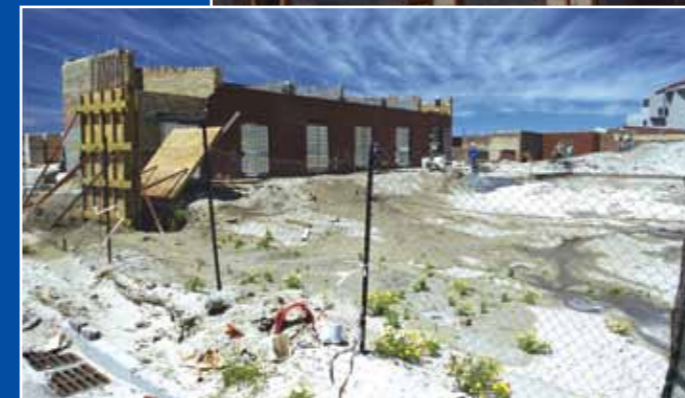


# Presidential Urban Renewal Programme

Accelerating Local Economic Development in the Khayelitsha-Mitchell's Plain area of Cape Town

Feedback from the Nodal Economic-Development Workshop 08/09 May 2008



# Abbreviations

BEE	Black economic empowerment	KBF	Khayelitsha Business Forum
CBO	Community-based organisation	KDF	Khayelitsha Development Forum
CoCT	City of Cape Town	LED	Local economic development
CIP	Community Investment Programme	MAYCO	Mayoral Committee
CSR	Corporate Social Responsibility	MEC	Member of the executive council
DAC	Department of Arts and Culture	MPPF	Mitchell's Plain Peoples' Forum
DDG	Deputy Director General	MTEF	Medium Term Expenditure Framework
DEAT	Department of Economic Development and Tourism	NEF	National Empowerment Fund
DPLG	Department of Provincial and Local Government	NDPG	Neighbourhood Development Partnership Grant
DLGH	Department of Local Government and Housing	NGO	Non Governmental Organisation
DTI	Department of Trade and Industry	SEDA	Small Enterprise Development Agency
FET	Further Education and Training (college)	SMMEs	Small, Medium and Micro-Enterprises
IDP	Integrated Development Plan	SPV	Special-Purpose Vehicle
IGR	Inter-governmental Relations	URP	Urban Renewal Programme

# Acknowledgements

Report written by Professor Wolfgang Thomas and edited and produced by String Communication.



Delegates at the Nodal Economic-Development Workshop 08/09 May 2008

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# EXECUTIVE SUMMARY

This report summarises the inputs, discussions and conclusions of a conference held in May 2008 to examine the economic development challenges faced in Mitchell's Plain and Khayelitsha, located in Cape Town's "Metropolitan South-East". These two areas constitute the Western Cape's urban-development nodes under the national Urban Renewal Programme (URP), which was instituted by the national government in 2001 as a joint programme of national, provincial and local authorities.

The specific objectives of the URP included the following:

- To promote local economic development (LED) to relieve poverty and unemployment,
- provide a safe and secure environment by fighting crime,

- support education as well as training and skills development,
- create a quality urban environment where people can live with dignity and pride and
- develop efficient and user-friendly transport systems.

During the past five years the URP facilitated a number of larger LED projects in the Khayelitsha and Mitchell's Plain areas. At the same time there was an increasing perception that the overall initiative was not delivering enough to satisfy expectations about urban development in the Metro South-East. A conference was held on 08/09 May 2008 in Gordon's Bay to address some of the issues related to the progress and effectiveness of the URP process in Cape Town's two nodes.



Khayelitsha and Mitchell's Plain.

## PART 1: PRESENTATIONS

In a range of presentations, representatives for the following public-sector bodies set the framework for the URP initiative:

- **Mayco member councillor Simon Grinrod** in his welcoming address reconfirmed the city's commitment towards effective co-operation between all different public-sector stakeholders. To supplement his input **Monwabisi Boo (CoCT) Manager of URP Strategic Coordination and Integration** presented a summary of the URP business plan for the two areas.
- **The Department of Provincial and Local Government's (dplg) Deputy Director General, Nelly Lester** put the Western Cape URP into a national perspective. She also stressed the need for dynamic leadership in the LED sphere.
- **Amos Mboweni, URP Senior Manager from dplg**, presented the Investment Atlas of Khayelitsha and Mitchell's Plain. The Investment Atlas contains investment opportunities, barriers and feasible interventions.
- **Richard Dyanti, MEC for the Department of Local Government and Housing (DLGH)**, stressed the need for more (effective) private-public partnerships in the URP process. **Mbulelo Tshangana, Deputy Director General**

of the **DLGH** stressed the need for better co-ordination between the different levels of government.

- **Aubrey Moloto, Acting Director General of the Department of Economic Development and Tourism (DEAT)** focused on the social-responsibility programme, which so far had very little engagement in the metro south-east.
- **Tshiwo Yenana, Projects Director of the Neighbourhood Development Unit at National Treasury** outlined the availability of significant public-sector funds for LED initiatives, but also stressed the conditions linked to those funds. In a similar way **Raymond Mathfields of the Department of Trade and Industry (DTI)**, **Julius Dantile from the Department of Arts and Culture (DAC)** as well as **Jabu Mfusi of the Umsobomvu Youth Fund** outlined the conditions set for allocations under their respective programmes.
- Community inputs by **Chairperson, Danny Rass** for the **Mitchell's Plain Peoples' Forum (MPPF)** and **Zamayedwa Sogayise, Chairperson** for the **Khayelitsha Development Forum (KDF)** shed some light on grassroots perceptions about the URP initiatives.

## PART 2: COMMISSION FEEDBACK

A significant part of the conference was taken up by four commissions, which focused on (1) skills development, (2) enterprise support, (3) institutional reforms and (4) creating an enabling environment. Feedback from these sessions covered a wide range of issues as well as recommendations for future action. Some of the recommendations are already part of the URP while others call for greater attention.

Bringing together this feedback resulted in a range of "messages" which can be structured into the following broad categories:

- Accelerated LED calls for focused action in a wide range of areas.
- Urban development in Mitchell's Plain and Khayelitsha

should be tackled in an integrated way.

- A lot more attention has to be given to the creation and effective dissemination of useful, development-focused information.
- Efforts are needed to increase the capacity for utilisation of available public-sector funds for urban renewal.
- Proactive steps have to be taken to accelerate local education, training and mentoring processes.
- Greater attention has to be given to the private sector's role in urban renewal as well as to well-structured public-private partnerships.
- In the search for effective new institutions to implement accelerated LED, closer co-operation between Khayelitsha and Mitchell's Plain should be a cornerstone.

## PART 3: TOWARDS A FRAMEWORK FOR ACTION

Based on the inputs and discussions at the workshop the outlines of a framework for accelerated LED in "Khayelitsha and Mitchell's Plain" are evolving. To progress along that road calls for the following.

- An integrated approach towards both urban nodes
- Acceleration of the development and transformation of SEM into a functional suburb.
- Far greater involvement of the private sector in LED efforts

- The creation of a focused "Khayaplain (Business) Development Agency" which is able to
  - strengthen communication around the LED process,
  - activate local development in all relevant sectors,
  - expand and diversify support for SMMEs in the area,
  - tackle the skills and leadership crisis in a co-ordinated way,
  - integrate efforts in different development spheres and
  - regularly monitor and evaluate the LED process.

