



GROWTH AND DEVELOPMENT STRATEGY FOR THE CITY OF TSHWANE

(a limited set of high impact strategies)

DRAFT

**“Theme- WORKING TOGETHER FOR ACCELERATED
SHARED GROWTH AND PROSPERITY”**

Glossary

AIDC	Automotive Industries Development Centre
Asgi-SA	Accelerated and Shared Growth Initiative – South Africa
BBBEE	Broad-Based Black Economic Empowerment
CDS	City Development Strategy
CoT	City of Tshwane
DTI	Department of Trade and Industry
EE	Employment Equity
EPWP	Expanded Public Works Programme
GDS	Growth and Development Strategy
GEDA	Gauteng Economic Development Agency
GGP	Gross Geographic Product
GPG	Gauteng Provincial Government
GVA	Gross Value Added
HRD	Human Resource Development
ICT	Information and Communications Technology
IDP	Integrated Development Plan
MPCCs	Multi-Purpose Community Centres
NDOT	National Department of Transport
NGO	Non-Governmental Organisation
NSDS	National Skill Development Centre
RPI's	Rapid Planning Initiatives
SDI	Special Development Initiatives
SME	Small and Medium Enterprise
SMME	Small, Medium and Micro Enterprise
STI	Science, Technology & Innovation
TBPWP	Tshwane Expanded Public Works Programme
TGDS	Tshwane Growth and Development Strategy
TISA	Trade and Investment South Africa
TIDP	Trade and Investment Development Programme
TEDA	Tshwane Economic Development Agency

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Executive Summary

CHAPTER 1: commences with a short statement on the rationale and importance of developing a Growth and Development Strategy for the City of Tshwane, sets out the *Vision* and *Mission* adopted for the City, and concludes with a discussion of the scope, purpose and objectives of the TGDS as well as the benefits that its successful implementation will bring.

The Tshwane Growth and Development Strategy (TGDS) is not intended to cover all elements of a comprehensive development plan for the City, but will rather comprise a limited set of high-impact, fast-track interventions that can act as catalysts for accelerated and shared growth. Thus, the 5-Year Strategic Programme and the various departmental planning instruments will continue in tandem with the TGDS.

CHAPTER 2: provides an overview of the global, national, provincial and local context within which the TGDS has to be developed and provide a brief summary of the City’s Five Year Development Programme and Budget commitments.

CHAPTER 3: discusses the key strategic levers at the disposal of the CoT, which could be used to unlock a prosperous future for all citizens of the city. Both levers for accelerated economic growth and levers for economic empowerment that will ensure a more equitable sharing of the benefits of shared growth are discussed. The transformational agenda that is required to promote social inclusion and the strategies that will be required to mitigate against risk are also discussed.

CHAPTER 4: sets out specific high-impact interventions for each of the key strategic levers discussed in Chapter 3, which will have to be implemented to achieve the accelerated, shared and sustainable growth the city is seeking.

CHAPTER 5: deals with the clarification of the roles that the CoT and its partners will have to play in implementing the TGDS.

CHAPTER 6: discusses a finance mechanism and sustainability.

CHAPTER 7: sets out the approach that will be followed to implement the TGDS

CHAPTER 8: discusses the basis on which monitoring, evaluation and reporting will be conducted

CHAPTER 9: provides recommendations on the way forward.

CHAPTER 10: provides some concluding remarks

CHAPTER 1: OVERVIEW

“This discussion document brings a multi-dimensional focus, incorporating economic, social and environmental dimensions to bear on achieving beneficial accelerated, shared and sustainable growth for the city”.

This draft Tshwane Growth and Development Strategy (TGDS) is presented to stakeholders and development partners for comment and input to ensure that the City of Tshwane (CoT) develop a comprehensive Strategy that is supported by all parties. The final version of the TGDS will be formally adopted by the CoT and its development partners in November 2006.

The rationale for and importance of developing a “**Growth and Development Strategy**” for the City of Tshwane, as is at provincial and national levels, is rooted in a broad and defining national goal of “*growing the economy so as to deal with developmental challenges confronting the country and the region*”. This goal underpins government’s policy formulation and underscores the urgency and the gravity of ensuring that almost all government actions and efforts are directed toward growing the economy and further ensuring that development happens.

Growth without development as well as *jobless growth* have been witnessed in most developing economies and continue to be a feature of a number of countries including South Africa. History tells us that in highly unequal societies economic growth does not necessarily lead to benefits for the poor. As one of the most unequal societies in the world, South Africa has a pressing need to create the type of growth that is balanced. Producing this balanced growth needs more than just a fuller understanding of the key drivers of modern economies and their binding constraints. There are greater nuances and peculiarities at play in the South African economy, and the Tshwane metropolitan economy, that must inform policy and action.

The Tshwane Growth and Development Strategy (TGDS) is thus intended to unlock real and accelerated growth in the city and by extension in the country. In distributing the TGDS to stakeholders and development partners (labour, communities, business and government) for comments and input, it is important that all stakeholders and development partners share a common understanding and acknowledge the structural challenges confronting both the local and national economy as well as the implications for the Tshwane economy.

1.1 City of Tshwane Vision and Mission

The City of Tshwane (CoT) has adopted the following *Vision* and *Mission* statements which underpin all of its efforts:

Vision

To be the leading international African Capital City of excellence that empowers the community to prosper in a safe and healthy environment.

Mission

To enhance quality of life of all people in the City of Tshwane through a developmental system of local government and the rendering of efficient, effective affordable services.

1.2 Objectives of the Strategy

- To achieve shared and accelerated growth.
- To determine the City’s contribution towards the Provincial economic growth target of 8% economic growth.
- To reduce unemployment by 50% by the year 2014
- To create an environment that will ensure a more balanced and equitable sharing of benefits of economic growth between the first and second economies
- To address gender focused issues in the economy by dealing with the inequalities and mainstreaming women, youth and the disabled.
- To develop a joint Monitoring and Evaluation mechanism

1.3 Scope and Purpose of the Tshwane Growth and Development Strategy

1.3.1 Scope

The Tshwane Growth and Development Strategy (TGDS) is not intended to cover all elements of a comprehensive development plan for the City, but will rather comprise a limited set of high-impact, fast-track interventions that can act as catalysts for accelerated and shared growth. Thus, the 5-Year Strategic Programme and the various departmental planning instruments will continue in tandem with the TGDS.

1.3.2 Purpose

The TGDS is set out to address a set of challenging issues over the Short, Medium and Long term.

- **Enabling Policy and Legislative Environment:** The development and implementation of an enabling policy and legislative environment within which the various targeted TGDS strategies and projects will be implemented.
- **Sector Strategies:** Identification of the sectors of the Tshwane economy with the highest potential for impact within the short term and which are able to meet the shared growth objectives of the City. Strategies that can be implemented immediately will be developed for these priority sectors.
- **Transformational Programmes:** Development of strategies for the immediate implementation of the following transformational programmes:-
 - Broad-Based Black Economic Empowerment (BBBEE)
 - Expanded Public Work Programme (EPWP)
 - Employment Equity
 - Preferential Procurement
- **Socio-Economic Strategies:** Development of specific strategies with high potential impact in the short term on the socio-economic advancement of the youth, women and people with disabilities.
- **SMME Support Strategies:** Identification/development of interventions designed to significantly impact on conditions and opportunities for small, medium and micro-enterprises and will also ensure the successful transition of such SMME's from new start-ups to sustainable enterprises.
- **Socio-Economic Benchmarking:** Socio-Economic growth indicators for the City of Tshwane need to be benchmarked nationally, regionally and globally and the city's current status also needs to be measured against a selected group of cities internationally. Fast-track strategies need to be developed to address lagging indicators.
- **HIV/AIDS:** The impact of HIV/AIDS on socio-economic growth needs to be assessed and strategic interventions need to be proposed.
- **Infrastructure Development:** Special projects that will have a major impact on accelerating and sharing growth need to be proposed. These projects will be selected for their impact on employment, poverty reduction and growth, including sustainability and the leveraging of private sector funding. The maximization of the benefits of the EPWP will form part of strategies and projects developed for this element.
- **Human Resource Development:** Issues concerning Education, Technical Skills, Management Skills and Leadership Skills will be analysed and possible high-impact strategies that could be implemented in the short term will be proposed.

1.3.3 Opportunities and Benefits

The **first benefit** of accelerated and shared economic growth is an increase in the standard of living of our citizens. However this may not necessarily be the case if the wealth accumulation within a city is not distributed fairly i.e. one particular section of society reap the benefits while other parts do not see the effects. The counter argument, that if economic growth is very low, there will be nothing to distribute, is however also true. The strategies included in the TGDS will all contribute towards bridging the gap between the First and Second economies.

The **second benefit** is that it will stimulate higher employment and in so doing, reduce poverty and unemployment in the City.

Thirdly, accelerated growth will provide the CoT with a fiscal dividend. Economic growth will boost tax revenues and provide the CoT with extra money to finance developmental projects.

Fourthly a significant increase in economic growth will increase the accelerator effect. This means rising demand will encourage domestic investment in new capital machinery which will help to sustain further economic growth.

Lastly accelerated and shared growth will boost business confidence, have a positive effect on firms' profits, and boost the City of Tshwane's image as a destination for foreign direct investment.

“a strategy and not a policy directive.”

The TGDS is primarily holistic in its approach as it does not confine itself to a parochial local government strategy. Instead, the TGDS is intended to be an inclusive and build on a common vision and objective across all traditional barriers between government, the private sector civil society, faith-based entities, and the labour movement.

CHAPTER 2: SOCIO ECONOMIC PROFILE OF THE CITY OF TSHWANE

2.1 Context

2.1.1 Global Context

In the context of globalisation, it is now cities, as much as countries that drive economic growth. Cities, and more specifically large cities, are the mainstays of most countries' economies. They are the spaces in which the surplus is generated for the development of areas with lower levels of economic output. They offer the largest concentrations of customers and provide the biggest markets in the country. They provide the key distribution functions in most national and regional economies and the global economy. The highest concentrations of higher education facilities are found in cities. New ideas are generated and new industries are spawned in cities. Cities are therefore the main engines of the national economy.

2.1.2 National Context

The five biggest city economies in South Africa make significant contributions to the national economy. These five cities – Johannesburg, Cape Town, Tshwane, eThekweni and Ekurhuleni create:

55,71% of the national Geographic Value Added (GVA) in manufacturing, 57,61% of the national GVA in construction, 61,32% of the national GVA in wholesale and retail trade, 68,48% of the national GVA in transport, storage and communication, 75,33% of the national GVA in financial, intermediation, insurance, real estate and business services; and 52,98% in community, social and personal services.

The Accelerated and Shared Growth Initiative (Asgi-SA) was launched in July 2005 at a national Cabinet Lekgotla to address the concerns of inequitable national growth. Asgi-SA targets both higher rates of growth (an annual average of 4.5% or higher from 2005-09, rising to 6% from 2010 to 2014), as well as a more balanced outcome of this growth. In order to harness this sustainable growth path, Asgi-SA has identified six binding constraints to growth; resulting in “selected interventions” in six areas: infrastructure, sector strategies, education and skills, interventions in the second economy, public administration and macroeconomic issues such as improved budgeting.

2.1.3 Provincial Context

As one of the metropolitan cities of Gauteng, the City of Tshwane needs to take into account the broad economic and spatial strategies and goals of Gauteng Province, which include the re-alignment of the manufacturing sector away from traditional heavy industry input markets and low value-added production towards sophisticated, high value-added production, as well as the development of other high value-added production activities in the agriculture and mineral sectors.

Furthermore, provincial objectives also include the development of the province as the smart centre of the country with specific emphasis on information technology, telecommunications equipment, research and development and bio-medical industries; and the development of the finance and business service sector with specific emphasis on financial services and technology, auxiliary business services and technology, corporate head office location and business tourism.

The provincial government is also moving towards the establishment of Southern Africa’s first global city region which will include Tshwane. The Gauteng city region is seen as:

- *The decision making capital of South Africa, both on the corporate and political level,*
- *The transport hub of the South African land surface, and*
- *Contributing 34% to the South African economy although it occupies only 1.4% of the land surface of the country and is home to 22% of the South African population*

Annual personal income in Gauteng accounts for 35 per cent of the national total and in 2005 the per capita income in Gauteng amounted to R32 356, compared to R26 154 in the Western Cape which was in second place, with the national per capita income on only R17 164.

In 2004 the Gauteng Province contributed 50.4 per cent of total national exports compared to 14.4 per cent from KwaZulu-Natal, the second largest provincial exporter. However, during the same year, 60.7 per cent of total national imports were destined for Gauteng with 19.2 per cent to the Western Cape as the second largest importer.

