0,439 [0,429; 0,449]	0,494 [0,479; 0,509]
Asian		0,449 [0,434; 0,464]	0,474 [0,449; 0,498]	Sample size too small for useful estimates	
White		0,393 [0,386; 0,400]	0,455 [0,440; 0,469]	0,404 [0,389; 0,418]	0,446 [0,405; 0,487]
		Theil Contributions (%)			
Within Inequality	Race	53,1	55,7	52,9	58,8
Between Inequality	Race	46,9	44,3	47,1	41,2
Total Inequality		100,0	100,0	100,0	100,0

Source: IES 1995 and 2000 & author's calculations in PER&O 2005. Note: Confidence indexes in brackets

⁴⁷ The Gini Coefficient measures income inequality. It is measured from 0 to 1, where 0 corresponds with perfect equality (everyone has the same income) and 1 with perfect inequality (where 1 person has all the income and everyone else has zero income). A second measure of inequality, the *Theil index* also lies between 0 and 1, and facilitates analysis of the relative contributions of 'within-group' ('race') and 'between-group' ('race') inequality and how these change over time.

FIGURE 3: REAL GDP GROWTH: WESTERN CAPE VERSUS SOUTH AFRICA



Source: Quantec Research in PERO 2006

TABLE 4: WESTERN CAPE ECONOMY: REAL GDPGR GROWTH, 1999-2004

	1999	2000	2001	2002	2003	2004
Agric, forestry & fishing	6.7	-2.3	0.8	7.1	-3.6	1.8
Mining and quarrying	-22.8	7.5	-13.4	-1.5	1.7	1.3
Manufacturing	-0.7	5.7	2.9	1.1	-2.2	5.7
Electricity, gas and water	8.3	2.8	-1.9	2.9	11.3	7.1
Construction	10.5	5.0	-15.8	34.1	0.7	4.5
Retail trade & catering	9.8	9.9	5.7	1.3	6.8	9.7
Transport & communication	6.3	7.9	5.8	5.6	7.1	5.2
Financial & business services	6.2	4.0	9.9	5.3	5.9	5.3
CSP services	3.9	4.8	2.2	2.4	4.1	1.4
General government	-2.4	-3.2	-0.5	2.2	1.7	0.8
Western Cape GDPGR	4.2	4.5	4.2	4.2	3.5	5.3

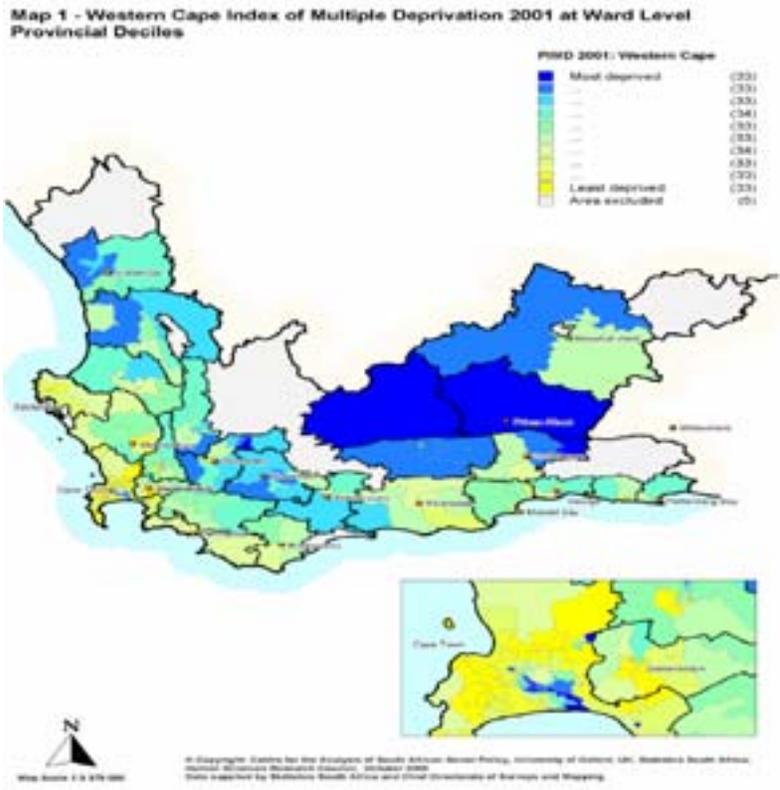
Source: Statistics SA in PERO 2006

TABLE 5: W CAPE POPULATION PROJECTIONS (BY AGE AND RACE), 1985 – 2015

	Total Population (Thousands)				Total Change (Thousands)				Ave. Ann. Growth Rate (%)				
	1985	1995	2005	2015	1985-1995	1995-2005	2005-2015	1985-2015	1985-1995	1995-2005	2005-2015	1985-2015	
African	498	830	1388	1577	332	558	189	1079	5.2	5.3	1.3	3.9	
Coloured	1	2272	2589	2848	340	318	259	916	1.6	1.3	1.0	1.3	
Asian	15	39	48	52	24	10	4	37	9.9	2.3	0.8	4.2	
White	540	855	905	881	315	50	-24	341	4.7	0.6	-0.3	1.6	
Male	1	502	1965	2413	2621	463	449	208	1119	2.7	2.1	0.8	1.9
Female	1	484	2031	2517	2738	547	487	220	1254	3.2	2.2	0.8	2.1
0-14 yrs	1	058	1246	1332	1383	187	86	51	324	1.6	0.7	0.4	0.9
15-34 yrs	1	134	1473	1779	1732	339	306	-47	597	2.6	1.9	-0.3	1.4
35-64 yrs	683	1087	1556	1890	404	468	335	1207	4.8	3.6	2.0	3.5	
65+ yrs	110	190	265	354	79	75	90	244	5.6	3.4	3.0	4.0	
Total	2986	3996	4931	5359	1010	935	428	2373	3.0	2.1	0.8	2.0	

Source: S Parnell calculations, CARE (2005) in 2006 PER&O

FIGURE 4: MULTIPLE INDEX OF DEPRIVATION BY WARD ⁴⁸



⁴⁸ The Provincial Indices of Multiple Deprivation for South Africa 2001, Noble, M et al, University of Oxford, HSRC, Statistics South Africa, 2006.