# SECTION 1: WORKSHOP BACKGROUND

## INTRODUCTION

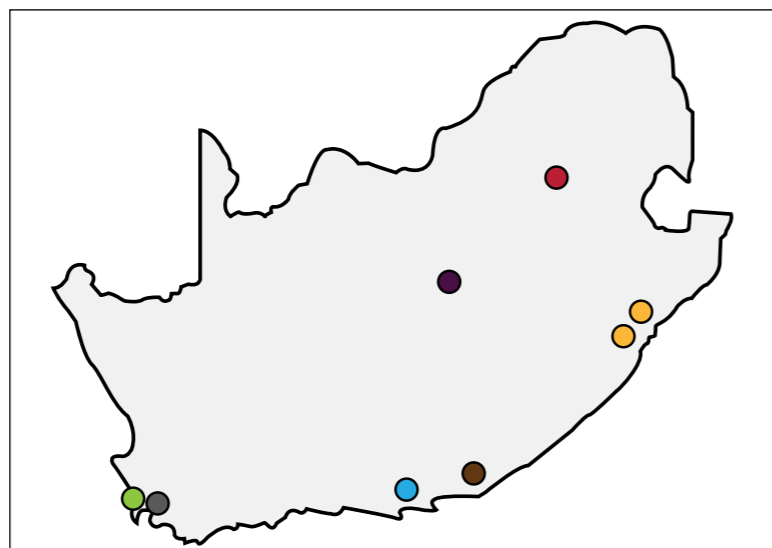
Much like other developing or semi-developed countries, South African society currently faces a range of serious developmental challenges. These challenges confront the country as a whole, but they are "shaped" differently in the different (urban and rural) regions and geographic areas. While the Western Cape is in some ways relatively better off than other regions as far as economic and social-development indicators are concerned, it also has areas of exceptionally high poverty levels.

In the Cape Town metropolitan area, which incorporates about 70 per cent of the Western Cape's present population of 5, 2 million people, Mitchell's Plain and Khayelitsha contain over one million people.

Their social and economic challenges have to be viewed and, indeed, tackled in the broader context of urban development and more specifically the development of a significant area of the Cape Town metropole.

## MAP OF URBAN NODES IN SOUTH AFRICA

- Alexandra, City of Johannesburg
- Galeshewe, Sol Plaatje Municipality
- Inanda, Ntuzuma, KwaMashu, eThekweni Metro
- Khayelitsha, City of Cape Town
- Mitchell's Plain, City of Cape Town
- Mdantsane, Buffalo City
- Motherwell, Nelson Mandela Bay Metro



## THE URBAN-RENEWAL PROCESS

At the start of this decade, when the new democratic government and new municipal authorities had been established, it became clear that special efforts and co-ordinated strategies were needed to address the problems and backlogs of local economic development in different rural as well as urban areas. To focus attention in these areas the Urban Renewal Programme (URP) was started in 2001 as a joint programme of national, provincial and local spheres, focusing on a selected range of eight urban and 13 rural development nodes. These eight nodes were chosen for two reasons, viz. because

- their development process revealed major challenges and
- they could act as case study, example or catalyst for initiatives to be followed in other areas (some of which were in even greater need of co-ordinated, proactive development support).

The background of and basic facts about the URP programme and the two Western Cape URP nodes are well documented in material prepared by the respective national departments (primarily the dplg) as well as provincial and local authorities.

Based on these documents the URP's specific objectives can be summarised as follows:

- Promote LED to relieve poverty and unemployment,
- provide a safe and secure environment by fighting crime,
- support education as well as training and skills development,
- create a quality urban environment where people can live with dignity and pride,
- develop efficient and user-friendly transport systems.

Although the national URP process started in 2001, the two Cape Town URP nodes only started to function in 2003, which implies that by mid-2008 the programme is only in its fifth year.

During these five years the focus initially fell on a limited number of larger projects, both in Khayelitsha and in Mitchell's Plain. At the same time relevant national and provincial departments have been offering project support and development incentives to the different urban and rural areas, including the URP nodes.

## INITIAL CORE PROJECTS IN THE CAPE TOWN URP NODES

Khayelitsha		R million	Mitchell's Plain		R million
1	Khayelitsha rail extension	161,3	1	Mitchell's Plain CBD	200,0
2	Khayelitsha CBD	380,0	2	Lentegeur station precinct	53,0
3	HIV/Aids and other related problems <ul style="list-style-type: none"> <li>• clinic upgrades</li> <li>• awareness education</li> <li>• nutrition support</li> <li>• rape-survivor centre</li> </ul>	80,0	3	Mitchell's Plain Phase 1 Housing Development	118,0
4	Housing <ul style="list-style-type: none"> <li>• Site C consolidation</li> <li>• Green Point phase 2 (services and houses)</li> <li>• Kuyasa phase 2 (houses)</li> <li>• Silvertown upgrade</li> <li>• Informal settlement upgrading</li> </ul>	167,7	4	Tafelsig youth-and-family development centre	17,0
			5	Swartklip sports complex	35,0
			6	Colorado multi-purpose centre	12,0
Total		R789 mill.	Total		R435 mill.

Source: Derived from URP reports



Khayelitsha youth clinic.



Khayelitsha railway extension project under construction.



Swartklip sports complex.

At the grassroots level the URP initiatives supported local-authority efforts to stimulate, broaden, deepen or otherwise shape local economic and social development in Mitchell's Plain and Khayelitsha. Since these bottom-up efforts often have political implications, these top-down and bottom-up processes have over the years created complex political interactions in Cape Town's volatile party-political scene.

Naturally, the interaction between URP projects and initiatives and the far broader social- and economic-development issues generates a dilemma for the URP implementation team, which all too easily gets the blame for insufficient progress with all the different LED dimensions where progress is sub-optimal. Thus, the distinction between a more focused or catalysing URP process and the much broader LED process has to be borne in mind throughout this report.



Construction of Mitchell's Plain Youth and Family Centre.

## PUBLIC-SECTOR PARTNERS

The LED process works best as an interaction between public and private-sector entities and stakeholders complemented by civil-society players like NGOs, CBOs and grassroots initiatives to stimulate local economic and social development. However the conveners of the May 2008 conference focused largely, if not exclusively, on the role (to be) played by public entities through inputs to URP supported projects or in other ways.

In sharp contrast to the emphasis placed in the conference programme on inputs from public-sector entities, formal private-sector inputs were kept to a minimum. Although the initial programme included direct input from the Business Trust there were no plenary inputs from any private-sector bodies. There are also many more departments or sections within the three levels of government as well as numerous parastatals which directly or indirectly influence or determine development progress in those areas. This naturally raises the question how the co-operation of these bodies can be optimised, or what can be done to attract the most appropriate support from them.

### Institutions represented at URP LED conference:

- City of Cape Town
  - > the Mayco member for economic and social development\*
  - > the operational unit co-ordinating the URP programme\*
- Provincial government of the Western Cape,
  - > the Department of Local Government and Housing (including the MEC, who is political champion of the URP in the Western Cape)
  - > the Department of Economic Development and Tourism and
  - > the Departments of Education and Health
- The following national-government departments
  - > Provincial and Local Government (DPLG)\*
  - > National Treasury\*
  - > Environment and Tourism\*
  - > Arts and Culture\*
  - > Trade and Industry\*
  - > Labour
  - > National Education
- Other public service suppliers such as the Umsobomvu Youth Fund\*, the Development Bank of Southern Africa, the Industrial Development Corporation and the NEF.