Influenced by both global pressures and regional trends, the Gauteng Trade and Industry Strategy and the Gauteng Development Strategy (GDS), identifies six growth sectors and clusters for increased support and investment in the province, namely: - *“Smart” industries (including ICT, pharmaceuticals); Trade and Services (including finance and film); Tourism; Agriculture (agric-processing and bio-tech); Manufacturing (specifically of steel-related industries, automotive parts and components, beer and malt); and Infrastructure expansion and investment.*

The Gauteng GDS provides a strategic focus of building on the “smart” province concept by: - *Improving all growth sectors; Enhancing employment-generating potential; Transforming in respect of representivity; appropriately providing economic and social infrastructure; Building sustainable communities; and contributing to national and continental development.*

The main mechanisms identified by GPG include:

Investment and support to targeted economic growth sectors; SMME support; Skills development; Broad-based Black Economic Empowerment (BBBEE); Social grants and social services; Expanded Public Works Programme (EPWP); E-Governance; Multi-purpose community centres (MPCCs); Intergovernmental relations; Integrated City Region Strategy; Engagement with NEPAD; and Mainstreaming of transversal issues.

2.1.4 Local Context

2.1.4.1 The City Development Strategy (CDS) – The 2010 and beyond

In response to the National Spatial Development Framework, the City of Tshwane formulated a City Development Strategy “The City Development Strategy” – CDS. *(NB -Copy of strategy contained in the CD distributed with the Summit material)* which was adopted by Council in September 2004.

At the core of this strategy are **7 key priorities**, viz.:-

1. *Development of the Northern areas;*
2. *Strengthening of the urban areas;*
3. *Economic clusters: Government, 4. Manufacturing and business services;*
5. *Inner city;*
6. *Social cohesion;*
7. *Modernising administration;*
8. *Financial viability.*

An implementation plan was developed by means of a Rapid Planning Process (RPP) in September 2005 and 8 Rapid Planning Initiatives (RPI’s) were established with a sole aim of shaping the implementation of the CDS. Lead projects were identified targeting the 7 priorities articulate in the CDS.

2.1.4.2 Mega Projects within the City Development Strategy

The CDS, which is intended to refocus development in the City to the north, is seen as the platform for addressing the City’s spatial development, influencing aspects such as housing, transport links and business opportunities over decades to come. In moving the CDS towards implementation, eight lead initiatives have been planned through participative Rapid Planning Initiatives (RPIs), including:

- (i) *Creating an International Logistical Cluster;*
- (ii) *Completing a Metropolitan Mobility Ring;*
- (iii) *Developing the (industrial northern space of the) Zone of Choice;*
- (iv) *Connecting Tshwane to the knowledge economy;*
- (v) *Working Infrastructure Programme;*
- (vi) *Moving Tshwane Initiative;*
- (vii) *Vibrant Capital; and*
- (viii) *(vii) Quality Public Spaces.*

Several **mega projects** are being earmarked, aiming at providing a growth catalyst to the Tshwane economy. These include:

- Blue IQ projects such as:
 - Gautrain,
 - Automotive Cluster in Tshwane
 - Innovation Hub.
- Tshwane mega projects such as:
 - Tshwane International Convention Centre in Centurion
 - International Logistics Cluster - Wonderboom Airport Expansion; Tshwane International Freight Airport (TIFA); New Container Depot (Pretcon relocation)
 - Development of the Zone of Choice (Key sites strategy – acquiring or directing development of strategic sites)
 - Tshwane Western Bypass (highway construction; supporting development in the West of city)
 - Developing the Knowledge Economy (including Tshwane Digital Hub)
 - Vibrant Capital Programme – Re Kgabisa Tshwane; Inner City Housing Development; Tshwane Kopanong Square
 - Tsosoloso Programme – Providing Quality Public Spaces in townships
 - Moving Tshwane Programme (Comprehensive Integrated Public Transport Planning for all modes of transport)
 - Working Infrastructure Programme

The City of Tshwane’s **City Development Strategy (CDS)** has a longer range planning horizon, and it thus focuses on the short; medium and long term. The **CDS** emphasizes development partnerships with other stakeholders, such as national, provincial government, the private sector, labour and the civil society, and it acts as a platform for targeted strategic interventions in terms of the following overarching strategic priorities/objectives/focus areas:-

- To encourage economic growth and development, thereby making the economy of Tshwane globally competitive and more focused;
- To establish new local government structures to ensure democratic, responsible and equitable governance, as well as effective service delivery;
- To manage the physical integration of the city and to improve on the quality and liveability of the urban and rural environment;
- To ensure the community’s well-being by addressing poverty and making essential services available, accessible and affordable;
- To ensure a safe and secure environment by making community safety services both available and accessible;
- To enhance Tshwane’s national status as the administrative capital of South Africa;
- To build Tshwane’s international image and reputation as the African Centre of Excellence; and
- To care for the natural and cultural resources by preserving, utilizing and enhancing them.

In addressing overarching strategic priorities/objectives/focus areas the City is now paying attention to key socio-economic strategic levers such as *Housing development: Infrastructure development: Safety and security: Social development: Economic development; Natural resource development; and Institutional development and Governance.*

2.1.4.3 City’s Five Year Development Programme

The 5-Year Strategic Programme focuses on five key strategic objectives to be met by the various key performance areas:

1. Providing access to quality basic services and infrastructure throughout the City.
2. Promoting accelerated and shared economic growth and development.
3. Fighting poverty and building clean, healthy, safe and sustainable communities.
4. Promoting participatory democracy and applying Batho Pele principles through a caring, accessible and accountable service.
5. Ensuring good governance, financial viability and optimal institutional transformation, giving the institutional transformation, giving the institution the capacity to execute its mandate.

Setting the Scene

2.1.4.4 Budget Commitments

The CoT’s fiscal policy and the budget framework has moved from a process of conventional budgeting and financial management based on historical practices to more strategic planning, with the emergence of zero-based budgeting based on clustering of organisational activities and priorities. This is critical in light of the pressing social and development needs of South African cities, most recently addressed in the case of Tshwane by the CoT’s 5-year Strategic Plan.

The IDP and budgetary plans for the 3-year medium to 2009 as follows:

- R5.6bn capital budget over the next 3 years with 78% on infrastructure;
- Establishment of the Tshwane Economic Development Agency with a R10m budget already approved and R33m to address the economic infrastructure in the city;
- R50m has been set aside for interventions in SMME’s and co-ops;
- R38m for ward-based projects.

CHAPTER 3: KEY STRATEGIC LEVERS

3.1 Economic Growth Agenda

3.1.1 Trade, Industry, Finance and Investment

3.1.1.1 Tshwane’s Trade and Industry Levers

International trade is an important driver of the Tshwane economy, with tangible exports, in particular, currently contributing a healthy 45% to GGP and tangible imports contributing 22%. Figures could not be obtained for Tshwane’s international trade in services but the services sector is a strong contributor to the Gauteng economy as a whole and employs large numbers of people. It is therefore a reasonable assumption that the services sector is also quite prominent contributor to the Tshwane economy.

The international trading activity of any real significance in Tshwane takes place in 13 tangible goods sectors. Their latest available rankings (2004) from highest to lowest in respect of export value are as follows:

<u>Sector</u>	<u>Value in Rand (Millions)</u>
Motor Vehicles, Parts and Accessories	8,161
Basic Iron and Steel	6,544
Machinery & Equipment	3,228
Furniture	2,388
Television, Radio and Communication Equipment	860
Professional and Scientific Equipment	664
Agriculture (Cut Flowers)	606
Mining and Quarrying	535
Chemicals and Man Made Fibres	461
Other Transport Equipment	285
Electrical Machinery	222
Non-metallic Minerals	221
Metal Products (Excl. machinery)	218

As can be seen, the Motor Vehicles, parts and accessories sector in Tshwane is currently heading the list both in terms of contribution to the Metro’s total export value and to total trade, skills development and sustainable jobs.

The period from 1995 to 2004 has seen a significant growth in exports from the five metros, with annual average growth ranging from 12.5% in eThekweni and Ekurhuleni to 21.5% in Tshwane (see Table below). Imports have similarly increased ranging from 12.98% per annum in Nelson Mandela and Johannesburg to 17.56% in Tshwane over this period. Both imports and exports were mainly linked to manufacturing, but some of the cities also had a significant share of imports or exports linked to mining.

Annual Average Growth (%) in Exports and Imports by City, 1995-2004

	Jo’burg	eThekwini	Cape Town	Ekurhuleni	Tshwane	Nelson Mandela
Imports	12.98	14.00	16.70	14.32	17.56	12.98
Exports	15.81	12.50	17.70	12.50	21.50	17.00

It is noteworthy that Tshwane outperformed all other metros and had the highest percentage growth in both imports and exports during the nine year period (1995-2004). It is therefore clear that new opportunities for growth and prosperity for the citizens of Tshwane lies in the global export orientation of the City’s economy, and it is suggested elsewhere in the report that CoT commit significant resources to economic development strategies that would transform it into an even stronger global player.

3.1.1.2 Trade Facilitation

A broad range of developments that have been introduced over the past five years with regard to trade facilitation, which will further enhance Tshwane’s export trade performance. The most significant are:

- **The formation of Export Councils**

The Department of Trade and Industry (**the dti**) and its division, Trade and Investment South Africa (TISA), promote the formation of industry-based Export Councils to assist exporters in reaching their targets, supplying funding for the formation of such Councils and certain of their initiatives, including trade missions and exhibitions. The Export Council approach is specifically tailored to facilitate access to **dti** support structures by SMMEs as well as larger companies. Various industry sectors have organised themselves into Export Councils to tackle the global marketplace as collective forces. These sectors include the capital equipment, automotive, electronics, wire, stainless steel, aluminium, flower, wine, cosmetics, crafts, ceramics, steel tube, clothing and textiles sectors. Executives appointed by participating firms serve on the Export Councils.

- **Training Programme in International Competitiveness**

The International Competitiveness training programme is aimed at preparing would-be exporters for the challenges of selling abroad, covering the various components of export readiness, some of the technical aspects of exporting and the development of export marketing plans.

- **Product and Market Development for Export**

This aspect of the TIDP concentrates on the provision of subsidised company specific technical assistance and training in the areas of: product development and productivity improvement (including quality and packaging enhancement); international health, safety and environmental protection standards; market research and access strategies; negotiation and selling skills; the development of suitable promotional materials; export costing and pricing issues; trade documentation and freight procedures.

- **The establishment of local Trade Points**

The first Trade Point in South Africa was established as a Section 21 company in Tshwane. Since then only one further Trade Point has become operational in Johannesburg, however, KwaZulu-Natal is planning to launch Durban Trade Point, to be housed in the Durban Chamber of Commerce and Industry, and both the Border-Kei Chamber of Business and the Nelson Mandela Metropolitan Municipality are currently investigating the feasibility of introducing Trade Points in their localities (East London and Port Elizabeth respectively).

- The new Tshwane Development Agency (TEDA) will in future inter alia be tasked with the operational support, facilitation, implementation and initiation of trade promotion at local level in Tshwane.

3.1.1.3 Investment attraction, retention and promotion

In addition to the investment support provided at the national level by TISA and at the Provincial level by GEDA, the CoT established a Business Investment, Trade and Tourism Centre (BITTS) some years ago. The Centre is still operational and provides support for both trade and investment in the city.

The proposed Tshwane Economic Development Agency (TEDA) will in future be tasked with the operational support, facilitation, implementation and initiation of development projects as a special purpose vehicle on behalf of the City of Tshwane Metropolitan Municipality as a Municipal Entity.

3.1.2 The Provincial Economic Development Intervention through “Blue IQ”

- **The Automotive Supplier Park**

An Automotive Supplier Park was established in Tshwane as a joint project developed in partnership with the Provincial Blue IQ initiative. Tshwane boasts the highest concentration of automotive manufacturers in the country manufacturing 47% of all vehicles (assembled or manufactured) in Southern Africa, and the supplier park is intended to stimulate and promote further investment to grow the industry and to further increase automotive exports.

The CoT maintains an automotive office at the Automotive Supplier Park and is planning the following development projects in conjunction with the Rosslyn Strategic Development Forum (RSDF) that will enhance skills development in the manufacturing sector. (1) *Roslyn Industrialist Power Supply*, aimed at infrastructure support and service delivery. (2) *HIV & AIDS Analysis* aimed at assisting the automotive companies to comprehensively address the effects of the HIV/AIDS pandemic on the sector. (3) *Task Team facilitation and project management inputs* aims to drive and manage agreed and predefined strategic focus areas of importance which were identified through an exhaustive regional industry survey conducted in July 2004. (4) *Contribution to the Cities Network Initiative* in terms of the Citywide Economic Development Strategy with a focus on the automotive sector. This joint initiative from the Metropolitan Municipalities is with a view to avoid duplication and promote the optimal use of available resources. (5) *Creation of a Local Automotive Industry Data base* which will reflect original equipment manufactures, and first and second tier component manufacturers as well as micro/informal businesses related to the automotive industry such as body repairs, wheel and tyre servicing and exhaust systems, are also reflected. It is also significant that SME suppliers who are in the informal sector and do not yet supply the industry as second or third tier suppliers, but might aspire to do so, are also reflected. (6) *Mentorship programme for the previously disadvantaged local engineering students* selected on the basis of their potential and in all aspects of industrial operations and activities relevant to the Tshwane Metropolitan area, with specific reference to the local automotive industry. (7) *A freight and logistics centre* targeting the upgrading of Wonderboom Airport is also being promoted. The City must engage in discussions with the Provincial and National government about the further development of the programme that is aimed at supporting the country’s export drive and stimulate job creation.