TABLE 6: MULTIPLE INDEX OF DEPRIVATION BY WARD ⁴⁹

The following table presents the most deprived 50 wards in the Western Cape, as well as the population size of each of these wards.

	Ward Code	Municipality Name	Region	Population in 2001 to nearest 1000	PIMD Score
1	19100090	City of Cape Town	CAPE_TOWN_5	32 000	420.40
2	10202001	Witzenberg	WORCESTER	7 000	413.69
3	10404014	George	KNYSNA	4 000	409.00
4	10404015	George	KNYSNA	6 000	398.70
5	10503006	Beaufort West	UDTSHOORN	6 000	389.62
6	19100039	City of Cape Town	CAPE_TOWN_2	18 000	382.54
7	10205018	Breede Valley	WORCESTER	7 000	381.64
8	19100034	City of Cape Town	CAPE_TOWN_3	28 000	376.50
9	19100037	City of Cape Town	CAPE_TOWN_2	16 000	376.28
10	19100091	City of Cape Town	CAPE_TOWN_5	27 000	373.65
11	10205002	Breede Valley	WORCESTER	8 000	372.75
12	10203023	Drakenstein	WORCESTER	5 000	372.56
13	19100093	City of Cape Town	CAPE_TOWN_5	27 000	369.95
14	10404003	George	KNYSNA	6 000	367.35
15	10405003	Oudtshoorn	UDTSHOORN	9 000	363.22
16	10503007	Beaufort West	UDTSHOORN	5 000	357.44
17	10502000	Prince Albert	UDTSHOORN	10 000	352.96
18	19100035	City of Cape Town	CAPE_TOWN_3	26 000	352.75
19	19100036	City of Cape Town	CAPE_TOWN_2	26 000	352.69
20	19100098	City of Cape Town	CAPE_TOWN_5	25 000	345.37
21	19100089	City of Cape Town	CAPE_TOWN_5	19 000	345.25

⁴⁹ The Provincial Indices of Multiple Deprivation for South Africa 2001, Noble, M et al, University of Oxford, HSRC, Statistics South Africa, 2006. The table presents the most deprived 50 wards in the Western Cape, as well as the population size in each ward.

22	19100087	City of Cape Town	CAPE_TOWN_7	22 000	344.85
23	19100092	City of Cape Town	CAPE_TOWN_5	20 000	344.83
24	19100010	City of Cape Town	CAPE_TOWN_7	33 000	342.17
25	19100096	City of Cape Town	CAPE_TOWN_5	34 000	341.02
26	19100052	City of Cape Town	CAPE_TOWN_1	20 000	336.37
27	10501000	Laingsburg	OUTDSHOORN	6 000	333.31
28	19100097	City of Cape Town	CAPE_TOWN_5	27 000	331.41
29	10404018	George	GEORGE	4 000	330.76
30	10408007	Knysna	KNYSNA	5 000	330.69
31	19100040	City of Cape Town	CAPE_TOWN_3	23 000	329.52
32	19100088	City of Cape Town	CAPE_TOWN_5	30 000	324.51
33	10408006	Knysna	KNYSNA	5 000	323.52
34	10203025	Drakenstein	WORCESTER	7 000	321.55
35	10405010	Oudtshoorn	OUTDSHOORN	7 000	317.11
36	10401003	Kannaland	OUTDSHOORN	4 000	314.50
37	19100033	City of Cape Town	CAPE_TOWN_3	60 000	311.03
38	10408004	Knysna	KNYSNA	5 000	305.12
39	10503002	Beaufort West	OUTDSHOORN	4 000	303.77
40	10405004	Oudtshoorn	OUTDSHOORN	7 000	302.33
41	10403007	Mossel Bay	GEORGE	5 000	301.23
42	10404013	George	GEORGE	18 000	296.83
43	10503005	Beaufort West	OUTDSHOORN	7 000	295.89
44	10407003	Plettenberg Bay	KNYSNA	7 000	291.01
45	10302006	Overstrand	CALEDON	10 000	290.49
46	10405002	Oudtshoorn	OUTDSHOORN	6 000	289.36
47	10202002	Witzenberg	WORCESTER	7 000	289.27
48	10101001	Matzikama	CLANWILLIAM	8 000	288.74
49	10203024	Drakenstein	WORCESTER	4 000	287.99
50	10205008	Breede Valley	WORCESTER	8 000	285.95

Environment

FIGURE 8: WESTERN CAPE CLIMATE CHANGE SCENARIO (Fig 1.4.3)

FIGURE 9: ECOSYSTEM STATUS OF RIVERS (FIG 4.1.3.1)

Source: PSDF, 2005

FIGURE 10: SOLID WASTE DISPOSAL SITES (Fig. 4.2.6.1)

Source: PSDF, 2005

FIGURE 11: BIODIVERSITY AND AGRICULTURAL PLANNING INITIATIVES (FIG 4.1.5.3)