\*formal presentation made

## WORKSHOP OBJECTIVES

As indicated on the conference programme the overall goal of the workshop was “to (help) develop productive, resilient and sustainable subregional economies in Khayelitsha and Mitchell’s Plain”. The stated objective was the stimulation of economic growth and development in Khayelitsha/ Mitchell’s Plain through the development of a LED strategy or “programme of action” for these areas. The most important part of this is the attraction of investments.

The organisers were cautious with regard to how the preparation of an LED-strategy document took place, being well aware that such documents are often of little value, especially if prepared in a top-down manner by outside consultants. The challenge rather is:

- to make local “players” and leaders aware of the local-development process and the diversity of opportunities,
- to make public-sector agencies aware of the local-development process in Khayelitsha–Mitchell’s Plain,
- to strengthen interaction between external development supporters and local community and development actors, so that potentially available support can be utilised more effectively and

- to help develop local institutions and processes, through which LED efforts can in future be implemented more effectively.

The workshop was supposed to transcend the more specific boundaries or priorities of the Urban Renewal Programme. This broader view and goal was reflected in the four “commissions” positioned quite centrally in the programme. They were to tackle four themes critical for the entire LED process, in a bottom-up way of group discussions between local role players and the different stakeholders attending the workshop.

This report first summarises focused inputs by the different support suppliers from the public sector (Section 2) and the feedback from the four parallel commission sessions (Section 3). Against that background Section 4 summarises key messages emanating from the discussion as well as an assessment of strengths and weaknesses of the LED process in Khayelitsha–Mitchell’s Plain to date. This again leads to an overview (Section 5) of the scope and need for action that could strengthen the LED process, with the brief concluding section highlighting critical action challenges.



Solar water heaters in the Kuyasa Housing project.



Interrelationships of public and private sector actors on the main action areas of LED acceleration within the URP's spatial elements.

## SECTION 2: FOCUSED INPUTS

Well over a third of the workshop time was given to presentations and brief addresses by spokespersons from different authorities or departments actually or potentially providing inputs to the urban-renewal process and more

### THE CITY OF CAPE TOWN

**Councillor Simon Grindrod, mayco member for economic and social development**

Key points:

- since the private sector was generally risk averse vis-à-vis newly developing areas at the fringe of a large city, the public sector had to lead the way in the facilitation of development momentum,
- it was now essential that perceptions about the development potential and the development momentum

generally LED efforts in the Khayelitsha–Mitchell’s Plain area.

Please note: the different PowerPoint presentations are available on request from the URP office.

- of the area change on the basis of positive and constructive news – with infrastructure developments playing a significant role in those perceptions,
- although there is a wide spectrum of players (potentially supporting LED efforts, the city needs to lead the way, and is committed to close and amicable co-operation with all other public-sector departments and agencies engaged in LED support.

### THE NATIONAL DEPARTMENT OF PROVINCIAL AND LOCAL GOVERNMENT (DPLG)

**Ms. Nelly Lester, deputy director-general**

Raised concern around the effectiveness and efficiency of the implementation and co-ordination of the different nodal initiatives. A key question is: “Who is providing leadership for LED?”, so that the impact of government programmes in the nodes can be accelerated and optimised. Many of the projects are having little impact, being limited by capacity challenges at all levels of government and weak information about the potential of the specific areas. This situation was compounded by an environment of fragmented, uncoordinated and in many cases “young” support institutions which lack technical expertise.

While information and funding issues appear to be manageable, institutions and their capacities remain a medium- to long-term challenge. This raised the question whether “nodal economic-development agencies” might not be a suitable short- to medium-term intervention.

**Mr. Amos Mboweni, URP senior manager in the DPLG**

Focused on the economic profiles developed for each of the eight nodal areas and the Investment Atlas prepared by the joint team of the Monitor Group, Business Trust and DPLG as part of the Community Investment Programme.

From Right: Department of Provincial and Local Government Deputy-director General Nelly Lester, former Cape Town mayco member for Social and Economic Development Simon Grindrod, Western Cape Department of Local Government and Housing Deputy-director General Mbulelo Tshangana and former Cape Town Mayco member for Health, Martin Finies.



Workshop delegates.



### THE PROVINCIAL DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING (DLGH)

**Mr. Mbulelo Tshangana, deputy director-general**

Spoke on behalf of MEC Richard Dyantyi, political champion for URP in the Western Cape. Discussed effective communication of messages to investors and others potentially involved in local economic activities.

- How can (new) projects be packaged more effectively and with less politically onerous squabbles?
- How can participatory bodies (like the KDF and MPPF) be made more influential?
- How can available incentives (like the Neighbourhood Development Grant) be used “to crowd in external investors”?
- Given elections in 2009, how can the relevant players in the three tiers of government nevertheless be made to co-operate more effectively?
- How can actual achievements during five years of URP be better communicated across the area and beyond?

**Richard Dyantyi, MEC for Local Government and Housing**

- We have to keep the LED-activation process away from narrow political interests, rather focusing on our ability to drive the process.
- If we talk about “political champion” it is important to distinguish between ineffective “paper champion” and effective “technical champion”, i.e. revamping our own leadership.
- To strengthen LED leadership we need more (and more

effective) private-public partnerships. In fact, not every LED initiative has to be government-driven, nor should government “own” all the initiatives.

- The LED “baselines” are now in place, but they cannot be pursued in a vacuum. We have to find the input balance between “hard” and “soft” services, i.e. between housing and infrastructure development and the battle against drugs, crime and other people issues.
- Private-sector participation in LED efforts is crucial, even though private participation is often rather uneven.
- The establishment of a focused development agency (like a “Khayaplain Development Agency”) to streamline and accelerate development efforts in Khayelitsha–Mitchell’s Plain deserves serious attention.



Cape Town Director of the Urban Renewal Programme George Penxa

### THE NATIONAL DEPARTMENT OF ENVIRONMENTAL AFFAIRS AND TOURISM (DEAT)

**Mr. Aubrey Moloto, acting director-general**

Discussed the Social-Responsibility Programme which commenced in 1999 with a budget that has grown to R2, 3 billion, with about 600 projects funded across the country. Much of the information presented in this session related to the conditions set for applications for funding from this programme. The key objectives of the programme (job creation, skills development, SMME participation, BEE and

infrastructure development) as well as the nature of the projects tackled (e.g. working on waste, tourism, parks and coastal areas) make them highly relevant for the LED efforts in Mitchell’s Plain–Khayelitsha. Yet, utilisation of the funds has so far been limited in the Khayelitsha–Mitchell’s Plain area, except for the Kuyasa Alternative Energy Project in Khayelitsha, involving funding of R24 million.

### THE DEPARTMENT OF FINANCE

**Mr. Tshiwo Yenana, projects director of the Neighbourhood Development Unit**

Presented details about one of the national government’s largest and currently most appropriate financial-support programmes for “neighbourhood” development. Close to 20 000 South African neighbourhoods qualify for project co-funding support. About R10 billion are available over the MTEF, with close to R1 billion earmarked for Mitchell’s Plain–Khayelitsha. Yenana gave the Cape Town-based audience a good feeling about the “tough” conditions set by national funding bodies for completing applications by municipal

and other applicants, and pointed forcefully to the need for competent project and process leadership.