3.1.3 Infrastructure Support, Integrated Transport, Regional Integration and Global Competitiveness

- **Using Infrastructure as Lever for sustainable development and Growth for the City : Focus towards the North**

- ▶ **Improvement of Roads**

Attention should be given to tarring of major routes in a selection of residential areas, and some streets need attention. General maintenance and upgrading of roads is required and regular re-gravelling of gravel roads to keep them up in good standards must be done.

- ▶ **Storm water problems**

There is a need to build new storm water systems where there are none, and the upgrading and maintenance of existing systems must be done. Storm water problems must be addressed simultaneously with the roads problems because they are closely related.

- ▶ **Electricity**

Electrification of needy homes, provision of high-mast street and security lighting and upgrading of electricity supply to make it more reliable. Energy efficiency techniques, such as solar heating systems also need to be introduced to assist in pollution control

- ▶ **Housing**
Aspects such as addressing the long waiting list for housing must be dealt, including the provision of houses and state assisted housing for white and poorer communities and the provision of serviced land for housing.
- ▶ **Multi-purpose one-stop facilities**
Recreational facilities such as sports facilities and swimming pools, pensioner pay-outs, health facilities, and old age homes could be concentrated in one area for easy access. These multi-purpose centres could also be resident to other spheres of government, such as the home affairs, DTI, etc.

Churches, NGO's and other community structures need facilities in those areas too.
- ▶ **Economic clusters.**
Three main economic needs worth noting are Sills Development Centres, identification and provision of land for farming purposes, and enhancement of tourism potential.

- **Focus towards the South –Eastern areas**

Unlike the northern region these regions have only two prevalent needs clusters.

- ▶ **Roads**
Maintenance and upgrading of roads and introduction of traffic calming measures such as traffic circles and speed humps. Road signage has to be improved, as well as replacing of missing man-hole covers.
- ▶ **Safety**
This involves effective enforcement of by-laws especially with regards to controlling and monitoring illegal trading and illegal land use. There is need to control illegal squatting in and around vacant land or vacant properties, shopping centres and under bridges of major routes. Visible policing and effective management of traffic during peak hours is also required. Actions in this regard not only improve the attractiveness of Tshwane as an investment destination but lower the cost of doing business.

- **Rapid Planning Initiatives**

The City Development Strategy identified a series of 8 lead-in initiatives through participative Rapid Planning Initiatives (RPI's) that will act as levers for accelerated economic growth:

- Creating an international logistical cluster by establishing a cluster of road, rail and air freight facilities in the Zone of Choice;
- Completing a metropolitan mobility ring by completing the Western Bypass highway link through the West of Tshwane;
- Developing the Zone of Choice through developing a rich choice of housing opportunities on well located land while contributing to meeting density preconditions for viable public transport;
- Connecting Tshwane to Knowledge Economy by taking the Digital hub initiative to its next level through the establishment of a new business joint venture partnership;
- Working Infrastructure programme which involves securing existing infrastructure base through a planned re-investment programme;
- Moving Tshwane initiative by introducing a major public transport initiative;
- Vibrant Capital programme of developing key housing, commercial, symbolic and public space initiatives focusing in the heart of the capital;
- Quality Public Places Programme through improvement of municipal service interface by re-developing and improving existing municipal points.

The Tshwane CDS initiatives motivate public-led investment exceeding R10 billion over the next 5 – 10 years that would impact *on reducing poverty* in Tshwane unlock growth in the economy and create a better life for all.

The CDS is a bold attempt to think “out of the box” and whereas it may be criticized for directing the municipality to activities outside of its mandate, it remains a good tool of engagement with stakeholders along Tshwane specifics.

- **Infrastructure for Food, Agriculture and Natural Resources**

Unlike other Metropolitan Municipalities within Gauteng, the City of Tshwane has a large rural area within its municipal boundaries which opens up the possibility of significant Agricultural activities.

The main challenge for agriculture is to unlock untapped potential that lies in people. This implies that the integration of research, finance, extension of skills development should focus both agricultural skilling and ABET. There is a need to identify land suitable for agriculture and to utilise it judiciously once it is obtained. Agriculture is business and if practiced expeditiously, it can contribute to job creation and poverty reduction.

It is critical to support land reform by means of smallholder farming on high potential agricultural soil. Development of agricultural hubs on areas with moderate to high potential agricultural land is also a strategic priority. High value crops for niche markets would give the CoT a competitive edge. Small land portions could also be maximally utilised by employing intensive animal production methods. Value adding processing of raw material such as canning and other forms of packaging will greatly enhance land utilization and create jobs at the same time increasing revenue.

The continuing escalation of petroleum will ultimately pose further problem for food security to the poor. These need to be mitigated through maximum utilisation of agricultural land in the hands of the poor for food production. The increasing demand on usage of alternative energy such as ethanol, will create an escalating demand for bio-material as feed stock, creating markets for agricultural production.

Tshwane being the Smart City it is has an even greater opportunity to employ the latest farming technologies thereby creating an added competitive edge. All the above have to take place within a broader objective of supporting black farmers to ultimately become successful commercial farmers. The process of Zonation of high Potential Agricultural land in Gauteng (including CoT) has taken place and the challenge that remains is to have that land in the hands of targeted communities.

- **Information and Communications Technology**

The City’s Communications Strategy should focus towards developing electronic communication to provide information and services by remote access to all those both locally and globally who wish to access information and services in this way. The City’s IT Services objectives should amongst others be instrumental in developing the City’s plans as follows:

- Support services in maximizing their use of technology to increase the quality and efficiency of services provided.
- Deliver the Council’s e-government plan as set out in the draft IT Strategy
- Ensure equal opportunities of access, functionality and training for all members and staff of the City Council
- Ensure that, both through the website and internal delivery of service, customer satisfaction is continually improved
- Maximize the potential for cost-effective procurement
- Enhance IT skills across the Council.

At the core of City's strategic framework is one central objective: to empower citizens, particularly the poor, women, and youth, to actively participate in governance processes and thus enhance democracy. This is complemented by the widespread deployment of ICT in government and state institutions.

With this in mind, the City must develop comprehensive frameworks which comprise four inter-related elements:

- ▶ Access and Connectivity. The ability to participate into local/regional/global networks is essential for all citizens that wish to actively involve in broader democratic processes. Access also includes meaningful and effective use by clients as well as capacity development of users.
- ▶ e-Government Applications. Improving Government's functions to provide better services to citizens, civil society organizations, and the private sector in efficient, transparent, and effective manners is a critical goal. At the policy level this implies that the design and implementation of e-government strategies must be link with both national poverty reduction strategies (or similar) and national ICT for development plans.
- ▶ Access to Information via ICT. The cost of producing, reproducing, and sharing of information is diminishing thanks to the advent of ICT. As information is a key for enabling informed decisions by citizens and organizations, this reduction of costs through ICT will produce greater cost-benefit returns.
- ▶ Networking and networking applications. National and trans-national networks have become one of the distinctive features of the information society. Networks that are bottom-up in structure and scope can actually trigger governments to become more accountable to its people. The networking applications are indeed the height of ICT for Development by allowing informed users to be mobilized to influence overall goal of democratic governance and poverty reduction. ICT has mobilized active members of the community to increase negotiating power towards the implementation of more bottoms up.

- **Science, Technology and Innovation**

The focus must be on long-term investments in knowledge-based infrastructure—the capacity of the entire system of private entrepreneurship, human resources, investment, and advancing frontiers of technical knowledge—using tools that encourage and enable rather than direct the deployment of these assets. The CoT should look for opportunities to enhance the social capital of our society, to make the emerging local networks of firms, universities, and laboratories and agencies into a dynamic, trusted efficient system of creative enterprise

The City needs to also commission a study on science and technology which addresses areas in Economic setting; Education and Human resources; Organisational management; Status of research and development institutions.

- **Space Technologies**

The Space Technologies developed by the Satellite Applications Centre (SAC) of the Council for Scientific and Industrial Research (CSIR) will be utilised to improve the CoT's planning and management of economic growth and land use, infrastructure and service delivery planning and management. SAC disseminates low and medium-resolution satellite data via various media and ensures archiving of earth observation data that are in the public domain, free of charge which will enable the CoT to introduce space planning which combine continuously updated satellite imagery with town planning mapping to provide the following benefits:

- ▶ Improved integrated transport planning by providing daily monitoring of road use and traffic congestion for trend analysis and predicting the future.
- ▶ Improved decision making with regard to land use to maximize social and economic integration, growth and development through the archiving of changes in land-use which will be available for research, trend analysis and predicting the future development.
- ▶ Monitoring environmental conditions to improve environmental management

Utilisation of the technology will thus provide the CoT with valuable assistance in answering three fundamental planning questions:

- ▶ Where should the City direct its investment and development initiatives?
- ▶ What kinds of spatial forms and arrangements are more conducive to the achievements of City objectives?
- ▶ How can the City maintain consistency in decision making, strategic co-ordination and alignment?

- **The Smart City Project**

The programme focuses on information and communication technology, electronics, biotechnology, advanced materials and manufacturing, aerospace and knowledge-incentive service industries.

Challenges and opportunities

- ▶ Increasing expenditure on research and technology development
- ▶ Shortages in scientific and technological human resources including Artisans, Technicians, Engineers and Scientists which are exacerbated by the Brain Drain due to more attractive research conditions in the developed countries.
- ▶ Participation by learners in science and technology is low as well as low enrolment figures; this is exacerbated by poorly trained educators and inappropriate curriculum

- **Governance and E-Governance**

The National Government is pursuing electronic service delivery and has set a target of 100% of such delivery by the year 2005 as part of its achievement of excellence in public services. The CoT consequently embarked on a similar quest for service excellence and has therefore committed itself :

- ▶ To target the Council's medium term IT Development Programme towards electronic service delivery using web based technology.
- ▶ To procure IT systems in a manner that ensures compatibility with national standards and is Global-compliant.
- ▶ To consult regularly with the public as to new methods of service delivery.
- ▶ To monitor and develop necessary infrastructure to ensure that opportunities both in external and internal working are maximised and not constrained by lack of infrastructure.
- ▶ To pay due regard to issues of security and data protection in developing e-government proposals.
- ▶ To develop the Intranet as a resource and information tool for councillors and staff.

- **Economic Intelligence (Research and Development)**

The CoT lacks source from which up-to-date statistics on various aspects of economic performance of the metropolitan economy, which it requires to make informed economic policy and strategy decisions, can be obtained. The development of a comprehensive updatable economic database for the city is therefore necessary.

Further research on international benchmarking information for major city regions is required to measure the CoT's performance as a global player and will highlight areas and aspects of economic performance where CoT lags behind and where strategic interventions are required to improve its global competitiveness.

3.1.4 2010 and Beyond

Unlike other cities such as Cape Town and Durban that have to build stadiums for the events in 2010, the City of Tshwane can focus on other areas that will benefit the city. The official match venue for Tshwane is the Loftus Versveld Stadium, which only requires minimal adjustment to host the 2010 FIFA World Cup™ events.

The hosting of the 2010 FIFA World Cup™ matches in Tshwane will accelerate the improvement of the public transport links in all modes; rail, road and air. The need to move multitudes of fans during the events will put a strain on the existing infrastructure and a need for expansion has been identified. The Northern areas will benefit through upgrade of roads to either proposed fan parks or team training venues. There will be a need to upgrade the ground links to the Wonderboom Airport, especially when it gets its international status. Train stations will be upgraded by South African Rail Commuter Corporation to increase the capacity and there is also a possibility to increase the current stock of train sets.

One of the legacies of the 2010 FIFA World Cup™ will be the acceleration of the recapitalisation of 10,700 mini bus taxis. Whilst this may result in fewer taxis once the recapitalisation process has been completed, there will be an increased demand for other modes of transport like rail. The purchase of three hundred new busses that will be used to transport soccer fans to various venues in the City will also spur the automotive industry.

The expected bottlenecks with domestic flights will create a need for other smaller airports and Wonderboom could benefit from the overflow from the OR Tambo International Airport. The excellent road transport links around the Wonderboom airport make it an attractive option when compared to other smaller airports such as Lanseria.