Source: PSDF, 2005

Economy

TABLE 11: WESTERN CAPE ECONOMY OUTLOOK: 2006/07 TO 2008/09¹

	Ave 1999- 2004	2004/5	2005/6F	2006/7F	2007/8F	2008/9F
GDPR (R billion; current prices):	-	186.3	205.3	225.1	247.6	271.5
Real GDPR % growth	4.1	5.3	5.3	4.7	4.5	4.8
Real GDFI % growth	4.4	7.8	8.6	9.3	9.5	9.5
GDPR deflator	6.8	4.5	4.1	4.2	5.4	4.6
CPI inflation	5.5	3.4	3.8	3.5	5.2	4.6
GDPR by sector (real % change):						
Agric, forestry & fishing	1.7	3.6	7.4	2.3	1.0	0.8
Mining and quarrying	-4.5	1.6	2.5	2.4	0.9	1.1
Manufacturing	2.1	5.1	3.5	4.1	3.4	3.8
Electricity, gas and water	5.1	6.9	6.1	6.0	5.1	5.0
Construction	6.5	5.8	8.8	7.3	8.2	8.6
Retail trade & catering	7.2	9.2	7.0	5.0	4.6	5.3
Transport & communication	6.3	5.4	6.2	6.0	5.8	6.2
Financial & business services	6.1	5.2	4.9	4.7	4.9	5.2
CSP services	3.1	1.8	3.3	3.6	3.5	3.6
General government	-0.2	1.7	4.4	4.0	3.9	3.6
Western Cape GDPR	4.3	5.3	5.3	4.7	4.5	4.8

Source: Bureau for Economic Research in 2006 PERO

TABLE 12: COMPOSITION OF WESTERN CAPE EMPLOYMENT, 2000 AND 2004

	2000		2004		Change			
	'000s	Share	'000s	Share	'000s	Share	Ave An Gr	
African	275	17.2	357	21.1	82	90.6	6.7	
Coloured	885	55.3	855	50.6	-30	-33.0	-0.8	
White	417	26.0	456	27.0	40	44.2	2.3	
Male	899	56.2	930	55.0	31	34.0	0.8	
Female	702	43.8	761	45.0	60	66.3	2.1	
15-24 year olds	225	14.0	228	13.5	3	3.1	0.3	
25-34 year olds	582	36.4	578	34.2	-4	-5.0	-0.2	
35-44 year olds	414	25.9	424	25.1	10	11.5	0.6	
45-54 year olds	275	17.1	340	20.1	65	72.5	5.5	
55-65 year olds	106	6.6	122	7.2	16	17.8	3.6	
No education	48	3.0	42	2.5	-6	-6.6	-3.2	
Grades 0-8	478	29.9	401	23.7	-78	-86.3	-4.3	
Grades 9-11, NTC I & II	358	22.4	395	23.3	37	40.7	2.5	
Grade 12, NTC III	363	22.7	514	30.4	151	167.3	9.1	*
Diploma/Certificate	172	10.7	173	10.2	1	0.8	0.1	
Degree	166	10.3	135	8.0	-31	-34.5	-5.1	
Total	1 601	100.0	1 691	100.0	90	100.0	1.4	

Source: Own calculations, LFS September 2000 and LFS September 2004 (Statistics SA).

Notes: 1. Statistically significant changes at the 95 percent confidence level are indicated