He challenged workshop participants “to think big with respect to township development”, to study the experience of other projects, join forces with the private sector in the selection as well as preparation of projects and utilise a diversity of funding sources. In essence he stressed that “there is lots of money available” for townships and other types of LED, but that the real challenge is the limited capacity of local players to follow proper procedures and

effectively co-operate with all the relevant players and potential partners. The National-Treasury grants had two components, viz. a technical-assistance element and a capital

grant-in-aid, but it still expected municipalities to drive the process of new projects and to integrate the projects into their IDP process.

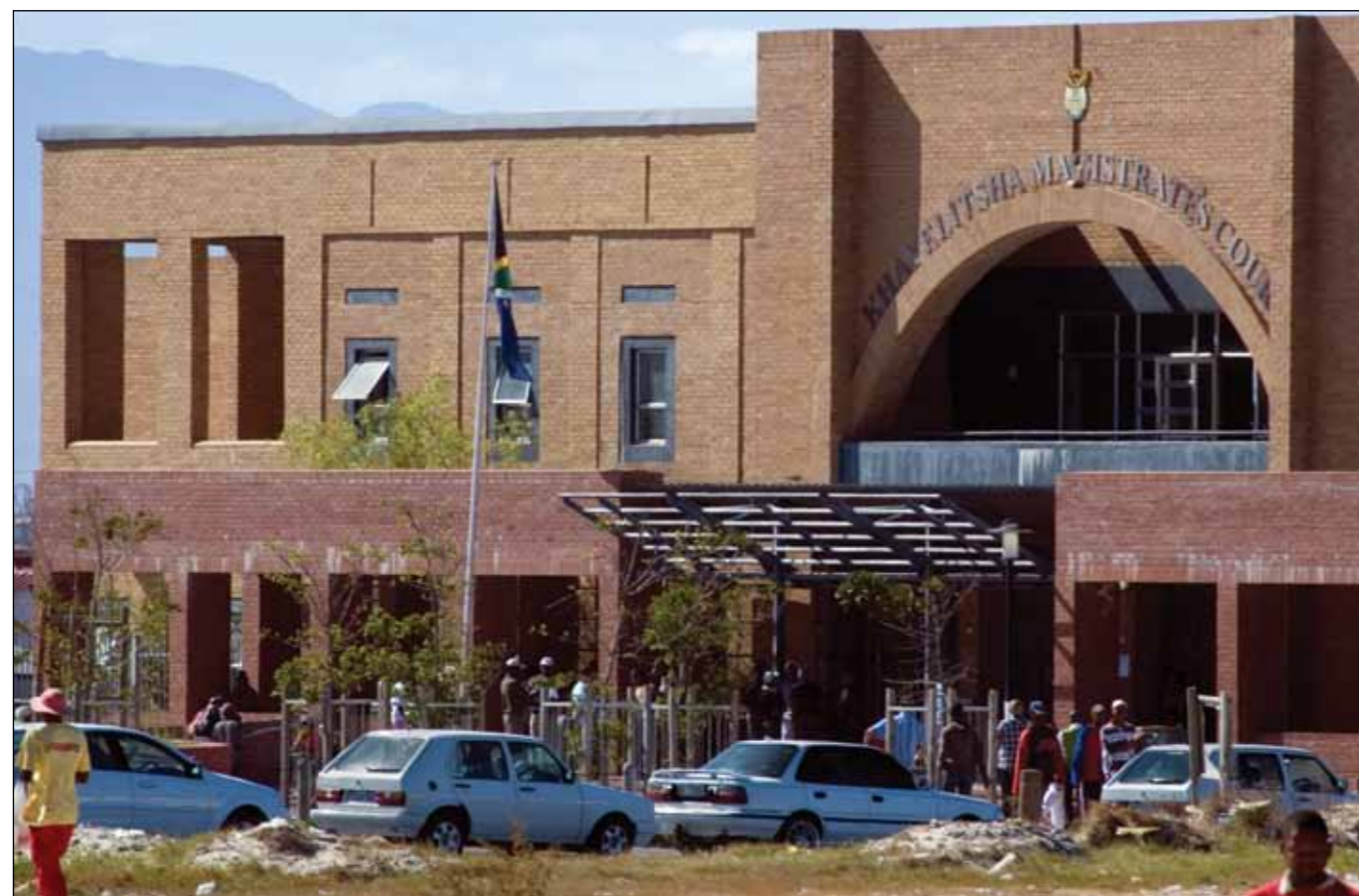
## THE NATIONAL DEPARTMENT OF TRADE AND INDUSTRY (DTI)

### Mr. Raymon Mathfields from the Enterprise and Industrial Development Division

Discussed the main principles, goals and procedures of the Regional Industrial Development Strategy, the criteria for funding applications and some of the DTI-thinking about LED-capacity building in the sphere of economic projects and sector development.

Although the messages may have been less directly relevant

for the Mitchell's Plain—Khayelitsha area with its dominant residential character, the presentation re-emphasised the competition between different local areas, each trying to mobilise new projects and attract public-sector co-funding. In this context the RIDF would seem most relevant for the establishment of more than one SME incubator in both Khayelitsha and Mitchell's Plain. In addition the DTI could play a supportive role in further Business-Investment-Climate Studies for both areas (or combined for the metro south-east).



The Khayelitsha Magistrate's Court.

## THE NATIONAL DEPARTMENT OF ARTS AND CULTURE (DAC)

### Mr. Julius Dantile, Western Cape co-ordinator

Discussed project support within the "Investing in Culture" (IIC) Programme. Project support is focused on "empowerment opportunities for unemployed people from the second economy through training and job creation in areas related to arts, culture and heritage".

Annual expenditure on these projects is just below R100 million, with Western Cape applicants so far only utilising an extremely small share, R6 million as opposed to R40 million to 50 million for the Eastern Cape and KwaZulu-Natal. So far no projects in the Khayelitsha-Mitchell's Plain area receive DAC funding.

## THE CITY OF CAPE TOWN: URP DEPARTMENT

### Mr. Monwabisi Boo, Manager Strategic Co-ordination and Integration

Discussed the reviewed URP business plan for the twin area. The following reports have been released.

- Socio-Economic Profile of URP Nodes (CoCT 2006)
- Impact Assessment of URP (DPLG 2007)
- URP Shared Learnings (CoCT 2006)
- URP Integrated Spatial-Development Framework (CoCT 2006)

- URP Integrated Environmental Management Framework (CoCT 2006)
- Khayelitsha and Mitchell's Plain Economic Profile (DPLG 2007)
- CoCT Integrated Knowledge Management (CoCT 2006)
- Khayelitsha and Mitchell's Plain Integrated Safety and Security Plan (PGWC 2006)

## THE UMSOBOMVU YOUTH FUND

### Mr. Jabu Mfusi from the Cape Town office

Gave a detailed overview of the activities in the field of youth entrepreneurship and enterprise funding which are handled by this institution, such as the voucher system for business mentoring and the provision of micro-finance and larger business loans.

## COMMUNITY INPUTS

### Danny Rass, chairperson of the recently launched MPPF Mitchell's Plain Peoples Forum (MPPF)

Explained the ongoing transformation of leadership structures in Mitchell's Plain, where the Mitchell's Plain Development Forum had been leading in the past. He felt that business was not well organised in the area, which puts a greater burden on councillors and the sub-council.



Mitchell's Plain Peoples Forum Chairperson Danny Rass.