The strategic location of the City of Tshwane and its transport links make it a major gateway to other tourist destinations, especially in the eco-tourism segment. For instance, visitors to Tshwane in 2010 can enjoy safari excursions and still stay overnight in the city. Some of the city heritage sites, such as Church Square, will gain prominence during the 2010 FIFA World Cup™, and the plans by NDOT to pedestrianise some sections of Church Street will improve night life that is a key attraction for football fans.

The shortage of accommodation required to host the more than 25,000 expected visitors, presents some opportunities rather than challenges. Given the nature of the football fan base, there will be demand for unconventional accommodation such as backpackers, hostels, etc., and there is enough accommodation of this type, given the student population in the city. For instance the University of Pretoria has no less than 6,500 beds that can be made available for fans. The objective of the city will have to be to attract and keep as many visitors as possible in order to maximise benefits to the tourism industry.

Technology is fast becoming a major requirement for hosting World Cup events. Television broadcast has become a centre of technological innovation in sport and football has been no exception. In the 2006 World Cup the biggest innovation was that of High Definition Television (HDTV). Other innovation initiatives are in the areas of online and mobile viewership. The City of Tshwane ICT Department has made huge inroads in the area of broadband. The investment that the city has made in developing its broadband infrastructure will be given a major boost during the 2010 FIFA World Cup™. Online audio and visual streaming will be the order of the day. The imminent entry of Telkom into the television broadcast arena must be welcome and they will need the broadband platform developed by the City of Tshwane.

3.1.4 Gauteng City Region

The Strategy seeks to align provincial planning instruments, structures and sectors, including the Province’s three largest cities, in order to realise the vision for the GCR. In conjunction with local government, the objective of the Strategy is to facilitate internal co-operation and coherence for increased external competitiveness, ensuring that economic activities complement each other.

Tshwane has actively supported collaboration with other cities, Gauteng and national government by deploying top officials and politicians to participate in study tours, with a focus on unlocking the potential and exploiting mutually beneficial economic opportunities.

At a logistical level, the CoT has identified the importance of the R21 route to Kempton Park via Centurion as a strategic link to Johannesburg and Ekurhuleni, as well as that of the G9/PWV from Sandton to Rosslyn. Co-operation has also been undertaken in sharing thinking and data on issues such as the development of a “smart” province (through ICT ventures), creative industries, tourism, agriculture and environmental management. City officials report that the concept of the GCR has therefore informed strategic planning around sectoral prospects and ambitions for the CoT.

3.1.5 Spatial Development Initiatives

The Spatial Development Initiatives (SDIs) of the CoT aims to unlock the inherent and under-utilised economic development potential of certain spatial locations. The SDIs are not primarily geared to poverty reduction, but to fast-track and boost new investment, growth and employment opportunities. Nevertheless, the SDIs can be useful in alleviating poverty if they achieve their goals of sustainable job creation, SMME development. The upgrading of business opportunities in historically disadvantaged communities that are targeted locations of several proposed SDIs, will cut across geographical zones of major poverty.

The Tshwane Spatial Development Strategy identifies four types of economic development areas, namely:-

- Development Corridors and Nodes
- Specialised Activity Areas
- Metropolitan Activity Nodes (urban cores)
- Inner City

The Tshwane metropolitan area comprises primarily four existing and/or potential development corridors, namely:

- The N1/Ben Schoeman Highway link between Johannesburg/Midrand and Tshwane
- The R21 link between Tshwane and O.R. Tambo International Airport
- The Bakwena/Platinum Highway Corridor

3.1.6 Local Economic Development and Growth focus

The following five top-line economic development goals must form the basis for the suite of broad economic development strategies need to be developed or enhanced for the City:

The following suite of strategy initiatives will be reviewed and be aligned with the Growth and development strategy developed in the months following the TGDS Summit :-

- Growing & Expanding Existing Area Business: This strategy will focus on channeling resources to existing area businesses in order to expand operations and increase higher wage jobs from within the existing economic base. Some approaches under this strategy may focus on projects to create a formal business retention and/or expansion study, or projects to create or enhance the City’s urban regeneration program, or projects to maximize opportunities from existing industry clusters (i.e., Automotive, Other manufacturing sub-sectors, Education, Professional Services, Tourism, etc.).

- Stimulating Entrepreneurship : This strategy will focus on channeling resources to foster new business start-ups. Some approaches under this strategy may include projects that create and/or expand a business development program, projects that support the creation and/or expansion of small business incubators, or projects that support the creation of investment networks.
- Attracting New Businesses : This strategy will focus on channeling resources in order to induce businesses to relocate to the area. Some approaches under this strategy may focus on projects that identify local strengths and opportunities for business attraction, or projects that identify what entities are involved in business attraction, or projects that develop market-specific recruitment programs.
- Capturing Outside Investment Rands : This strategy will focus on bringing financial resources to a community from individuals or businesses of the community. Some approaches under this strategy may focus on projects that bring in outside consumer Rands, or projects that bring in PPP funding for economic development or economic infrastructure.
- Attracting Government Fiscal Resources: This strategy will focus on attracting government financial resources in general. Both central and provincial government are also major buyers of products and services, and strategies to actively market the product and service offerings of Tshwane enterprises to these public sector buyers will be developed.
- Building Community Economic Development Capacity : This strategy will focus on building the non-physical infrastructure within a community that is necessary for economic development efforts. An approach under this strategy may include projects that develop partnerships for a particular goal, or projects that facilitate leadership development, mentorship programmes and/or economic development workshops and conferences.
- Engaging in Community Development Activities : This strategy will focus on investing in social issues and quality of life issues in the community that could enhance economic mobility and reduce barriers of entry to participants in the 2nd economy into the 1st economy. Building of business-to business linkages between 1st and 2nd economy enterprises will also receive attentions and BBBEE issues will feature strongly in this strategic area.
- Increasing the Efficiency of Public Goods and Services : This strategy will focus on improving public services as the groundwork for economic development. An approach under this strategy may include projects that involve the use of underutilized land or facilities, or improvement of multi-modal transportation. The CoT's role in site availability will receive attention in this strategic area.
- Maximizing Worker Development : This strategy will focus on building the City's labour force skills pool. An approach under this strategy may include projects that invest in human capital, or projects that create worker training programs, or projects that create linkages between educational institutions and the business sector.
- Building an Updatable Socio-Economic Database for the City: Current and accurate statistical data about the City's economy and economic performance does not exist and metropolitan economic planning therefore has to rely on outdated economic information. An updatable Socio-Economic database for the City of Tshwane which will incorporate the data contained in the Regional Services Database, will be developed for future use by the CoT.

3.1.7 Alternative Energy Supply

The alarming pace at which the oil price has risen over the past two years, notably stemming from the events of September 11, the Iraq war and the current stand-off between the USA and Iran, coupled with the almost exponential growth of demand for oil in the booming Chinese and Indian markets, have pushed the risk of an economic slowdown and potentially significant job losses to the forefront. A steep rise in the price of petroleum will also have serious budgetary implications for the CoT.

In order to start the process of moving the City of Tshwane from an oil-based economy to an economy based on alternative energy sources, a three-pronged strategy will be adopted:

- i) A investigation of the impact of rising oil price increases over the next five years on the CoT’s own expenditure on petroleum products with a view to start moving the Council towards alternative energy sources and products in the medium term. Both issues of conservation and consumption will be addressed. The phased migration of the city’s public transport system and vehicle fleet to alternative energy sources will form part of this investigation.
- ii) Research on the expected impact of the rising oil prices on the City of Tshwane’s existing economic base, sector by sector, to assess possible job losses and to assist vulnerable sectors of the economy to develop strategies that will increase their prospects for survival and growth.
- iii) Development of a strategies to explore and exploit the opportunities presented by the expected world-wide growth in demand for alternative energy and related products sector, and a refocusing of the CoT’s investment promotion activities to specifically target the attraction of new investments in this future growth sector.

This will require the establishment of a Special Five-Year Programme on Energy Strategy Development and the appointment of a multi-disciplinary team consisting of both externally and internally sourced expertise with a dedicated budget to research, develop and execute the programme.

3.2 Economic Empowerment and Shared Growth Agenda

3.2.1 Second Economy Intervention

Failure to significantly close the ever widening gap between the First and Second economies in Tshwane poses a significant risk that demands serious attention. The challenge will be to reduce the inequalities in our society demands that we find innovative and sustainable bridges between First and Second economy enterprises to enable growth and graduation to a sustainable economy; unlock unused assets and/or asset poverty in poor people’s hands e.g. livestock, housing, land, etc; promote local economic development and local content, and establish growth co-operatives with a link to First economy markets.

Informality calls for changes to the existing regulatory framework, especially in the areas of land use and land development.

- City of Tshwane can reduce the cost of doing business by streamlining business applications and ensuring that municipal tax and service charges are affordable.
- City of Tshwane can enhance the skills base of the local labour force, in partnership with national and provincial government in partnership with the private sector. This increases factor productivity as well as having strong distributional benefits in urban societies.
- Cities should re-evaluate land-use legislation to identify restrictive conditions, particularly those inhibiting less formal economic activities.
- Cities must look at creative mechanisms to enhance their business platforms by providing good transport infrastructure to move people and goods, high quality spaces in which to conduct business, reliable urban services and good telecommunications access.
- Given that many of these functions fall outside of municipal mandates, cities will have to improve communication with other spheres of government, parastatals and the private sector.

3.2.1.1 Sustainable Food Security

The level of food insecurity is rising in the City due to diminishing accessibility of food to the poor and limited access to resources for agricultural purposes.

The City imports the major proportions of its food requirement which presents an opportunity for locals to produce for local consumption.

A further factor that will have a huge impact on both food availability and food prices, is the expected future increases in the price of oil on world markets which will have both multiple positive and negative impacts on both producers and consumers of agricultural products:

- (i) On the one hand, rising fuel costs will drive up production costs which will in turn increase the price of food products for consumers that will place poverty-stricken people in further jeopardy, but the on the other hand the agricultural sector will become more lucrative.
- (ii) The increasing demand for alternative fuels will increase demand for agricultural product that can be converted to Ethanol, and the increased demand will again benefit the producers in the sector, but the negative side the diversion of production from food to ethanol could cause food shortages which will cause further price increases for consumers.
- (iii) The rising cost of fuel will probably also a reversion to more labour-intensive production methods in the Agricultural sector to contain production costs, which will be a positive development with regard to employment.

The CoT also has an obligation regarding food safety. The current shortage of personnel contributes to the problem and it needs to be addressed

3.2.1.2 Rural Economic Development and Empowerment

Two fundamental economic and community development principles come into play when we deal with rural economic development. The first is the search for the unique sources of **competitive advantage** that help to build a long-term sustainable economy. The second is the identification of **assets** that can be built upon to support the competitive advantage. In every community, there are valuable human, economic, social, physical, natural, cultural, and institutional assets that can be leveraged for vitalization efforts. What ties competitive advantage and community assets together is **entrepreneurship**. Entrepreneurship is becoming increasingly recognized as the core economic development strategy in rural communities across the world. Many economic developers are now talking about the three legs of a stool – attraction, retention, and entrepreneurship.

- The emergence of **metropolitan wide rural centers**, either part of or at arm’s length from local and provincial governments, which are shining a new spotlight on rural issues, concerns, and opportunities.
- The creation of new **networks of enterprise facilitators** who work at the grass-roots level to identify, counsel, and support entrepreneurs in rural communities as well as the re-tooling of existing networks for the same purpose, such as the provision of extension services and the small business development centers.
- The use of sophisticated **community capacity-building programs** that enable communities to identify their assets and plan new placed-based economic development strategies.
- The application of **information and distance learning technologies** to overcome the barriers of distance and lack of infrastructure.
- The piecing together of **systems of business support** that bring together the staff and resources of institutions and agencies who have never before worked together.
- The engagement of young people through creative **entrepreneurship education** programs.

The perspective to be drawn from the above is that entrepreneurship development needs to be at the very center of a Tshwane Rural Economic Development Strategy. But the pursuit of entrepreneurship development should be community-centered, regionally-oriented, entrepreneur-focused, systems-based, and fully connected to the political process at the metropolitan and provincial levels.