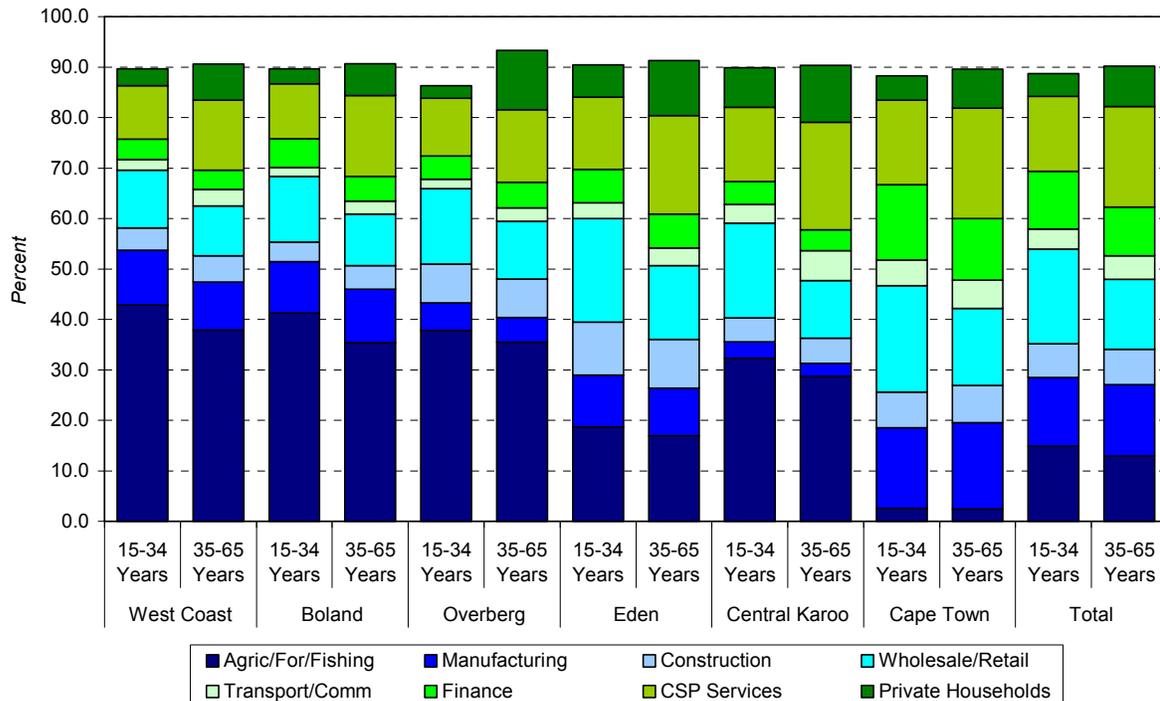
TABLE 13: SECTORAL DISTRIBUTION OF WESTERN CAPE EMPLOYMENT, 2000 AND 2004

	2000		2004		Change			
	'000s	Share	'000s	Share	'000s	Share	Ave An Gr	
Agriculture	235	14.7	152	9.0	-83	-92.1	-10.3	*
Manufacturing	262	16.4	287	17.0	25	27.7	2.3	
Construction	117	7.3	144	8.5	27	30.4	5.4	
W & R Trade	304	19.0	341	20.2	37	41.5	2.9	
Trans/Comm	73	4.6	70	4.1	-4	-4.0	-1.2	
Finance	171	10.6	230	13.6	60	66.6	7.8	
CSP Services	294	18.4	322	19.0	28	31.2	2.3	
Private HHs	113	7.1	130	7.7	16	18.1	3.4	
Primary Sector	240	15.0	153	9.0	-87	-96.4	-10.6	*
Secondary Sector	388	24.2	441	26.1	53	59.2	3.3	
Tertiary Sector	955	59.7	1 093	64.7	138	153.5	3.4	
Total	1 601	100.0	1 691	100.0	90	100.0	1.4	

Source: Own calculations, LFS September 2000 and LFS September 2004 (Statistics SA).

- Notes:
1. Statistically significant changes at the 95 percent confidence level are indicated with an asterisk (*).
 2. Only sectors with more than 20 000 workers in the province are listed individually above. However, all relevant sectors are used to calculate the primary, secondary and tertiary sector aggregates.

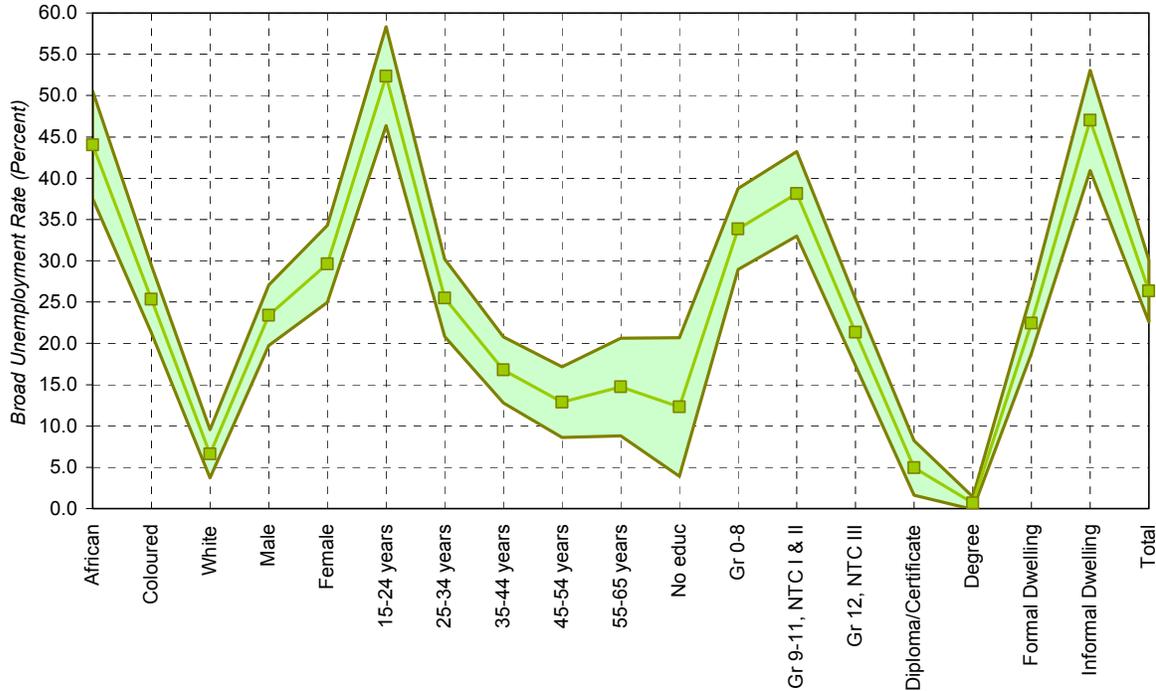
FIGURE 12: SECTORAL STRUCTURE OF EMPLOYMENT ACROSS DISTRICTS BY AGE-GROUP, 2001



Source: Own calculations, Census 2001 in PERO 2006

Social

FIGURE 13: BROAD UNEMPLOYMENT RATES AND CONFIDENCE INTERVALS, 2004



Source: Own calculations, LFS September 2004 (Statistics SA). **Notes:** 1. Dark green lines indicate upper and lower bounds of 95 percent confidence intervals.

FIGURE 14: POPULATION PROJECTIONS BY APARTHEID RACE CLASSIFICATION TO 2030

FIGURE 15: WESTERN CAPE BURDEN OF DISEASE

FIGURE 16: FIRES AND FLOODS PHOTOS

Appendix 3: Evidence Base

Appendix 4: iKapa Base Strategy Summaries

Appendix 5: Metro and District IDP summaries

ANNEXURES

1: Figures and Table Reference

Figures:

1. iKapa Elihlumayo Development Process
2. Alignment of the State within the Western Cape
3. Western Cape Economic Performance, 1996 – 2003
4. Multiple Index of Deprivation: Poverty Concentration by Ward
5. Principles of Shared Growth and Integrated Development
6. iKapa Elihlumayo Lead Interventions
7. Prioritised Areas of Economic Intervention
8. Western Cape Climate Change Scenario
9. Ecosystem Status of Western Cape Rivers
10. Western Cape Solid Waste Disposal Sites
11. Western Cape Biodiversity and Planning Initiatives
12. Sectoral Structure of Employment by Age Group, 2001
13. Broad Unemployment Rates and Confidence Intervals, 2004
14. Population Projections by Apartheid Race Classification to 2030
15. Western Cape Burden of Disease
16. Premier's Coordinating Forum within Existing IGR Framework
17. Monitoring and Evaluation Framework