### Zamayedwa Sogayise, chairperson of the Khayelitsha Development Forum (KDF)

Outlined the structures of the KDF, and described their current challenges:

- the democratisation of local development processes,
- the addition of new anchor projects to the initial range of projects,
- "quick-win" projects to convince people at grassroots level that the LED process is progressing successfully,
- the activation of an "NGO cluster" to broaden social development,
- the unblocking of bureaucratic development obstacles.

Particularly contentious issues were currently the hospital project, the lack of development magnetism at the new Khayelitsha Mall and the preferential allocation of tenders for local projects.



Khayelitsha Development Forum Chairperson Zamayedwa Sogayise.

# SECTION 3: COMMISSION FEEDBACK

The 200 people who attended the workshop were divided into four thematic groups whose discussions were captured

in brief points and then presented in the feedback session for further discussion.

## COMMISSION 1: CREATING AN ENABLING ENVIRONMENT FOR LED IN KHAYELITSHA-MITCHELL'S PLAIN

Key points:

A Problems hampering the environment			
1	High crime levels	6	Exploitation by big business
2	Relevant skills unavailable (appropriate skills, i.e. skills required for growing the economy)	7	Negative publicity about Khayelitsha–Mitchell's Plain in the media
3	National regulations too rigid	8	Ambiguity of bureaucratic processes (too rigid)
4	Lack of planning (proper planning)	9	Political instability and faction fighting at local and regional levels
5	Lack of information about actual processes and projects		
B Programmes needed to unlock development potential			
1	Branding and marketing focusing on Khayelitsha–Mitchell's Plain	4	Systematic reduction of red tape and ambiguities (a more business friendly environment)
2	Training and empowerment support for small businesses.	5	Promotion of entrepreneurship
3	Proper utilisation of available skills		
C Creating an environment to attract more external investments			
1	Organising local communities more actively and effectively	6	Create urban-development zones (looking for DTI incentives)
2	Creating an institutional framework facilitating integration of Khayelitsha and Mitchell's Plain	7	Spread community ownership and involvement in projects
3	Step up infrastructure delivery (e.g. Baden Powell Drive)	8	Better spread of local and external investors across the area (accessing and sharing of economic opportunities)
4	Strengthen and better highlight environmental attractions	9	Expand access to LED-related information (incl. websites), (create and manage business information hubs)
5	Proactive steps to better curb crime (CCTV, neighbourhood watches)		



Informal Traders currently trading all over the Mitchell's Plain Town Centre. The traders can move to the Mitchell's Plain Southern Taxi Terminus and informal trading zone, currently under construction.

## COMMISSION 2: SKILLS DEVELOPMENT AND COMMUNITY EMPOWERMENT

The discussion had to be kept fairly broad, since attention to the particular needs of specific sectors or skills would have required far more time and expert inputs. The conclusions

to be drawn from this commission could be channelled to existing or envisaged "forums" of education and training bodies in the Khayelitsha–Mitchell's Plain area.

A Obstacles and problems			
1	Limited capacity and access to training facilities in or near the area	6	Insufficient mentoring capacity in the different sectors (sector specific knowledge and application)
2	Lack of a sufficient numbers and spread of information centres across Khayelitsha–Mitchell's Plain to get relevant development information to local households and communities. (ICSs & business information centres)	7	Lack of funding for local training (i.e. training fees too high). Lobby for bursaries and grants from public and private sectors in relation to education and skills development and training).
3	Current procurement system of the CoCT does not give enough attention to skills shortages and development of local suppliers.	8	Too much red tape around training bodies and controls (e.g. Seta). Make training easily accessible.
4	Lack of sufficient assessment centres to screen training courses	9	Effective use of training institutions/centres.
5	Absence of well-developed incubators to (i.a.) facilitate skills and entrepreneurship development	10	Lack of intergovernmental co-ordination in the training sphere. (create links and close corporations)
B Practical steps to address problems and shortcomings in training			
1	Ensure excellence before tendering for jobs. (Support programmes)	6	Make better use of existing skills available in the area ("ring-fence projects or localities")
2	Provide more resources for training (in order to be able to create excellence)	7	Encourage partnerships between local suppliers and large contractors
3	Better recognition of prior learning (Emphasis on re-skilling)	8	Improve data coverage of local skill supplies (skills audit)
4	Strengthen awareness of public funding available for skills development	9	Explore efforts to strengthen parental skills
5	Establish more appropriate and effective assessment centres in the area	10	Work towards better co-ordination of existing and new training as well as mentoring services



Construction of the Khayelitsha Centre.



Liberty Promenade in Mitchell's Plain.

## COMMISSION 3: STRENGTHENING ENTERPRISE SUPPORT IN THE AREA

The time was far too short and the diversity of small-business interests too great to allow an in-depth discussion of all relevant issues. There are likely to be more than 100 000 formal or informal small, medium and micro-enterprises in the

area, given the existence of about 250 000 households, and a systematic review of current practices, obstacles and support mechanisms would constitute a major research task.

A Constraints hindering small-enterprise development in Khayelitsha—Mitchell’s Plain			
1	Limited access to finance <ul style="list-style-type: none"> <li>• banks still not co-operative enough</li> <li>• upfront funding required but not available</li> <li>• business plans “not bankable”</li> <li>• “black-listed” entrepreneurs not being assisted</li> <li>• borrowing small amounts particularly difficult</li> <li>• need for cash-flow mentoring</li> </ul>	5	Infighting between taxi operators also distract business/investments
2	Land for business premises difficult to get (red tape and cost) and/or existing land and buildings not optimally utilised	6	Business inexperience or lack of capacity and acumen hinder development
3	Government-support programmes still have too much red tape and some contractors still exclude blacklisted entrepreneurs	7	The local business environment is harmed by excessive littering, lack of maintenance and roaming livestock
4	High crime levels dampen investments		
B Steps to be considered to improve SMME development			
1	Government to engage banks and strengthen knowledge about government-support programmes	5	Government, big business, the media, business associations and NGOs should strengthen efforts to increase available mentors and coaches for SMMEs in the area
2	“Information and development centres” catering for SMMEs should more proactively market themselves (including the greater use of “digital business centres”)	6	Co-operative ventures and community group schemes to be encouraged
3	Steps to be explored to make more land available for business premises and to dampen rental increases; also rethink the feasibility of high-rise buildings	7	Public transport facilities to be improved (given Khayelitsha—Mitchell’s Plain’s distance from the city centre)
4	Government, business forums and existing training bodies to expand the capacity for relevant business training (including Seda, Red Door, Business Place et al.)	8	Preferential procurement (BEE and location-specific) to be further strengthened
C Structures for SMME support and the need for their strengthening			
Existing (Kh. = in Khayelitsha; MP = in Mitchell’s Plain)			
1	Nafcoc, Wecbof, KBF (Kh./MP)	6	Digital Business Centres (Kh./MP)
2	Cape Regional Chamber (Kh./MP)	7	Nicro Business Centres (Kh./MP)
3	Zenzele Training Centre (Kh.)	8	Red Door offices (Kh./MP)
4	Mitchell’s Plain Rehabilitation Centre (MP)	9	Learn to Earn (Kh.)
5	Look-Out Hill (tourism) (Kh.)	10	Nolithando Tourism Industry (Kh.)
Needed			
1	Further satellite Red Door centres	3	More multi-purpose centres
2	Training centre for women in business	4	Financial (advice) centres



Transport infrastructure such as the new Kuyasa station attracts investment by creating enabling environment.



The Khayelitsha retail centre.



Beneficiaries of the Mitchell’s Plain Skills development Programme.