A strategy for Developing the Rural and Per-Urban areas of Tshwane

A Cluster Approach to Rural Economic Development

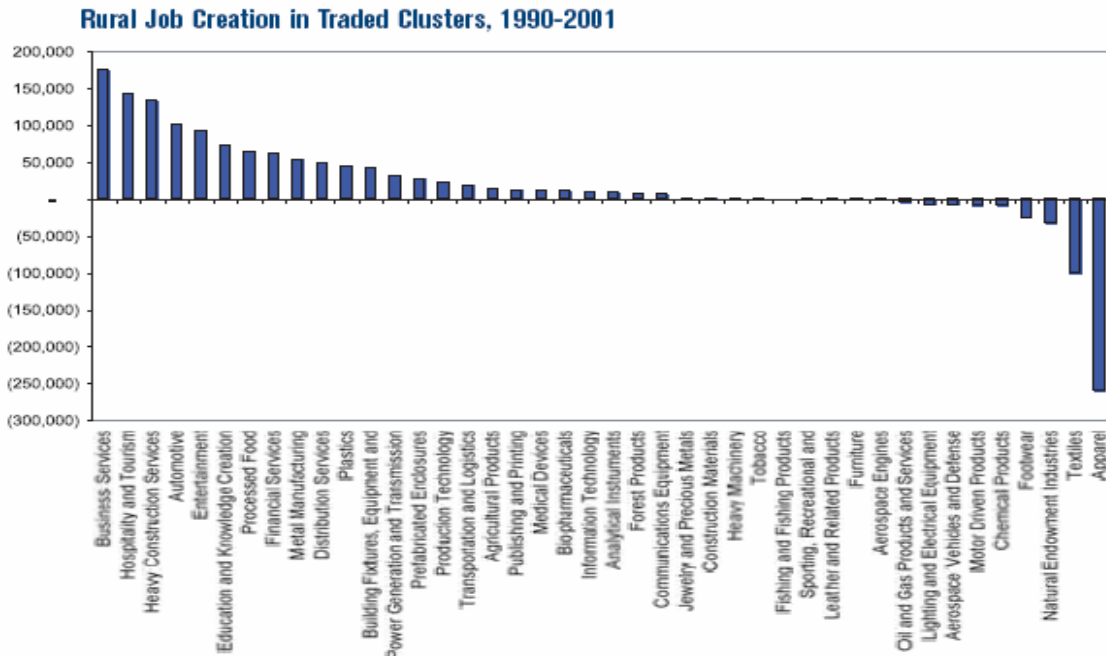
Rural economic development must focus on the unique strengths of each rural area, rather than concentrating on ameliorating generic weaknesses. Many of the most successful regions internationally are characterized by a clustering of the same or similar industry sectors which in effect becomes the unique attraction of the rural region.

So, to become successful, rural regional economies need to better leverage the potential of their clusters and of clusters located in nearby metropolitan areas.

Among the economic opportunities available to many rural areas are hospitality and tourism, including eco-tourism; arts and crafts manufacturing; outsourcing of services from labour-constrained urban areas; and specialty agriculture focused on serving nearby urban markets. Overall, the growing congestion and scarcity of land in urban areas will increase the attraction of rural regions and their workforce.

It is also interesting to note that some industry sector are clearly more suited for rural economies growth and job creation than others, as the chart for Rural America shows.

The twin concepts of clustering and the promotion of industry sectors with the best growth prospects in rural areas, will be built into the Rural Economic Development strategy for Tshwane to be developed.



3.2.1.3 Co-operatives

The City of Tshwane has identified the Cooperatives as one of the programmes to enhance conversion rate for SMME start-ups to sustainable enterprises as well as community empowerment. Local government has a very important role to assist with the implementation of the national and provincial policy framework on co-operatives. In particular local government has to ensure the following:

- Work with national and provincial government support measures;
- Establish institutional administrative capacity in the local municipality to support the implementation of the co-operative development policy;
- Provide a certain minimum of support measures required within the provincial implementation strategy;
- Align co-operative development with local government development strategy, poverty eradication plans, IDPs and other developmental interventions. To this extent all local governments to have policy statements to promote these linkages in local government policy and to utilize its co-operative administrative capacity to coordinate such linkages;
- Establish participatory forums to build strong partnership with local co-operative movements;
- Coordinate its co-operative development efforts very closely with provincial government.
- Plan of action

National government under leadership of the Department of Trade and Industry have developed enabling legislation and designed various financial assistance schemes and incentives to assist with the development of co-operatives. The actions that the City of Tshwane Metropolitan Municipality can take to develop co-operatives in the city and strengthen the economy are:

- **Cooperative agreements**

It is important that the City of Tshwane Metropolitan Municipality enter into agreements to help stimulate both the local economy in general and co-operatives in particular. As indicated above these agreements should be concluded with the following:-

- ▶ National Government
- ▶ Provincial Government
- ▶ Local Government
- ▶ The Co-operative Movement
- ▶ Support Organisations
- ▶ Donor based Organisations
- ▶ Private Sector based Organisations

- **Identification of existing and potential co-operatives**

The approach of the CoT on co-ops must be to start with what already exists – e.g. spaza’s and hawkers as an economic cluster and then to extend the use of co-ops to other economic clusters such as housing; tourism & creative industries; agriculture; and environmental management. The principle of co-ops is based on the pooling of resources and the achievement of the economies of scale. Pooled services would include the following:

- ▶ Accounting and business services;
- ▶ Auditing;
- ▶ Business advisory;
- ▶ Bulk buying;
- ▶ Training.

Benefits of co-ops include the creation of competitive advantage, establishment of a system of savings, economies of scale and skills development. The results poverty reduction, improved LED, jobs and enhancement of the broad-based element of ownership

A number of cooperative have already been formed. It is important to identify these and others that wish to be formed and to track their progress. The database should also include service providers who can assist with the development of co-operatives.

It is therefore recommended that a database of existing and potential cooperative in the City of Tshwane be established.

- **Activation**

A problem that many co-operatives and especially potential co-operatives experience is a lack of information. Many people do not even know that co-operative are an option when establishing a business entity. Potential co-operatives therefore need to be activated. It is therefore proposed that the City of Tshwane Metropolitan Municipality embark on a series of road shows to inform communities of the benefits, strengths and benefits of co-operatives, as well as the assistance that is available to them.

Further, the road shows need to cover the entire City of Tshwane. It is therefore proposed that at least eleven roads shows be held in the city - North (5), South (1), East (3) and West (2). The Speaker’s Office should identify locations and dates that will be suitable for the majority of the people.

- **Assist with the establishment of co-operatives**

At the road shows communities will be asked to complete a form indicating whether they are interested and ready to proceed with the establishment of a co-operative. At this point a service provider will be appointed to assist with the process. It will be necessary to draft terms of reference for their appointment as well as establishing a monitoring and evaluation process.

The questionnaire will identify potential members as well as their resources, skills etc. The service providers will then meets with the potential cooperative and work with them to register the co-operative.

- **Assist existing co-operatives become competitive**

Once potential co-operatives have been identified, it is necessary to provide assistance; where necessary to assist them become competitive and grow. This will include:

- ▶ Skills analysis
- ▶ Gap analysis
- ▶ Business plan development
- ▶ Assist with the application for financial assistance (from the Department of Trade and Industry)
- ▶ Training and business advice

3.2.1.4 Tourism and Creative Industries

Tourism can be used as a tool to alleviate poverty and create employment among the poorest of the poor communities. This can be achieved through a CoT targeted approach aimed amongst others to:

- Improve the geographic spread of tourism activities to its poor areas;
- Improve seasonality patterns;
- Promotion of pro-poor transformation of tourism ; and
- Increasing staying period of tourist within the region.

Tourism by its nature is labour intensive and has a high female employment ratio and the sector itself has “low barriers” to entry. All these factors lend themselves to a relative ease of enhancing a pro-poor tourism strategy which could hinge on the following pillars :

- Capacity building, training and empowerment;
- Mitigation of environmental impact of tourism on the poor (such as displacement of the poor and degradation of natural resources);
- Addressing social and cultural impacts of tourism;
- Promoting participation; and
- Bringing the private sector into pro-poor partnerships

The **cultural and creative industries sector** not only includes enterprises and workers involved in the front end of creative production – the ideas people or performers – but also those who have to turn ideas into products, those who market and those who provide outlets for cultural and creative products to be seen and sold.

The cultural and creative industries sector includes:

- music (classical, popular, folklore);

- the visual arts (painting, sculpture, public arts and the decorative arts);
- the publishing sector based on writing and literature (books, magazines, newspapers);
- the audio-visual and media sector (film, television, photography, video, broadcasting);
- the performing arts (theatre, dance, opera, live music);
- the emerging multimedia sector (combining sound, text and image);
- crafts (traditional art, designer goods, craft art, functional wares and souvenirs);
- cultural tourism; and
- the cultural heritage sector (museums, heritage sites and cultural events such as festivals and commemorations).

The sector also includes those sub-sectors where creative input is a secondary but crucial means of enhancing the value of other products whose marketability and effectiveness would otherwise be lessened. These sectors include:

- design;
- industrial design and fashion; and
- the graphic arts (including advertising).

According to a report to the national Department of Arts, Culture, Science and Technology by the Cultural Strategy Group in November 1998, South Africa has a strong cultural sector, rich potential and emerging talent to feed and sustain its further growth. More than 100, 000 people are employed within music, film and television and within the craft and related trade sector probably a further 1,2 million people earn a living according to the latest census figures.

In view of the job creation and BBBEE potential of the sector, specific focus will be placed on promoting the establishment and growth of enterprises in the sector.

The need for information is acute within the craft sector. It is necessary for uniting business and development, the formal and informal retailing segments. Information also serves to improve opportunities for joint ventures, exporting, income generation, education and training and marketing of the craft sector by private and public tourism bodies.

3.2.2 Human Resource development

Given the city's dual economy, it is imperative to develop a comprehensive and integrated strategy that will ensure the matching of skills with a whole spectrum of diverse market needs that will be required for the promotion both of economic growth and socio-economic empowerment

3.3 Promotion of Social Inclusion (Transformational Agenda)

3.3.1 Broad Based Black Economic Empowerment

National policy recognises that the historical factors resulting in today's dual economy and society (restricted wealth accumulation on one hand and underdevelopment on the other hand) were not simply a set of legislative acts or events. Rather, they were part of a socio-economic process. Today, national policy focuses on generating a socio economic process to overcome the legacy of the past and build the foundations for an equal opportunity society committed to sustainable development.

In order to play their role in the transformation of South Africa, municipalities are mandated by the Constitution, legislation and national policy to be developmental in character and promote Broad-Based Black Economic Empowerment. This means that in the course of providing municipal services, such as transport or waste removal and in meeting its broader obligation to create an enabling environment for economic growth, a municipality must incorporate Broad-Based Black Economic Empowerment within all of its business processes. At the same time, the municipality must create an enabling environment to achieve Broad-Based Black Economic Empowerment within the entire community including all of the businesses and organisations located within the municipality.

The CoT has adopted a comprehensive BBBEE Strategy and full implementation of the said strategy which will act as a further lever for accelerated and shared growth.

3.3.2 Expanded Public Works Programme

The CoT has adopted a strategy on EPWP. The principal aim of this policy is to provide clear guidelines and provide:

- A framework for the implementation of Tshwane Expanded Public Works Programme in alignment with the National Sectoral EPWP guidelines
- Uniformity in the process and procedures to be followed in applying the principles of the Expanded Public Works Programme
- Generic flexible framework for initiating and implementing other similar transformational programmes targeted at addressing the imbalances of the past
- An inclusive approach to contributing to the National empowerment agenda that targets the marginalized and brings them into the mainstream economy by improving the earning potential
- Alignment with the National Skills and Development Strategy (NSDS) and compliance with all other broad affirmative initiatives

Full implementation of the strategy will act as a powerful lever to achieve accelerated and shared growth in the city.

3.3.3 Employment Equity

The Employment Equity Act requires employers such as the City of Tshwane to produce an Employment Equity Plan and to follow a specific process to produce this plan. However, more importantly, the substance of the Employment Equity Act calls upon employers to reflect upon its corporate culture and identify barriers to and factors promoting diversity. The City of Tshwane has made progress in including people from designated groups within its work.

3.3.4 Preferential Procurement

National policies for preferential procurement seek to increase the amount of spend on BEE enterprises. The CoT's Preferential Procurement policy and practice has been developed in line with the national policy, but a number of critical issues remain that require attention, including:

- Improved coordination between the CoT's SMME development initiatives and its preferential procurement activities.
- Quicker payment turn around for SMME's;
- Review the time given to prepare and submit tenders;

3.3.5 SMME Support Strategies and Enterprise Development Strategies

The identification/development of interventions designed to significantly impact on conditions and opportunities for small, medium and micro-enterprises is critical in the economy of the City and will also ensure that the successful transition of such SMMEs from new start-ups to sustainable enterprises is attained.

3.4 Mainstreaming a Gender-Focused Agenda

3.4.1 Women Economic Empowerment

The Tshwane Women Economic Empowerment Strategy provides guidance, focus and specific recommendations for the support required to ensure women’s full participation in our economy. The strategy implements a twin approach to achieve the stated objectives. The strategic interventions and related programmes are therefore based on the following two approaches:

- **Generic approach:**

The generic approach involves various support initiatives of a generic nature for the Women-led SMMEs that are targeted to benefit from the SMME development and support programmes.