Tables:

1. iKapa Base Strategies
2. SA Bill of Rights, 1996
3. Multidimensional Condition of Poverty in the Western Cape

4. Western cape Real GDP Growth, 1999 – 2004
5. Population Projections, 1985 – 2015
6. Multiple Index of Deprivation: Poverty Concentration by Ward
7. Key Western Cape Development Trends
8. Areas of Economic Opportunity
9. Settlement Investment Priorities
10. Analysis of Spatial Imperatives and Trends
11. Analysis of Environmental Imperatives and Trends
12. Western Cape Economic Outlook 2006/07 – 2008/09
13. Composition of Western Cape Employment, 2000 – 2004
14. Sectoral Distribution of Western Cape Employment, 2000 - 2004
15. Analysis of Economic Trends and Imperatives
16. Analysis of Social Trends and Imperatives
17. Unpacking iKapa Elihlumayo Strategic Outcomes
18. Principles for Implementing Lead Interventions
19. Integrated Transport Rationale
20. 'Path-Breaker': Unpacking Integrated Transport
21. Focus Areas of iKapa 1st Generation Base Strategy Refinement
22. Critical Municipal Development Challenges, LG Mtech 2005/06
23. Aligning IPDs with iKapa Elihlumayo
24. Unpacking Aspects of IGR Framework
25. Role and Activities of IGR Structures

UNPACKING IKAPA ELIHLUMAYO STRATEGIC OUTCOMES

STRATEGIC OUTCOMES	ISSUES	COLLECTIVE INTERVENTIONS	TIME FRAMES	PARTNERS OF DOTP
<p>1: Broadening economic participation - targeted skills development and higher rates of investment in Capex, R & D and skills</p>	<ul style="list-style-type: none"> • Barriers to employment • Disparities in labour market outcomes between racial groups • Impact of concentrations of disadvantage • Barriers to SMME success • BBBEE (women, youth, people with disabilities) by implementing sector charters • Informal/ "second" economy • Skills/workforce development • Sector interventions 	<ul style="list-style-type: none"> • The Scare Skills Strategic Intervention will enable greater participation, especially by young people, in the growing sectors of the Western Cape economy. • Sectoral support, identified in the MEDS implementation plan focuses on creating 100 000 jobs by 2014 through priority sector interventions • New infrastructural investment identified in the SIP will create new BEE opportunities. • Investment in sustainable settlement construction will create assets for the poor and provide enhanced access to work opportunities. • Major investment in EPWP will create 120 000 work opportunities for unskilled workers. • Environment Economy implementation 		<p>DEDT DoE DT&PW Districts CoCT DTI</p>
<p>2: Efficient 'connectivity infrastructures' - stimulate and sustain economic growth (transport, energy, water and sanitation and ICT</p>	<ul style="list-style-type: none"> • Bulk infrastructure • Integrated transport • ICT infrastructure • Energy security • Renewable energy 	<ul style="list-style-type: none"> • The 'Path Breaking Transport Intervention' will foster accelerated shared economic growth and integrated development • Roll out of Broad-band for 3 'motor regions' by 2010 will facilitate communication and information flows necessary for economic activity. • Achieving targets on the Energy Implementation Plan 		<p>DT&PW CoCT Districts DoT Transnet Eskom ACSA</p>

- Demand management for water and energy
- Waste management

3: Effective public transport - providing access to all citizens of the province, especially the poor and those disconnected from opportunities

- Non-motorised transport (pedestrian paths and bicycle lanes)
- Multi-modal transport system (bus, taxi and commuter/passenger rail and interchanges)
- Regional integrated rail system
- Road safety
- Proximity of housing
- Proximity of social facilities

- Rail upgrade: In rolling stock before 2010
- Klipfontein Corridor upgrade(2006-2008)
- Khayelitsha-Durbanville Line (2008-2010)
- Inner city mass transit system and implementing the George Mobility Plan.
- Improved non motorised transportation.
- Introduction of a single ticketing system will reduce the costs of multi-modal users.
- Improved human settlement planning will make access to public transport a key consideration in the design and rollout of new construction.
- Cape Town Station Revitalisation



DT&PW
CoCT
Districts

DoT
SARCC
Transnet

4: Liveable communities - fostering the well-being of all residents

- Housing and human settlement typology
- Housing and human settlement design quality
- Solid waste management
- Effective delivery
- resource efficiency and mitigating climate change risks
- Gap/affordable housing market
- Increasing (social) housing backlogs

- Implementation of the Human Settlement Strategy & Plan for province will establish a range of appropriate housing solutions.
- New institutional and financing models for land and housing development will be introduced.
- Young people's housing, possibly on a rental housing model will be piloted in inner city locations to vitalise the market
- The introduction of a Development levy interventions???
- The rollout of the District health system, the 2010 health lifestyle programmes will provide a key public service around which other government social services can agglomerate to foster cohesive communities.
- Regulatory reform will ensure that sustainable construction methods are assured and that



DLG&H
DoA
DEADP
DT&PW
CoCT
Districts
CTP
DLA

exposure to environmental risk is reduced

- Pilot: Zero carbon emission settlement
- Green building and construction guidelines particularly for government funded direct delivery
- Retrofit government buildings, energy efficiency and recycling
- Water demand management and water efficiency guidelines
- Community based water recycling, water management and sanitation programs
- Safety/design issues
- Community facilities – accessibility in relation to schools, libraries, sports fields etc.