## COMMISSION 4: INSTITUTIONAL REFORMS TO HELP STRENGTHEN LED IN THE AREA

It was felt that currently existing bodies and their respective teams cannot do justice to the full range and complexity of development issues, challenges and processes. Financial resources are not the most critical shortcoming, as the implementation capacity is seen to be the weakest link. The

question was raised whether the very size of the metro south-east and its complex problems does not demand (or justify) the creation of a dedicated special-purpose vehicle (SPV), captured under the (tentative) title “Khayaplain Business Development Agency”.

A Current problems or shortcomings			
1	The resources are there, but there is an inability to effectively and speedily utilise them	5	Public-sector bodies involved in Khayelitsha—Mitchell’s Plain need to become more accessible locally
2	There are blockages in the implementation of projects agreed upon	6	There are serious capacity limitations at all levels of government with respect to LED support, viz. <ul style="list-style-type: none"> <li>• communication is weak</li> <li>• tensions between city and province are often significant and not helpful for development</li> </ul>
3	More of the CoCT’s development-focused attention needs to fall on Khayelitsha—Mitchell’s Plain, which incorporates about 30 per cent of the metropolitan population	7	There is very limited private-sector involvement in the Khayelitsha—Mitchell’s Plain LED-support process. (This is much different, for example, from the City Partnership and related initiatives.)
4	The CoCT’s LED strategy needs to be more clearly spelled out for the Khayelitsha—Mitchell’s Plain area, and the city needs to “lead” in this process	8	Public-private partnerships are important in all fields of socio-economic development; yet, there is little evidence of it in Khayelitsha—Mitchell’s Plain
B Steps that could help to address these problems			
1	The CoCT needs to more visibly “lead” the Khayelitsha—Mitchell’s Plain LED process, through (i.a.) the mayor, IGR, ward committees, etc.	3	Establishment of a “Khayaplain Business Development Agency” as a tool to strengthen, better co-ordinate and focus local LED efforts and processes
2	Existing public-sector bodies, associations and NGOs have to be properly assessed and given relevant and significant roles in the LED process. These include <ul style="list-style-type: none"> <li>• community-level bodies (KDF, MPPF)</li> <li>• development NGOs</li> <li>• government bodies</li> <li>• business associations (Nafcoc, KBF)</li> <li>• ward committees and forums</li> <li>• councillors</li> </ul>	4	Such a body should also be able to address the challenges related to <ul style="list-style-type: none"> <li>• the branding and marketing of Khayelitsha—Mitchell’s Plain</li> <li>• the lack of information about LED and awareness about actual progress</li> <li>• inter-party tensions</li> <li>• the need for a strong private-public partnership (in fact, the agency should be such a joint venture)</li> <li>• low priority currently still given to “township” issues and developments (the agency should be as visible as the City Partnership)</li> </ul>

## SECTION 4: TEN KEY PROBLEMS

### 1) THE IMPACT OF BROADER DEVELOPMENTAL ISSUES ON LED

The presentations at the workshop as well as commission and plenary discussions have highlighted a wide range of issues, problems, challenges and critical observations related to the evolution of the URP over the past five years and the unfolding of local economic development in Khayelitsha and Mitchell's Plain. The list far exceeds the initial goals of the URP and may easily discourage observers or actual players in the LED process. In fact, with the focus on the (desired) acceleration of LED in this area participants may easily draw the conclusion that (most of) the efforts so far have failed or fall far short of promises or expectations.

To counter such impressions we have to realise that we are talking about a million people (or 250 000 households), the majority of whom have over the past decades migrated to this metropolitan area from Western Cape rural areas or the Eastern Cape's urban and rural areas. We are also

talking about urban areas which started from open land in the mid-1970s (in the case of Mitchell's Plain) and the mid-1980s in the case of Khayelitsha. Thus, we are really looking at the full spectrum of urbanisation, urban socio-economic transformation and attempted integration of these evolving communities into a large (3 ½ million people) metropolitan area, with South Africa's dramatic socio-political transformation proceeding at the same time.

We should also admit that the full extent, diversity and complexity of these urban development processes have not yet been analysed, documented and interpreted at any real depth. If such relevant studies have been undertaken, those largely involved in the day-to-day task of LED support are probably not aware of them. This suggests that efforts to deepen the understanding of these processes and resulting challenges constitute one of urgent tasks of future LED efforts.

### 2) DIVISION BETWEEN MITCHELL'S PLAIN AND KHAYELITSHA

Discussions about the gap between planning and implementation of LED efforts in the two nodal areas figured prominently in the workshops. At this stage the two areas are still treated as distinct entities, with each pursuing its own goals. Yet, many in the audience were aware that a dualistic approach between Mitchell's Plain and Khayelitsha increases the danger of zero-sum conflicts to common problems, i.e. that vested interests in one of the two areas try to solve problems at the cost of the interests in the other nodal area. For example, the Promenade mall competes with the Khayelitsha central business district.

The problem is further aggravated by the fact that each of the two areas has a different political bias in terms of

majority-voter support, with the 2009 municipal elections giving even greater prominence to this dilemma.

It should be clear that at municipal as well as provincial levels the bargaining power of two separate metro-subregions (of 380 000 and 640 000 inhabitants) is far less than that of an integrated metro south-east of well over a million people (including the adjoining Philippi area).

At this stage it seems as if the project teams at municipal and provincial levels are not aware of the need and strategic as well as tactical significance of such an integrated approach. There was a strong groundswell in the audience for an integrated approach towards the needs of "Khayaplain".



The Khayelitsha lookout platform, and accompanying craft centre, were built as part of the URP to attract tourism and create jobs.



Upgrading and renovating, stations, roads and pavements has been an important part of the URP.

### 3) LACK OF INFORMATION

The discussions highlighted serious gaps in the creation of useful and important information and the dissemination of relevant data which could affect business and social-development planning decisions. The prominence given to the information collated by the Business Trust/Monitor Group further emphasised the absence of locally or "internally" produced, useful, reliable and regularly updated development data. Most probably very few of the workshop attendants had worked through the highly stylised PowerPoint presentation of the Investment Atlas and other Monitor information. Besides, too many of the existing data series highlight special development issues rather than supply practical data about magnitudes relevant for people at grassroots level.

Symbolic of the data problems is the fact that Khayelitsha's population is given as "360 000 to 680 000" in the different URP-related sheets. Surely we should by now be able to give more "accurate" population figures? But the dilemma goes much further: How many hairdressers are there? How many funeral parlours? How many producers of building panels for shacks? How many panel-beaters, and what is their average turnover range? These are highly relevant activity areas, and

we should have some idea about the magnitudes.

The issues of concern here go much further than the availability of locally relevant statistics. How do local residents get to know about available provincial or national support programmes? Is one Seda and one Red Door information office in Mitchell's Plain and Khayelitsha sufficient as SMME-information point for more than 100 000 formal and informal businesses? The same applies to information about other spheres of social development which are so critical for these urbanisation and transformation processes.

Other dimensions of this problem relate to the quality of locally available newspapers and other printed material, access to web information, the quality of local radio programmes and other communication channels (which reach schools and higher-level educational bodies).

These weaknesses are related to the lack of clear and strong positive branding of Khayelitsha and Mitchell's Plain in the broader urban spectrum of greater Cape Town. This has in fact been voiced as one of the critical problems in the way of successful LED in this area.