- **Sector specific approach**

This is an approach that focuses on specific sectors, for example the growth sectors as identified in the Growth and Development Strategy (GDS) of the Gauteng Province, as well as the City Development Strategy (CDS). This approach is in support of the broader strategy at provincial level, which identified the following growth sectors:

- Smart Industries (including ICT and Pharmaceuticals);
- Trade and Services (including finance and films);
- Tourism;
- Agriculture (agri-processing and biotech);
- Manufacturing (steel related industries, automotive parts and components, beer and malt); and
- Infrastructure expansion and investment.

Through alignment with the Provincial and National government, the Women of Tshwane will also benefit from the DTI’s programme in particular by benefiting from incentives, information sharing, trade missions; improved access to finance business support and where appropriate other opportunities.

A number of initiatives at the national are intended to represent and articulate the economic interests of women. Linkages will be established with these initiatives which include:

- SAWEN (SA Women Entrepreneur’s Network)
- SAWiC (SA Women in Construction)
- WFH (Women for Housing)
- SAWIMA (SA Women in Mining Association)
- TWIB (Technology for Women in Business)
- Co-operatives for Women

3.4.2 Youth Empowerment

The empowerment of youth in Tshwane is key to the long-term economic prospects of the City and it will therefore be essential to not only ensure that Tshwane youth access all of the benefits and support offered by the UYF programmes, but it will also be important to prioritise youth empowerment in the implementation of all TGDS strategies and interventions.

3.4.3 Empowering the Disabled

Disability is a cross cutting issue. It involves every sector of society. Everyone should be aware of the needs of people with disabilities and the disabled should be included in all development processes. The CoT therefore regards the empowerment of the disabled in Tshwane as a priority issue and will leverage support for disabled entrepreneurs and employees through strategic alliances with the following support organisations, among others:

- ✓ **Disabled People of SA – DPSA:** DPSA is the democratic cross-disability umbrella body of organisations of people with disabilities in South Africa. Programmes include:
 - Enterprise Development Programme (EDP)
 - Membership & policy development programme (MPDP)
 - Disabled women's development Programme (DWDP)
 - Disabled Youth in South Africa (DYSA)
 - Computer training programme.
- ✓ **National Council for Persons with Physical Disabilities – NCPPD:** Training is encouraged to facilitate the process of the placing of persons with disabilities in the open labour market which is defined in the Employment Equity Act. The Council supports the following vocational activities in all 9 Provinces of South Africa: Handcraft and home industry programs, open labour market placement services, skills and entrepreneurs training and vocational rehabilitation.
- ✓ **Association for the Physically Disabled – APD:** Their mission is to commit themselves to the practical rehabilitation and integration into the community of the people with primarily physical disabilities.

The disabled will also receive specific attention in all the implementation of all TGDS interventions.

3.5 Strategies to Mitigate Against Risk

3.5.1 HIV and/Aids

In order to mitigate against the risks posed to the Tshwane economy and the future prosperity of our citizens, the following suit of actions will be required:

- Update the current HIV/Aids strategy to ensure optimal response with regard to service delivery
- Develop a GDS HIV/AIDS programme with a monitoring and evaluation function, one that is more focused on more reliable data than that which is currently used.
- Invest more in prevention and information provision/education programmes
- Develop the city's own Treatment programme in conjunction with credible health authorities
- Launch commensurate PPPs on AIDS, further considering learnerships and utilisation of ward based community development workers in treatment roll out and associated care and education programmes

3.5.2 Safety and Security

Addressing growth impediments such as safety and security is important. The safety and security profile of a City has a large impact on foreign direct investment decisions and high levels of crime and violence can act as deterrents to foreign owned firms settling in the city. The CoT therefore has to manage its safety and security profile and ensure, in cooperation with the South African Police Service that Tshwane becomes and remains competitive with other cities globally in this regard. It will therefore be necessary to:

- Develop a data set on the CoT's crime statistics as well as comparative statistics of other selected cities globally.
- Develop a GDS safety and security programme to manage these benchmarked indicators

3.5.3 Good Governance

The terms governance and good governance are being increasingly used in development literature. Governance describes the process of decision-making and the process by which decisions are implemented (or not implemented). Hereby, public institutions conduct public affairs, manage public resources, and guarantee the realization of human rights. Good governance accomplishes this in a manner essentially free of abuse and corruption, and with due regard for the rule of law.

Good governance has eight major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

In order to ensure good governance in the CoT that can act as a lever for accelerated and shared growth, a number of strategic interventions and actions will be taken. A Tshwane-based governance manual will be developed which will be applicable to all participants within the TGDS.

3.5.4 Poverty

One of the main objectives of ASGISA is to reduce poverty and unemployment by 50% percent by the year 2014.

The **5-Year Strategic Plan** for the CoT, which was developed to grow Tshwane into a successful city where residents can enjoy a good quality of life, also identifies “*fighting poverty and building clean, healthy, safe and sustainable communities*” as one of the key strategic objectives to be met by the various key performance areas of the plan.

The focus of the TGDS, which is aimed at the achievement of accelerated and shared growth in the City of Tshwane, will be to fight poverty by accelerating the growth of entrepreneurship and the halving of unemployment by 50% by 2014.

CHAPTER 4: KEY STRATEGIC INTERVENTION

4.1 Key Objectives, Levers and Intervention areas

This Chapter sets out the proposed interventions that will be discussed at the Tshwane Growth and Development Summit. A set of nine (9) strategic levers and key interventions are presented in the Matrix in Chapter 4 (a). The prioritised Strategic Levers are linked and Classified under Economic Growth Agenda, Economic Empowerment and Shared Growth, Human Resources Development; Tourism and Creative Industries; Promotion of Social Inclusion – Transformational Agenda

Objective	Key Strategic Agenda	Key Strategic Lever
Develop a common Strategy on achieving a shared accelerated economy	Economic Growth Agenda	Trade, Industry and Investment (SME) development, ICT, Science and Technology and Innovation
Determine the Cities contribution to the provincial economic growth of 8%	Economic Empowerment and shared Growth Agenda	Infrastructure Support, Integrated Transport system, Regional Integration and Global competitiveness, 2010 World Cup,
Reduce unemployment by 50% by the year 2014	Human Resource Development	Human Resource Development
Ensure a more balance sharing of benefits of economic growth between the first and the second economies	The Transitional Programme between the second and first Economy	Tourism and Creative Industries, Co-operatives,
Mainstreaming Gender and Equality by creating an environment for more equitable sharing of benefits	Promotion of Social Inclusion – Transformational Agenda	Co-operatives and SMME development
Develop a Joint Monitoring and Evaluation Mechanism	Monitoring and Evaluation, Communication and Marketing	Role Clarification, Institutional and Financing Mechanism

4.2 Other Critical Objectives, Levers and Intervention areas

Objective	Strategic Agenda	Strategic Lever
Mainstream a gender-focussed agenda	Women Economic Empowerment	Fully implement the Tshwane Women Economic Empowerment Strategy, Linkages with national woman's' initiatives
	Youth Economic Empowerment	Fully implement the national Youth Economic Empowerment strategy at the local level, Establish linkages with national initiatives
	Empowering the Disabled	Establish linkages with national initiatives and support groups
Develop and implement strategies to mitigate against risk	HIV/Aids	Update current HIV/Aids strategy, Develop a TGDS HIV/Aids programme, Invest in information/education programmes, Launch PPPs on Aids Ensure mainstreaming of HIV/Aids in planning
	Safety and Security	Develop comparative crime statistics for the CoT, Manage benchmarked indicators
	Good Governance	Develop a Tshwane-based governance manual that will apply to all participants within the TGDS

4.3 Comparison of Key Objectives and Levers of Asgi-SA, the Gauteng Provincial GDS and the Tshwane GDS

Asgi-SA		Gauteng GDS			Tshwane GDS		
Key Objectives	Categories of Interventions	Key Objectives	Main Mechanisms	Strategic Levers	Key Objectives	Key Strategic Levers	Major Interventions
<ul style="list-style-type: none"> Reduce poverty and unemployment by fifty percent by the year 2014; and Enable South Africa to achieve and sustain average economic growth rates of 4.5% between 2005 and 2009, and 6% between 2010 and 2014. 	<ul style="list-style-type: none"> Macroeconomic issues; Infrastructure programmes; Sector investment strategies (industrial strategies); Skills and education initiatives; Second economy interventions; Public administration issues. 	<ul style="list-style-type: none"> Provision of social and economic infrastructure and services that will build sustainable communities and contribute to halving poverty; Accelerated, labour absorbing economic growth that increases per annum and that will create long-term sustainable jobs and contribute to halving unemployment; Sustainable socio-economic development; Enhanced government efficiency and cooperative governance; Deepening participatory democracy, provincial and national unity and citizenship; Sustainable socio-economic development; 	<ul style="list-style-type: none"> Investment & support to targeted economic growth sectors SMME Support Skills Development Broad Based Black Economic Empowerment (BBBEE) Social Grants and Social Services Expanded Public Works Programme (EPWP) E-Governance Multi-Purpose Community Centres (MPCC's) Intergovernmental Relations Integrated City Region Strategy Engaging with NEPAD Mainstreaming of transversal issues 	<ul style="list-style-type: none"> Provision of accessible, affordable, reliable, integrated and environmentally sustainable public transport system Gautrain Provision of Housing Public Safety & Urban Information System. 2010 Football World Cup Public Health Services Human Resource Development (HRD) SMME Support BBBEE Social Development Expanded Public Works Programme (EPWP) Government Institutional Efficiencies NEPAD 	<ul style="list-style-type: none"> Develop a common Strategy on achieving a shared accelerated economy Determine the Cities contribution to the provincial economic growth of 8% Reduce unemployment by 50% by the year 2014 Ensure a more balance sharing of benefits of economic growth between the first and the second economies Mainstreaming Gender and Equality by creating an environment for more equitable sharing of benefits Develop a Joint Monitoring and Evaluation Mechanism Mainstream a gender-focussed agenda Develop and implement strategies to mitigate against risk 	<ul style="list-style-type: none"> Trade, Industry and Investment Infrastructure, Services and Integrated Transport System, Regional Integration and Global competitiveness Human Resource Development (Skills Development and Support) Information and Communications Technology, Science Technology and Innovation 2010 and Beyond Spatial Development Initiatives Co-operatives, Tourism and Creative Industries SMME development Empowerment and Growth Programme 	<ul style="list-style-type: none"> Establish a TEDA; Focus industrial areas: Babelegi; Garankuwa; Soshanguve; Mamelodi; Watloo; and Pretoria-West. Economic Infrastructure Integrated Transport System Social Infrastructure Safety and security Specific to The South –Eastern areas Management & Maintenance Match skills development initiatives with market demand at both high calibre as well as low to medium level skills Optimal utilisation of JIPSA opportunities; Engage the volunteer organisations on development programmes; Access registered mentors for technical skills support and transfer. Move the city towards full e-governance; Establish broadband infrastructure in the North. Establish an Innovation Fund; Prioritise the establishment and staffing of the project management office with clear political leadership; Foster partnerships between SMME's and large enterprises involved in 2010 Overhaul city's corporate identity and brand imagery; Establish metropolitan activity nodes in the townships. Establish cooperative clusters in housing, tourism & creative industries, agriculture, and environmental management Promote MICE Industry (business tourism); Promote retail trade tourism; Promote bidding and hosting of major events; Profile inner city heritage site; Promote film, music, entertainment (Moretele Park); Establish a craft centre in the North; Use the major sporting events particularly Rugby, Cricket, Football and Athletics to promote tourism Incubation programme for each of the 5 sectors: Manufacturing, Construction, Trade, Hotels & Restaurants; Transport, Storage & SMME Development Fund; Mentorship and coaching; Technical assistance programme; Secondment and exchange programmes; Adopt a SMME programmes; Business linkages programmes; Co-operatives Research and development

Note: Interpretations may differ, however the expected outcomes will compliment each other toward achieving a common goal of accelerated and shared growth at provincial and national level