5: Resilient and creative communities
 - nurturing inter-connectedness through webs of social solidarity

- Social capital formation
- ECD
- CDWs
- Strengthen capacity and functioning of ward committees
- Promote volunteering

- ECD Roll-out to reach 75 000 (total) of children by 2009
- Youth development strategy and implementation plan aligned with SCFS
- Effective interface community development workers
- Citizenship Academy
- Provincial-wide volunteerism programme aligned with iKapa interventions with support institutions (time-banking)
- World Cup 2010 social legacy programme



DoE
 DoSS
 DoSR
 CoCT
 Districts

6: Spatial integration
 - overcome apartheid spatial legacies

- Protect integrity of natural resource base
- Public realm and urban design quality
- Settlement location
- Urbanisation and urban sprawl
- Land reform
- Land identification for settlement expansion
- Densification
- Public transport access

- Regional Planning Forums established under the PCF
- Integrated Human Settlement Strategy for province indicating strategies for promoting social and economic integration in zones of economic potential.
- MSDP in each municipality, linked to land-use regulation including delineation of the urban edge and restrictions on the development of sensitive ecological zones, particularly river catchments and the coastal margins.
- Sustainable Development Implementation Strategy that includes programmes for bio-diversity and open space management.
- Better management of the ecological footprint of settlements through attention in sectoral policies and IDPs to sustainability principles in services such as water, waste, energy and land.



Districts
 CoCT
 DLG&H
 DEADP
 CTP

- Development of a public space programme tied to an internal 'levy' on public investment in transport infrastructure, education, health and human settlement investments.
- Integrated Law reform process that protects the public good while creating an enabling investment and development environment.
- The identification and protection of land for future growth and densification will be achieved through land acquisition and 'land-banking'
- Urbanisation strategy (brownfields, land, urban restructuring, densification, infill and town centre intensification)
- Efficient use of public land: average gross density 25du/ha in towns and cities – 3-6du/ha on periphery and min 40du/ha in core
- Identify strategic public owned sites for mixed-use, tenure and income settlements: Culembourg, District 6, Wingfield, Youngsfield, Ysterplaat, Swartklip, GreenPoint

7: A culture of tolerance and mutual respect - harnessing the creativity/innovation dividend that stems from explicitly dealing with social-cultural differences

- Racism
- Sexism
- Unequal power relations
- Intolerance to social-cultural difference
- Lack of understanding of depth of diversity
- Lack of understanding of value-add of diversity
- Xenophobia

- Home for All Campaign in schools & neighbourhoods
- Creative industries support programme
- 2010 support projects
- Art/Culture interventions around Athlone Power Station precinct & other key points across province, including the 2010 Slavery memorialisation
- Informal/2nd economy interventions
- Development of a public space cultural/sport programme tied to investment in public transport infrastructure

DoE
DEDT
DoSR

8: Effective governance institutions - harnessing the diverse energies of multiple interest groups and actors towards shared goals of the PGDS

- IGR coordination and alignment
- participatory governance
- collaborative governance
- quality community service delivery
- Multi-stakeholder resourcing
- provincial revenue raising
- SOEs

- Better alignment of NSDP/PGDS/IDPs
- Mature IGR Institutions, including the effective operation of the PCF and PCC
- Service delivery charters
- Batho Pele impact
- Deepening participatory governance through the PDC and Ward Committees

DLG&H
PT
PDC

iKapa Elihlumayo Lead Interventions

PATH-BREAKER: INTEGRATED TRANSPORT

Aspects of Developmental Cycle	Key Interventions	Timescales Indicative Budget	Strategic Partners of DctP
Policy and Planning	<ul style="list-style-type: none"> • Transport as critical imperative to define sustainable settlement planning in PGDS, IDPs and regional planning processes • Develop integrated provincial rail strategy • Linking transport routes to land release • Linking development approvals to improved access to employment, services and public amenities and the creation of safe and pleasing public places through PGDS, IDPs and regional planning processes • Define and implement sustainable transport guidelines, operational systems and revenue streams in line with the PSDF. • Establish an intermodal strategy (improve intermodal splits including shifting freight to rail, containing the use of cars, and improving the integration of non-motorised linkages) • Develop modal and sectoral strategies and priority areas of action (e.g. road – dedicated public transport lanes, rail – safety, frequency and nodal interchange improvement, air – increased capacity and maintenance of airport status; taxi – recapitalisation and feeder network contract; bus – contracts for corridors; non motorised – define route networks etc) • Sequence transport reform and implementation to ensure viability and political and administrative support from all stakeholders 		DT CoCT Districts Municipalities DT&PW DEA&DP SARCC
Capital Investments	Ports <ul style="list-style-type: none"> • Cape Town and Saldanha offshore oil and gas servicing • Port expansion, road rationalisation and infrastructure upgrade • Cape Town cruise liner facility • Improved handling of containers at ports – mainly Cape Town • Better site identification for holding areas for containers 		NPA Portnet DT&PW Saldhana Municipality