### 4) NON-UTILISATION OF AVAILABLE FUNDS OR LED RESOURCES

As indicated in earlier sections, several speakers have stressed the fact that national funds relevant for specific LED-related projects or programmes are not applied for or that efforts to utilise these funds fail due to shortcomings on the side of applicants. This implies that:

- those currently involved in such applications have to be better prepared or equipped to master the application

- and implementation procedures
- more local stakeholders and development agents have to get involved in the process of tapping into potential support.

Thus, inadequate funding is not the key issue; the real challenge is developing or mobilising the capacity to take advantage of available resources.

## 5) LACK OF SKILLS AND CAPACITY

The lack of technical, managerial and other process skills of individuals as well as the lack of capacities of development or business-management teams is currently one of South Africa's most serious dilemmas or challenges. . Most of the speakers, from all three levels of government, alluded to this dilemma, which is seen as a major reason for the many backlogs in service supplies and the slow process of LED in the area.

## 6) POLITICAL DIVISIVENESS

Most of the speakers referred to the ongoing political faction fighting around LED initiatives and other politically induced tensions between development bodies and government departments. Once again, such tensions may have to be viewed as normal for such a complex and in many ways traumatic process of rapid urbanisation and

Unfortunately, the skills bottleneck is not likely to be reduced over the short term, given emigration patterns, AIDS, BEE pressures and the increasing complexity of our society (with new challenges demanding new skills). This implies that those responsible for the LED process in Khayelitsha and Mitchell's Plain may have to look at special efforts to attract the necessary skills, for example, the establishment of a high-profile nodal special purpose vehicle.

urban growth. Yet, it will be critical to get some processes in motion that may help to dampen such tensions. In this context closer co-operation between Khayelitsha and Mitchell's Plain may be one step, and the creation of a strong, single development agency for both areas may also help.

## 7) THE NEED TO RECOGNISE THE ROLE OF THE PRIVATE SECTOR IN LED

As indicated in the section on speaker inputs as well as the overall programme the workshop mainly covered public-sector bodies or departments whose support for LED in Khayelitsha and Mitchell's Plain was regarded as (potentially) significant and longer lasting. Even in the commissions, where private-sector spokespersons played some role, most of the attention centred around what public bodies could or should do to address local challenges. Little note was taken of the role already played by some larger corporations who are involved in the area (e.g. Old Mutual), let alone creative initiatives by small and medium-sized enterprises or local franchisees of larger (national) companies. Even less attention fell on the informal (micro-enterprise) sector, aside from classifying its actors as virtually unemployed (explaining

the "70 % unemployment level" stipulated for Khayelitsha in URP reports). The same lack of serious attention applies to the action of business associations, sector associations and other business-focused interest groups (incl. NGOs/CBOs), many of whom try in their own (modest) way to help address development challenges facing their members.

The workshop organisers made it clear from the outset that this workshop would focus on what the public sector does or what more it could do. This is informed by the need of accelerated infrastructural development for LED. Revealed in LED efforts and successes all over the world, successful development usually depends on the creative interaction and partnership between public- and private-sector players and agencies.

## 8) NO SUPPORT FOR PUBLIC-PRIVATE PARTNERSHIPS

The deliberations showed virtually no significant examples of public-private partnerships in the LED process of Khayelitsha and Mitchell's Plain. This could be seen as a lack of attention to such cases among the workshop organisers (and presenters) or it could reflect the absence of such partnerships on the current development scene of the area. Probably both of these reasons apply to some extent. Thus, there is a need to look closer at:

- clearly visible as well as less obvious examples of public-private partnerships in the LED process in Khayelitsha and Mitchell's Plain and
- ways in which such partnership arrangements can be enhanced or facilitated (in education and training, in the effective running of local markets, in crime prevention, health care, old-age care and many other areas).



Khayelitsha Sibanye economic empowerment project.



Mitchell's Plain Town Centre, which has been renovated and redeveloped.

## 9) BUREAUCRATIC HURDLES

In the commissions and in parts of the plenary debates there were strong voices of criticism about red tape and bureaucratic procedures as reasons for the delay in the start-up or implementation of development projects or the delivery of development-supporting services. Unfortunately, there was not enough time to dig deeper into these criticisms, to see whether simpler rules might still be reconcilable with necessary checks and balances as well as steps to prevent corruption. Besides, quite often rules are viewed with suspicion if respondents are not fully aware of the nature and procedural details of the controls or the conditions set for the

utilisation of such support.

Thus, this criticism can be related to the earlier mentioned issues of information dissemination and skills shortages. Yet, to some extent the criticism may also hold directly, suggesting that development teams and service suppliers are sometimes more concerned about their official roles and tasks than about efforts to address poverty or accelerate development. This calls for greater attention to the communication gap between those at grassroots level and those in the government bodies.

## 10) NEED FOR FOCUSED INSTITUTIONS

With all the discussion about limited implementation capacities, poor communication between development partners, insufficient staffing of support bodies and the need for more private-public partnerships, the call for institutional innovations around the LED process in "Khayaplain" was rather obvious and a logical outcome.

Much of the debate during the sessions did not allow detailed consideration of alternative models for more

effective development agencies, leaving the issue open for more in-depth discussions after the workshop.

The same thing happened to the equally important issue of a coherent LED strategy for the area. There was much criticism about the ineffectiveness of current efforts and the need to improve the process, but little focus on who exactly should have such responsibility and how such a strategy should be shaped.

# SECTION 5: A TEN-POINT FRAMEWORK FOR ACTION

The workshop had been convened because it was widely felt that the pace of LED in the Khayelitsha–Mitchell’s Plain area was not sufficient, compared to the rate of population growth and existing levels of poverty.

In the previous section we tried to deduce key messages evolving out of the presentations and discussions. We now have to see how these lessons can influence or

## 1) CREATE AN INTEGRATED ‘KHAYAPLAIN’

As reflected in the attitude of many workshop participants, the parallel approach of two nodal areas, each trying to develop with the help of the URP and other support, should make way for integrated local economic development in the Khayelitsha–Mitchell’s Plain area, or the “metro south-east”, which also includes the Philippi East area just south of the N2.

This change should not just be a semantic shift but a thorough refocusing on an integrated development process in this metropolitan region with one million inhabitants. It has to be reflected in institutions, branding and marketing of the area, information material and statistics developed and disseminated as well as in the composition of teams working there.

Viewed as an integrated metro-subregion, Khayaplain has major commercial, industrial, residential, recreational and educational clusters and development thrusts which can (or should) cater for households of both suburbs. It also

## 2) MOVE FROM TOWNSHIP TO SUBURBS IN THE METRO SOUTH-EAST

South Africa’s long and painful history of segregated townships as well as the neglect of black local-development needs is well known, with the Western Cape looking on a particularly painful history of relocation from the urban hub to either the city’s outskirts (Mitchell’s Plain in the 1970s) or to Ciskei and Transkei areas in the Eastern Cape. Khayelitsha after all came about when a few years after the 1976 Soweto watershed, government realised that it was not any more feasible to “repatriate” all Western Cape Africans to the “homelands”. Naturally, this attitude also shaped the initial approach towards local-development strategising.