4.4 Strategic Levers and Key Interventions Matrix

Key Strategic Levers	Major Interventions	Important Milestones			Desired Outcomes	Indicators
		2006/ 2010	2011/ 2015	2016/ 2020		
1. Trade, Industry and Investment	<ul style="list-style-type: none"> ○ Establish a TEDA; ○ Focus industrial areas: <ul style="list-style-type: none"> ▪ Babelegi; ▪ Garankuwa; ▪ Soshanguve; ▪ Mamelodi; ▪ Watloo; ▪ Pretoria-West. 	X			<ul style="list-style-type: none"> ▪ Effective SPV for promoting local economic development. 	<ul style="list-style-type: none"> ▪ Increased awareness of CoT as an investment destination and an exporter of goods and services ▪ R2 bn investment in the next 5 years and increased exports by 1%.
2. Infrastructure, Services and Integrated Transport System, Regional Integration and Global competitiveness	<ul style="list-style-type: none"> • Economic Infrastructure • .Integrated Transport System • <i>Social Infrastructure</i> • Safety and security • Specific to The South –Eastern areas • Management & Maintenance 	X			Steer development towards the zone of choice and priority areas.	<ul style="list-style-type: none"> ▪ Increased X number of economic infrastructure contributing to sustainable jobs.
3. Human Resource Development (Skills Development and Support)	<ul style="list-style-type: none"> ○ Match skills development initiatives with market demand at both high calibre as well as low to medium level skills ○ Optimal utilisation of JIPSA opportunities; ○ Engage the volunteer organisations on development programmes; ○ Access registered mentors for technical skills support and transfer. 	X	X	X	<ul style="list-style-type: none"> ▪ Matching skills development with Sectoral labour demands; ▪ Improved labour absorption, productivity and profitability of city enterprises. ▪ Promote skills transfer. 	<ul style="list-style-type: none"> ▪ Market demand survey to be completed by Apr 2007. ▪ Develop an integrated Skills development programme for the City commence by July 2007.
4. Information and Communications Technology, Science	<ul style="list-style-type: none"> ○ Move the city towards full e-governance; ○ Establish broadband infrastructure in the North. 	X	X	X	<ul style="list-style-type: none"> ▪ Efficient & effective service delivery and acceptability to 	<ul style="list-style-type: none"> ▪ Implement within 24 months to end of 2008

Technology and Innovation	<ul style="list-style-type: none"> ○ Establish an Innovation Fund; 				information.	
5. 2010 and Beyond	<ul style="list-style-type: none"> ○ Prioritise the establishment and staffing of the project management office with clear political leadership; ○ Secure rights for public viewing sites for SMME participation; ○ Foster partnerships between SMME's and large enterprises involved in 2010 projects; ○ Overhaul city's corporate identity and brand imagery; 	X	X	X	<ul style="list-style-type: none"> ▪ Full participation of SMME's; ▪ Skills transfer and inclusion of SMME's; ▪ To take advantage of the international profiling of the city; ▪ Minimise project opportunity costs and avoid wastages; 	<ul style="list-style-type: none"> ▪ Fully functional PMO by Jan 2007; ▪ Cooperatives formed by July '07;
6. Spatial Development Initiatives	<ul style="list-style-type: none"> ○ Establish metropolitan activity nodes in the townships. 	X	X		<ul style="list-style-type: none"> ▪ Endogenous growth within the target areas. 	<ul style="list-style-type: none"> ▪ Feasibility study completed by Dec 2007
7. Co-operatives,	<ul style="list-style-type: none"> ○ Establish cooperative clusters in housing, tourism & creative industries, agriculture, and environmental management 	X	X	X	<ul style="list-style-type: none"> ▪ Accelerated inclusion in the mainstream economy. 	<ul style="list-style-type: none"> ▪ 30 cooperatives per annum from 2007.
8. Tourism and Creative Industries	<ul style="list-style-type: none"> ○ Promote MICE Industry (business tourism); ○ Promote retail trade tourism; ○ Promote bidding and hosting of major events; ○ Profile inner city heritage site; ○ Promote film, music, entertainment (Moretele Park); ○ Establish a craft centre in the North; ○ Use the major sporting events particularly Rugby, Cricket, Football and Athletics to promote tourism 	X	X	X	<ul style="list-style-type: none"> ▪ Increase city's attractiveness to visitors; ▪ Boost trade; ▪ Improved city profile; ▪ Increase tourism capacity; ▪ Improved domestic tourism; ▪ New jobs; 	<ul style="list-style-type: none"> ▪ Double number of conferences by 2008; ▪ Increase retail trade by 20%; ▪ 5 new attractions in the inner city.
9. SMME development Empowerment and Growth Programme	<ul style="list-style-type: none"> ○ Incubation programme for each of the 5 sectors: Manufacturing, Construction, Trade, Hotels & Restaurants; Transport, Storage & ○ SMME Development Fund; ○ Mentorship and coaching; 	X			<ul style="list-style-type: none"> ▪ Established incubator programmes for the said sectors; ▪ Funding for SMME tender guarantees; ▪ Increased conversion 	<ul style="list-style-type: none"> ▪ In place within the next 5 years ▪ Contribution to the number of new SMMEs and new

“a limited set of high impact strategies to accelerate Shared Growth and Development”

	<ul style="list-style-type: none"> ○ Technical assistance programme; ○ Secondment and exchange programmes; ○ Adopt a SMME programmes; ○ Business linkages programmes; ○ Co-operatives ○ Research and development 				<p>rate from start-ups to viable enterprises;</p> <ul style="list-style-type: none"> ▪ Increase in the number of SMME’s and jobs. ▪ Enterprise Development Centres ▪ Conduct a Skills Audit for SMMEs 	<p>jobs created 67,000 per annum</p> <p>In place by</p> <p>Completed by</p>
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CHAPTER 5: PARTNERSHIP AND ROLE CLARIFICATION

In the following description of the roles of each sector of society it must be borne in mind that a number of generic roles will be shared by all role players, namely:

- Provision of assistance and advice on strategic, technical and operational levels to the CoT and other role players;
- Active support and participation in all sector programmes and activities to the maximum extent possible;
- Attention to transversal issues pertaining to women, youth, people with disabilities, the environment and HIV/AIDS;
- Joint monitoring and evaluation of TGDS implementation;

5.1 The Role of the CoT

- Overall responsibility for the implementation of the TGDS;
- Establishment of required and appropriate intergovernmental and multi-sectoral consultation and coordination structures for projects that are led by government;
- Implementation of progress reporting on TGDS implementation as a standing agenda item in relevant meetings such as the Executive Mayoral Committee and Top Management meetings;
- Review of and/or development of appropriate policy and legislative framework to support the GDS;
- Ensure coherence between policies and programmes across all CoT departments and alignment with provincial and national government initiatives;
- Strengthening of internal human resources and management available and institutional re-alignment required for implementation of the TGDS;
- TGDS planning and programming;
- Effective communications and information sharing amongst TGDS Sectoral role-players
- Development of innovative financing models for the delivery of services;
- Sourcing of provincial and national funding and foreign and direct investments;
- Overall responsibility for transversal issues.

5.3 The Role of the Private Sector, Business Chambers and Associations and Organised Labour

- Reinforcement and/or establishment of required and appropriate economic sector specific (e.g. manufacturing) and multi-business (e.g. manufacturing and tourism) consultation and coordination structures;
- Regular active participation in multi-stakeholder structures;
- Participation in PPP's and broadening their scope to include development assistance and capacity building;
- Investment and re-investment on infrastructure and human resource development;
- Initiate and encourage foreign investment through their existing networks and partnerships with the private sector in other parts of the world;
- Development of meaningful partnerships with civil society organizations;
- Implementation of a system of annual incremental increases relating to their social responsibility programmes.
- Facilitate support of Business associations
- Capacity building through resource mobilization (financial, human , infrastructure etc)
- Facilitate the recognition of Business associations and the critical role they plan

5.3 The Role of Civil Society, Civil Organisations and NGO sector

- Regular active participation in individual and combined government and private sector TGDS structures;
- Establishment of working relationships and partnerships with government and with the private sector in implementing the TGDS;
- Participation with the CoT in community level consultations;
- Organizational development and capacity building of community-based organizations and other marginalized non-governmental organizations;
- Monitoring and evaluation of implementation of the TGDS in collaboration with other stakeholders.

5.4 The Role of Faith Based Organisation

Identification of community based projects for community empowerment inclusive of poverty reduction programmes. Partnership in terms of land development, agriculture, Business and Community services

5.5 Inter-governmental Relations

As far as possible, existing intergovernmental, and multi-sectoral, consultation and co-ordination structures will be utilized

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CHAPTER 6: FINANCE MECHANISM AND SUSTAINABILITY

Apart from own direct funding by the CoT as a Council, other sources exist that can be tapped to secure the additional funding that will be required to fully implement the TGDS, inter alia:

- **Intergovernmental financing:** Government at the national and provincial levels as well as parastatals linked to these levels of governance, are important sources of funding for developmental projects. Maximum use will be made of the various funding streams that are available.
- **Partnership funding mechanisms with the private sector:** Some of the interventions and programmes envisaged by the TGDS will attract support from the business sector and partnership agreements will be signed with such organisations to leverage CoTs own funds
- **Partnerships with finance institutions:** Will be established to support new/emerging enterprises.
- **Financing for the donor community:** The donor community predominantly focuses on projects that will benefit the poor. Interventions that will specifically focus on the poor will therefore be developed and submitted to approval

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CHAPTER 7: IMPLEMENTATION

The successful implementation of the TGDS will be dependent on the identification of the specific role that each sector of society will have to play in partnership with other stakeholders in implementing the strategy. The principles of participatory democracy and good governance including accountability and transparency and recognition must also be built into the public-private partnership that will evolve.

7.1 The approach to implementation will be to:

- Enhance and build on current growth and development programmes and projects
- Initiate and implement new projects within the framework of this TGDS. The resources, financial and otherwise that will be required for these new projects will have to be secured.
- The focus will be on implementable fast-track high-impact projects that can act as catalysts for accelerated and shared growth.
- As far as possible, existing intergovernmental, and multi-Sectoral, consultation and co-ordination structures will be utilised.
- the recognition and identification of the specific and complementary role of each sector of society in achieving socio-economic transformation; and
- the implementation of the principles of participatory democracy and good governance including accountability and transparency.
- As far as possible, existing intergovernmental, and multi-Sectoral, consultation and co-ordination structures.

7.2 Institutional Mechanism

The need for joint partnership for action and monitoring at Tshwane Wide regional and local levels should inform the institutional structure

- Institutional co-ordination, with aligned with other initiatives will enhance the involvement with other spheres of government and social partners.
- Confirm by way of signing Agreements with co-operating partners with clarified roles.
- Analyze the risk elements and develop a sustainability plan
- Specify comparative and competitive advantage and allow for additionally inputs from partners and allow for flexibility
- Engage experts for implementation, decentralize management where necessary and maximise impact.
- Determine and plan for development discrepancies and aim for poverty eradication with the poverty reduction strategies
- Establish efficient administration for implementation and confirm co-operating partners
- Appoint technical advisory committees and sub committees
- Establish a Programme Steering Committee representative of all participating and confirmed stakeholders
- Integration of strategy into the broader legislative framework governing service delivery at Local government level.
- Determine a financing mechanism and consider different options for each strategic lever and intervention.

CHAPTER 8: MONITORING, EVALUATION AND REPORTING

The City of Tshwane should set up a Mayoral TGDS monitoring and evaluation team to continuously monitor implementation. Develop monitoring and evaluation tools and system:

Three levels are proposed:-

8.1 Policy level

- Determined by council on consistency of outputs against the said vision , mission
- Monitor overall progress in attaining set targets and activities
- Direct change of focus where necessary

8.2 Stakeholder level

- Annual reports on implementation plan
- Stakeholder engagement to promote transparency
- Create platform for adding value to the Plan and continue to broaden ownership

8.3 Technical level

- Regular monitoring of programme and project implementation plans
- Monitor implementation quarterly and report to council
- Develop Annual report on performance against set targets with corrective measures
- Conduct independent evaluation annually and report findings
- Assess Impact

8.4 “Reporting”

- Record success and share experience & expertise as best practice
- Publish experiences and share knowledge with others

8.5 MONITORING AND EVALUATION INDICATOR FRAMEWORK

SOCIAL INDICATORS		
Theme	Sub-theme	Indicator
Equity	Poverty	% of population living below poverty line Poverty gap ratio: incident x depth % of poor household (<R1 100 pm) access to free basic services : water, sanitation – solid waste removal, health & electricity)
		Gini-index of income inequity
		% of total income & expenditure of 5 th quintile
	Gender & race equality	Ratio of average female wage to male wage Adult gender unemployment ratio Gender adult literacy ratio Female school & university enrolment as ratio of male enrolment % black senior & middle managers/ professionals or ownership of public organizations & business
	Disability inequality	Adult disabled unemployment ratio
	Regional inequality	Reduction of disparity in infrastructure and services between North and South
Health	Nutritional Status	Nutritional status of children under the age of 5 years. Monitor severe malnutrition % below min dietary energy consumption
	Mortality	Mortality rate under 5 years old
		Life expectancy at Birth Infant mortality Maternal mortality General mortality
		Sanitation
	Drinking water	% Population with access to safe drinking water
	Health & care delivery	% of population with access to primary health care facilities
		Births attended by skilled health professionals
		Immunization against infectious childhood diseases (% fully immunised children at 1 year of age)
		Contraceptive prevalence rate (women year protection rate)
		TB cases & medication use. Measure TB cure rate and TB case finding rate.
		Cholera prevalence rate
HIV/AIDS prevalence rate AIDS orphans High blood pressure and Diabetes prevalence Acute respiratory infection (pre-maturely born children		