	<ul style="list-style-type: none"> Improved system of transporting containers between holding areas and ports – mainly the City of Cape Town 		
	Airport <ul style="list-style-type: none"> Airport upgrades: parkade, terminal, new fuel tanks, runway and apron upgrade Ring road and light rail link between Cape Town airport and city 		ACSA DT&PW CoCT
	Motorised and Non-Motorised Transport Network <ul style="list-style-type: none"> George Mobility Plan implementation 50 000 km of dedicated bike lanes (built though EPWP) focused on tourist routes, new residential areas and linkages between townships and town centres 24/7 public transport system in Cape Town for future regional expansion Pedestrian network in City and town centres Multi-modal Metro public transport system Improvement of safety and security on public transport and at transport interchanges 		DT&PW DEDT CoCT
	Roads <ul style="list-style-type: none"> Key N1 interchange upgrades Cape Agulhas route N1-Voortrekker Road Corridor N2-Klipfontein Corridor Development of the key north-south linkages (Simon’s Town/Atlantis and Khayelitsha-Durbanville development axes) Upscaling Cape Flats Infrastructure Initiative 		DoT DT&PW CoCT
	Rail [should this not be part of above ‘Non-Motorised Transport’] <ul style="list-style-type: none"> Cape Town Station Upgrade Regional integrated rail system (commuter, passenger and freight) Link Cape Town with Southern Cape with improved rail system for both freight and passengers Improved rail link between Cape Town and Saldanha/Vredenburg (and areas in between) both freight and passengers General shift from road to rail should be introduced 	R95.33m	SARCC DT&PW CoCT
Finance and Regulation	<ul style="list-style-type: none"> Clarify legislative and regulatory ambiguity Create Provincial transport legislation 		Dept. Transport

	<ul style="list-style-type: none"> • Establish Provincial licensing centre for public transport • Rollout fuel tax • Lobby for additional capacity to raise provincial revenue to generate loans for transport investment • Secure support from National Treasury for additional support for strategic transport investment • Establish regulatory frameworks for tenders on subsidised routes 		National Treasury DT&PW Provincial Treasury CoCT
Institutional and organisational development	<ul style="list-style-type: none"> • Establish an Integrated Regional Transport Authority • Create and implement an integrated fare management across municipal boundaries, especially in the Greater Cape Town Functional Region • Ensure skills development for the sector by liaison with FET institutions • Capacity building within the transport sectors themselves • Capacity building within the public sector on all aspects of transport management including integrating sustainable transport in IDPs and the PGDS and public finance management. • Establish and improve intergovernmental co-operation on all transport matters, especially between the City of Cape Town and the Province and with the SOEs. • Improve co-ordination between Provincial Departments (especially health and education) and Transport. • Create appropriate institutional bodies to run transport services (e.g. a Section 21 company or agency for the minibus taxi industry) • Support the appointment of high level staff to drive the intergovernmental transport agenda 		Dept. Transport DT&PW PT CoCT DEDT
Operational	<ul style="list-style-type: none"> • Rural transport (especially school transport) • Transport enforcement • Road safety- RTMS (Road Safety Traffic Management Strategy) • Public transport safety • Public Transport accessibility - operations (i.e. contracts), passenger information (ICT link) and universal accessibility (special needs passengers) • Expanded Public Works Programs in the sector, especially in developing new non motorised networks • Transparent and efficient service delivery • Procurement for BEEE • Major signage programme (making all settlements legible and building collective identity) 		DT&PW CoCT DEDT

PATH-SHAPERS: WATER & ENERGY

Aspects of Developmental Cycle	Key Interventions	Timescales Indicative Budget	Strategic Partners of DctP
Policy and Planning	<ul style="list-style-type: none"> • Western Cape Water Reconciliation Strategy: Berg Water Management Area • Basic Services Policy and Practices (R15.8m): District municipalities, Metro etc. • Support development of water and energy sector policy and regulatory frameworks (R3.8m) • Establishment of Catchment Management Agencies – Breede, Gouritz, Olifants-Doorn, Berg CMA • Establish and support Water User Associations • Water Services Knowledge Sharing – Regional Sector Knowledge Management System: Water quality auditing, reporting systems, forums and stakeholder seminars, newsletters, water services network, effluent quality and water usage and losses management system 	2006-2008	DWAF, Districts, CCT, DEADP
Capital Investments	<p>Water Resource Management</p> <ul style="list-style-type: none"> • Berg River Storage project: Construction of Dam (Franschhoek) • Raising of Clanwilliam Dam 	2006-2008: 2009-2011	DWAF, Districts, DEADP
Capital Investments	<p>Water Supply Infrastructure (Source LG&H:MIG)</p> <ul style="list-style-type: none"> • Eden District (R103.5m: MIG funds 2006-2008 financial years) • Cape Winelands District (R68.8m MIG funds) • Central Karoo District (R21m MIG funds) • Overberg District (R32m MIG funds) • West Coast District (R25.3m MIG funds) • City of Cape Town (R334m MIG funds) 	2006-2008	Districts, Local Municipalities, LG&H (MIG), DWAF
Capital Investments	<p>Sewage (incl. Bucket Eradication) infrastructure (Source LG&H:MIG)</p> <ul style="list-style-type: none"> • Eden District (R63m MIG funds) • Cape Winelands District (R76m MIG funds) 	2006-2008	Districts Local Municipalities

	<ul style="list-style-type: none"> • Central Karoo (R14m MIG funds) • Overberg (R25m MIG funds) • West Coast (R44m MIG funds) • City of Cape Town (R417m MIG funds) 		LG&H (MIG) DWAF
	Stormwater Drainage infrastructure (Source LG&H:MIG) <ul style="list-style-type: none"> • Cape Winelands District (R19m MIG funds) • Central Karoo (R21m MIG funds) • Overberg (R9m MIG funds) • West Coast (R24m MIG funds) • City of Cape Town (R314m MIG funds) 	2006-2008	Districts, Local Municipalities LG&H (MIG) DWAF
	Electricity Infrastructure (Source LG&H:MIG) <ul style="list-style-type: none"> • Eden District (R24.7m MIG funds) • Cape Winelands District (R26m MIG funds) • Overberg (R17m MIG funds) • West Coast (R22m MIG funds) 	2006-2008:	Districts, Local Municipalities LG&H (MIG) DWAF
Finance and Regulation	Water Allocation Reform <ul style="list-style-type: none"> • Financial assistance to emerging farmers • Lawful water use verified (R8m) • Development of water and energy sector regulatory frameworks • Establishment of Catchment Management Agencies – Breede, Gouritz, Olifants-Doorn, Berg CMA • Establish and support Water User Associations 	2006-2009	DWAF, DEADP
Institutional and organisational development	<ul style="list-style-type: none"> • Ensure skills development for the sectors by liaison with FET institutions • Capacity building within the sectors • Capacity building within the public sector on all aspects of resource management including integrating it into IDPs, the PGDS and public finance management. • Establish and improve intergovernmental co-operation on all resource management matters, especially between the City of Cape Town and the Province and with the SOEs. 		Dept. Transport DT&PW PT CoCT DEDT