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Education	Education Level	Children reaching grade 5 of primary education Nett enrolment ration in primary schools
		Adult secondary education achievement level Participation rate student teacher ratios gender equity rate, matric & tertiary pass rate, matric pass rate with S&T
	Literacy	Adult Literacy Rate 15 – 24 yr old literacy rate
Housing	Living Conditions	Floor area per person Formal –information housing ratio % of household access to secure tenure % of household satisfied with their quality of life Durable dwelling units Multi-unit dwellers Vacancy rate (unoccupied dwellings)
Security	Crime	Number of recorded crimes per 100,000 population Judicial management index: Violent crimes, conviction rates, prisoner population, % awaiting trial prisoners, complaints brutalities, crime victims satisfactions community police relations, case time logs state territorial integrity
Population	Population Change	Population growth rate
		Population of urban formal and informal settlements
Social cohesion	Community organization & networks & social capital	Number of active community organizations per size of community Degree of public participation Degree of voluntarism in communities Degree of female participation Degree of youth participation Degree of participation by the disabled

ENVIRONMENTAL / NATURAL RESOURCE CONSERVATION & UTILIZATION INDICATORS		
Theme	Sub-theme	Indicator
Atmosphere	Climate Change	Emission of greenhouse gases Source of energy for electricity generation Temperature and rainfall trends
	Ozone layer depletion	Consumption of ozone depleting substances
	Air Quality	Concentration of criteria air pollutants in urban areas Source of energy for electricity generation and household energy Vehicles emissions Electricity consumption/energy intensity
Land	Agriculture	Arable and permanent crop land area Land productivity vs potential Live stocking rate vs carrying capacity
		Use fertilizer Use of agricultural pesticides
	Forests and woodland	Wood harvesting intensity
	Land degradation and desertification	Land affected land degradation and land desertification
	Urbanization	Area of urban formal and informal settlements
Rivers and waterfronts	River Zones	Algae concentration in river waters
Rivers		Percentage of total population living in river areas Protection of priority areas Status and exploitation of selected commercial and recreational species Vulnerable and endangered South Africa river species Pollution incidents along the rivers
		Annual catch by major species / sectors relative to maximum available yield Annual withdrawal of ground and surface water as a percentage of total available water
Fresh water	Water Quantity	BOD AND SOC in water bodies Salinity levels
		Concentration of faecal elements in freshwater
Biodiversity	Ecosystem	Area status and level of protection of selected key ecosystems Protected area as a % total country surface area
		Species
		Abundance of selected key species Number and status of threatened species per taxonomic group

ECONOMIC INDICATORS		
Theme	Sub-theme	Indicator
Economic Structure	Economic Growth	Real per capita growth Real % GDP growth Nett Creation of SMEs Nett creation of informal sector and micro enterprises
		Investment share in GDP
	Sustainable growth	Balance of trade in goods and services Capital formation /GDP Tariffs by developed countries an import from developing countries %ODA for trade
	Economic stability & governance	Debt to GNP ratio Or budget deficit before borrowing Public & private investment per GDP Debt services as % of goods & services exports Mun financial viability ratio
		Total ODA given or received as a percent of GNP % ODA of basic social service: Basic educ, primary health care, nutrition, safe water and sanitation Inflation-CPI- or real interest rate
Sustainable consumption and patterns	Materials consumption	Intensity of material use
	Energy consumption	Annual energy consumption per capita
		Share of consumption of renewable energy resources % pop use of solid fuels
		Intensity of energy use Food consumption and other goods
	Waste generation and management	Carbon dioxide emission per capita & use of CFCs Generation of industrial and municipal solid waste General waste produced per income group per year
		Generation of hazardous waste
		Management of radioactive waste
		Waste recycling and re – use
	Competitiveness	Number of HE graduates, SET & social sciences Unit labour costs internationally benchmarked Skilled/unskilled labour cost-ratio Mechanization vs manual labour Unemployed rate: narrowly or conceived Other traditional competitiveness indices (research and innovation)
	Investment	Increase in investment, job creation, economic growth, poverty reduction.

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Trade, Industry and Investment		<p>Restraining of corruption by public officials, firms and other interest groups.</p> <p>Economic and political stability, restraining of arbitrary behaviour by state agencies.</p> <p>Public trust and legitimacy through open and participatory policy making, transparency and equity.</p> <p>Flexible, adaptable and responsive government policies.</p> <p>Improved tax system, broad tax base, simplified tax structure, autonomy of tax agencies, improved compliance through computerization.</p> <p>Access to modern infrastructure, reliable electricity, and efficient transportation.</p> <p>Sound labour regulations that encourage firms and create jobs.</p>
	Growth of merchandise trade	Export volume, import volume, and net barter terms of trade index
Infrastructure services and Integrated transport systems, regional integration and global competitiveness	Infrastructure services	<p>Electricity (consumption per capital), transmission and distribution (losses % of output)</p> <p>Telephones (Access: fixed mainlines, mobile subscribers; population covered by mobile telephones; international voice traffic minutes per person. Quality: faults per 100 mainlines.</p> <p>Affordability and efficiency; US dollar per month (price basket per residential fixed line; price basket for mobile; cost of call to US per 3 minutes; total telecommunications revenue; total subscribers per employee)</p>
	Regional Integration	Reduction of trade barriers between member countries, lifting of barriers that divide markets and impede the free flow of goods, contingent protections or restrictions on intra-block trade.
	Transport: Mobility and access (affordability and efficiency)	<p>Access to metro and regional routes, highways and airports (passenger and freight carriers)</p> <p>Indicators include size, extent and productivity</p> <p>Performance indicators vary significantly by transport mode and focus: <u>Roads</u> (total road networks, paved roads, passenger kilometers, etc); <u>Railways</u> (rail lines total network, passenger carriers and kilometers, goods in terms of tons and kilometers); <u>Air</u> (passenger carries and air freight); traffic and congestion: Motor vehicle per 1000 people, passenger carrier per 1000 people, road traffic kilometers, particulate matter congestion</p>
	Information and Communication Technology	Daily newspapers (per 1 000 people) household with television, personal computers and internet (access ; per 1 000 people, schools connected to internet; quality : broad band subscribers per 1 000 people, international bandwidth bits per person; application : secure internet servers per 1 000 000 people; affordability ; price basket per internet US dollar per month; information and communication technology expenditure; % of GDP and per capital.
	Science, Technology and Innovation	Researchers in R and D per 1000 000 people, technicians in R and D per 1000 000 people, scientific and technical journal articles; expenditures in R and D; high technology exports; royalty and licence fees; patent applications filed; trade applications filed.
	SMME Development and Growth Programmes and Co-operatives	<p>Starting a business (number of procedures, time (days) required, cost % of per capita income.</p> <p>Registering property, number of procedures, time (days) required.</p> <p>Dealing with licences (number of procedures to build a warehouse, time (days) required).</p> <p>Hiring and firing workers (rigidity of employment index 0 (less rigid) to 100 (more rigid).</p> <p>Endorsing contracts (number of procedures, time (days) required).</p> <p>Protecting investors (disclosure index 0 (less disclosure) to 10 (more disclosure)</p>

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		Closing a business (time to resolve insolvency – years)
	Tourism and Creative Industries	International tourists: inbound and outbound (thousands); tourism expenditure (US dollars millions, % of exports); tourism expenditure in other countries (US dollars millions, % of imports).
	Spatial Development Initiatives	The de-densification of commercial and industrial activity, to areas in closer proximity to low-density suburban areas and major primary and secondary road infrastructure. Further extensive low-density sprawl, largely as an extension of low-density suburban areas, in areas where road access was originally good but where development pressure has exceeded the ability of the road infrastructure to cope with the influx of private car users. The development of low income housing as an extension to existing spatially marginalised townships. On the basis of one family per plot, this has further exacerbated public transport modes such as urban rail. Access, quality and affordability considerations in the provision of road, rail, port, airport and pipeline infrastructure in terms of the national strategy for shared and accelerate growth.
	Human Resource Development (Skills Development and Support)	Direct Indicators: Life expectancy at birth; adult literacy rate (contributing two thirds of the education component); combined primary, secondary and tertiary education gross enrolment ratio (contributing a third of the education component); and GDP per capita, measured in terms of purchasing power parity (US dollars). Indirect Indicators: Income distribution, human poverty, gender, human freedom, competitiveness (international and within Africa) and governance.
	Technology	Creation of technology (the number of patents granted per capita and receipts of royalty and licence fees from abroad per capita) Diffusion of recent innovations (diffusion of internet, and export of high and medium technology products as a share of all exports) Diffusion of old innovations (telephone and electricity) Human Skills (mean years of schooling and gross enrolment ratio of tertiary students enrolled in science, mathematics and engineering)
Competitiveness	International	Economic performance (a macro-economic evaluation of the economy) Government efficiency (the extent to which government policies are conducive to competitiveness) Business efficiency (the extent to which enterprises perform in an innovative profitable and responsible manner) Infrastructure (the extent to which basic, technological, scientific and human resources meet the needs of business)
	Within Africa	Openness – government consumption rates, budget deficits, national tax policy, perception of state involvement, competence, taxes. Finance – firms access to finance, maturity of the banking sector, corporate attitudes towards taxation. Infrastructure – the extent and quality of roads, railways, ports, air-travel, telecommunication, access to computers, water, electricity. Labour – school enrolment, AIDS education and prevalence, workplace regulation. Institutions - effectiveness of civil servant, quality of legal institutions, political and policy stability.
	Beyond 2010	Sustainability of range and high levels in infrastructure and services.

INSTITUTIONAL INDICATORS		
Theme	Sub-theme	Indicator
Institutional framework	Strategic governance of SD	Existence of the City of Tshwane Growth and Development Strategy: effective problem identification, planning, implementation, monitoring evaluation & review system Democratic participation & accountability: free & fair elections & public acceptance of result, political competition, composition & accountability of parliament % voter efficacy perceptions Instability (legitimacy of government): democratic nature of transitions of power, levels, nature of political protest, political & ethnic violence Govt effectiveness & efficiency: transaction costs, service quality, bureaucratic delays, public satisfaction with services citizen satisfaction surveys, Regulatory quality: ease of access to service & opportunities, company tax policy & patent rights protection Rule of law: cases referred to higher court, predictability of judiciary, legitimacy of judgements in popular perceptions enforceability of private contracts, justice for the poor, human rights enforcement Ethics: codes of conduct, existence and effectiveness of institutional arrangements to deal with corruption, number of corruption cases of exposure of corruption, protection of whistleblowers
	International Co-operation	Implementation of ratified global agreements:
Institutional capacity	Information access	Not of dept service points per 1000 of population % of govt services available online Number of internet subscribers per 1000 inhabitants
	Infrastructure	Distance travelled per capita made of transport Proportion of income spent on transport Access to public transport Road and rail infrastructure per capita Electricity network coverage Water supply ratios: private homes, business, agriculture & industry Main telephone line per 1000 inhabitants % of people with access to telephone PC's per 100 Internet connection per 100
	Resources availability	Appropriateness and sufficiency of policy design & content, financial, human, political and other resources
	Science and Technology	Expenditure on resources and development as a percent of GDP Not of maths & science matric / S & T graduates
	Disaster Preparedness and Repairs	Economic and human loss due to natural disasters
Institutional process	Resources conversation attributes	Efficiency, effectiveness, productivity & participation, equity, transparency, accountability, flexibility, in Integration, innovation.
Institutional outcomes	Nature of impacts achieved	Degree of vision & goal achievement, affordability, fairness, developmental, stability, democracy, empowerment, citizen satisfaction, adequacy & future availability of remaining resources to meet desired outcome levels within specified time frames, review of lessons learnt.

CHAPTER 9: CONCLUDING REMARKS

The Growth and Development discussion document of the City of Tshwane has identified high priority strategic levers that need short, medium and long term intervention. It further defined the challenges brought about by the changing global, national, provincial and local economic environments. Sectors with growth potential were identified and fully discussed in the Annexures to the document as well as detailed and different developmental strategies of the City contained in the CD which is part of the Summit literature. In reading the strategy, reference should always be made to the attached documents referred to above. Further contributions are expected to be submitted to the City in writing or electronically to the Office of the Municipal Manager.

ANNEXURES and REFERENCE MATERIAL

1. CD containing City of Tshwane Policy and Strategy framework
2. Presentation : Tourism Master Plan
3. Monitoring & Evaluation References:
 - 2006 Provisional National Sustainable Development Strategy (Department of Tourism and Environmental Affairs)
 - Human Resources Development ; Education, Employment and Skills in South Africa (HSRC 2003)
 - 2006 World Development Indicators (World Bank)
 - The DBSA Infrastructure Barometer 2006: Economic and Municipal Infrastructure in South Africa
 - Provincial National Sustainable Development Strategy.

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