Operational

<ul style="list-style-type: none">• Improve co-ordination between Provincial Departments (especially environmental affairs, public works and housing)		
<ul style="list-style-type: none">• Asset management• Green procurement• Capacity building of personnel• Masibambane programmes and projects• 2-wise-2-Waste rollout to PGWC• Working for Water (Clearing of invasive alien plant species)• River Health programme: Assess, monitor ecological health of river systems• Expanded Pubic Works Programs in both sectors• Transparent and efficient service delivery		DWAF District local Municipalities DEADP

UNPACKING ASPECTS OF IGR FRAMEWORK (Key to Figure 16)

IGR ACTIVITIES	INSTITUTIONS	OPERATIONAL INSTRUMENTS	STAKEHOLDERS
<p>1. Strategic Leadership & Coordination</p> <p>Area of political leadership where medium-term policy formulation gives strategic expression to ideological positions and electoral mandates</p>	<p>4. Intergovernmental Policy Alignment</p> <p>Alignment and harmonisation of policy direction across the spheres occurs in the NCF, PCF, PCC and PMCF. Each sphere of government articulates its medium-term programme of action and includes a spatial plan and budget. It is also important not to contradict, negate, or duplicate the work of other spheres, thus necessitating intergovernmental co-operation.</p>	<p>8. Provincial</p> <p>Province is the primary sphere responsible for IGR in the Western Cape and coordinates this work through the Department of the Premier.</p>	<p>13. Political Principles</p> <p>Views of political principles are driven by The Presidency, the Premier's Office, the various Mayors and the Cabinets and Mayoral Committees who facilitate the policy preparation and review process of the MTSF/PGDS and IDP. Public participation is ensured through voting; public information and debate, the PDC and Ward Committees.</p>
<p>2.. Technical Coordination and Administration</p> <p>Domain of technical co-ordination IGR policy, planning, funding and systems design. Responds to dynamic nature of policy alignment and implementation i.e. pre-</p>	<p>5. Regional Coordination</p> <p>Coordination of Western Cape Functional Regions⁵⁰ will take place through the regional committees for the three geographic regions and will be supported by two working groups (regional planning and strategic financing). The regional planning group will focus on overarching planning for the region supported by technical capacity. The strategic financial planning forum, will have high level capacity to analyse financial data</p>	<p>9. Regional Secretariat</p> <p>A small independent technical capacity with planning and finance competencies will be convened by the PCF to support regional development. It will provide oversight and support on overlapping issues of government action, ensure that strategic planning is optimised across the region as a whole. It acts as an information point for all stakeholders.</p>	<p>14. Regional Development Agents</p> <p>Regional planning and strategic financial technical capacity, operating under the PCF, should be funded by and respond to all the main development stakeholders of the region. These include national, provincial and local government managers, and</p>

⁵⁰ Cape Town, Hinterland and Southern Cape

empting and responding to shifting realities.

on investment, capital and operating budgets, service charges, taxation etc. and will guide the PCF on the overall financial strategy for sound development in the Province

10. Regional Planning Forum
A forum with high level capacity to interpret economic, social, environmental and spatial data and guide the PCF on its impact on the development of the spatial economies of the Province.

This capacity operates at a provincial and sub provincial scale to address the differing imperatives of the regional spatial economies and ecology of the Western Cape.

centrally, the SOEs.

3. Implementation
Public policy implementation is undertaken by a wide range of public and semi public institutions. It is necessary to identify stakeholders, their activities and the cumulative impact of their actions on the policy objectives of the MTSF/PGDS/IDPs

6. Intergovernmental Delivery
There are significant areas of overlap between the implementing actions of national, provincial and local government at planning and financial levels. Sectoral or area-based working groups convened by the PCF (or the PMCF or DCF as appropriate with requisite Memorandums of Understanding) will address issues of IGR and ensure alignment

11. Government Departments
Institutionally the implementation of policy generally involves line departments. Finance and human resources blockages may require widening participation in working groups to ensure effective government.

15. Intergovernmental Stakeholders
Participation in the IGR working groups by stakeholders from all spheres of government should be endorsed by the political principles through the PCC and PCF.

7. Implementing Entities/SPVs
The establishment of entities or SPVs to address the complex issues of development practice are at the heart of the IGR debate.

12. Delivery Agencies
Institutionally agencies are governed through a range of institutional mechanisms ranging from nationally

16. Entity/SPV Engagement
The Department of the Premier should co-ordinate participation in the IGR

The nature of their targeted outputs allows for highly varied forms. They have no common scale and often operate outside of the traditional geographical boundaries of formal government. Entities and SPV dominant institutional agents for development in the Western Cape and must therefore be included in the implementation working groups of IGR forums.

constituted SOEs, provincial and municipal enterprises and Section 21 companies. They operate under the financial jurisdiction of government but are not part of the civil service and do not account through the conventional political systems of departments or clusters. Institutionally these bodies tend to account to a Board.

working groups by stakeholders from public entities and SPVs. This should be secured via their Boards through facilitation from the political principles with endorsement from the PCC and PCF.