More than 20 years after those steps, and given dramatic political and social changes in the country, the position and role of these (former) townships are now changing dramatically. Vividly illustrated by the rise of Soweto in the development dynamics of Gauteng, we find that all over the country desolate dormitory townships are being “rediscovered” as urban-development areas with great potential as base for consumers, entrepreneurs,

shape action in the future. It would be logical to ask for a new or revised “URP/LED strategy for Khayelitsha’s nodal development” and one for Mitchell’s Plain. Yet this report has argued against such a mechanistic, top-down approach. We first have to rethink the overall approach in the light of a few fundamental shifts as well as the unfolding of a revised strategy and grassroots-linked implementation structures.

has significant stretches of open or unused land (around Swartklip Road and in the northern as well as southern parts of the area). Of even greater importance is the fact that this combined urban node is not located “at the far south-eastern edge of a city all centred around the harbour area, about 35 km away”, but is well located within Cape Town’s cluster of urban areas, which also include the nearby airport area as well as the Durbanville–Kraaifontein, Bellville–Tygerberg, Atlantis, southern suburbs and Cape Flats areas.

Once we look at this integrated area as a regular urban area in a three- to four-million metropolitan area, our view becomes broader, including all the sectors of development, all social and income classes as well as the full range of local leaders and stakeholders. This again should strengthen the bottom-up nature of development promotion, which over the longer run is more promising than top-down interventions focusing just on a few projects or critical need areas.

industrial-development nodes, recreational spots and educational districts. The shift has been most dramatic (and not without problems) in the sphere of shopping malls, where the aggregate spending potential of these “poor communities” is being revealed, and where the challenge now is to integrate modern malls and local informal as well as micro-enterprise clusters.

Applied to Khayaplain this transformation challenges us to rethink local-development patterns, focusing not only on the poorest and unemployed, but also on those who help shape and grow local business, employment and income generation.

This rethinking should ideally be facilitated by close links between the higher-education and research communities as well as those involved in LED planning and policy implementation. As indicated in earlier parts of the report, this paradigm shift should also include a shift from URP crisis action towards a regular process of LED facilitation, which naturally includes social and environmental dimensions as well.

## 3) FOCUS MORE ON THE PRIVATE SECTOR

It follows logically from the last two points and our discussion in earlier sections that the private sector and its LED role and inputs should be recognised and accepted as a central dimension of all development efforts. We just cannot mobilise sufficient leadership, resources, initiatives and local enthusiasm if we only concentrate on “what the public sector can or should do”. While much of the action of private firms or entrepreneurs may seem unduly profit-orientated, it is still a fact that in a functional society it is the private sector which creates the bulk of all jobs, mobilises the greater part of all investments and is directly or indirectly active and involved in most sectors of the economy.

Greater focus on the private sector should imply

- knowledge and recognition of what (formal as well as informal) private-sector developments actually occur in the Khayelitsha–Mitchell’s Plain area,
- knowledge of private-sector leaders or representatives in the different sectors and development-focus areas,
- awareness of the private sector’s development thinking and action, including initiatives linked to corporate social responsibility (CSR), corporate involvement at the bottom of the pyramid (BoP), business mentorship and co-operation with NGOs and CBOs.

As part of these processes increased attention has to be given to the existence, role and significance of business

organisations or associations in the metro south-east. In line with developments in other parts of the country (and across Africa) business associations in this area still suffer from extreme leadership and resource shortages, which restrict their active role and limit their visible presence.

At this stage the Khayelitsha Business Forum and Wecbof may be the two bodies best equipped and mandated to play a representative role on the business-development scene. Unfortunately, neither of them was given a prominent voice at the workshop. This makes it all the more urgent that they become proactively involved in the evolving strategising process.

The next step in this process of increased focus on the private sector is the activation of public-private partnerships (PPPs) as a significant tool to enhance both the public sector’s development efforts and the direction and strengthening of private development efforts. The rise of PPPs as development facilitators can be seen all over the (developing) world, where it is realised that neither a free-market approach nor a top-down governmental approach can fully mobilise an area’s local-development potential.

The practical experience with PPPs is not always positive, nor is it easy to start them and keep them focused. Yet, these challenges may be small compared to the longer-run disadvantages of ignoring the private sector’s LED role.

## 4) CREATE A CLEARLY IDENTIFIABLE LED FACILITATOR FOR KHAYAPLAIN

A wide-spread call during the workshop discussions was for more effective programme implementation, better co-ordination of efforts and more diverse interventions basically suggested the need for a clearly visible, well profiled business-development agency to co-ordinate efforts in this area. Such an institution would have to incorporate current teams, but should go beyond that, visibly combining the public and the private sectors as drivers of development. Such a special purpose vehicle (SPV), sometimes referred to as “Khayaplain Business-Development Agency”, would fall directly within the authority of the Municipality of Cape Town, but would be a separate institution, much like the City Partnership functioned as development co-ordination tool for inner-city regeneration over the past years.

Essentially, such an institution would have a board of directors including city, private sector and NGO/CBO representatives, its own staff and its own management structure. It would have sections or departments focusing on key elements of the LED process and key projects facilitated or managed by the agency. Its funding would have to come from the CoCT, but also from programme funders discussed at the workshop as well as others from both the public and the private sectors. Hopefully such a body would be above party-political jockeying, with the integration of Khayelitsha and Mitchell’s Plain possibly a positive factor, strengthening the search for win-win situations.



A mosaic covered public space in Khayelitsha, with the Magistrate’s Court in the background (left) and the upgraded Mitchell’s Plain public library (right).

The next five points describe focused action around the institutional development of a Khayaplain Business-Development Agency, which is expected to play a significant role in what is described.

## 5) STRENGTHEN THE PROFILING AND COMMUNICATION OF KHAYAPLAIN

Ideally, the agency to be established should have a properly staffed information and communication section with the capacity to develop up-to-date information and statistics, strengthen the branding of the metro south-east, disseminate material locally and beyond the area (including a website) and feed business or community information and advice centres spread across the area. The agency might, in fact, be the appropriate body to co-ordinate the evolution of a dense grid of such information and (small business) advice points.

The range of tasks falling within this field would be much wider, also including the facilitation of marketing ventures (like exhibitions in Khayaplain or the attendance and running of external functions), with private-sector partnerships and co-funding being particularly important. This could even include support for events like the forthcoming Khayelitsha Week. Naturally, all the work by the agency must be done in close co-operation with the CoCT's own information and marketing efforts as well as initiatives by the province.

## 6) ACTIVATE SUPPORT FOR DIFFERENT SECTORS RELEVANT IN KHAYELITSHA AND MITCHELL'S PLAIN

Many local economic development efforts take place through activities in different sectors, like housing, construction, trade, light industry, tourism and business as well as professional services. Efforts to increase local employment or strengthen the local economy should thus work through sector strategies and sector initiatives. Such initiative should ideally be private-sector-driven, even though the momentum generated often depends on preceding efforts by the public sector or some partnership action.

Thus, one would expect the agency to create or maintain a level of expertise related to each of the more important sectors, in order to be able to assess the potential for local development and how such momentum could be facilitated. Such expertise need not be in the form of permanent staff, but could be hired via research bodies and consultants or along other channels.

In the context of Khayelitsha–Mitchell's Plain such efforts

might include:

- exploring and activating the scope for urban agriculture,
- developing light-industry incubators,
- activating formal and informal tourism businesses in the area,
- facilitating the transition from home-based spazas to viable small-scale retailers (with or without franchised branding),
- strengthening a local building-material industry in the area,
- bridging the gap between formal and informal micro-finance facilities benefiting local clients and
- organising efforts to attract more larger-scale enterprises into or near to Khayelitsha–Mitchell's Plain in order to boost local employment.

It should be clear that successful initiatives flowing out of these efforts cannot be run in a top-down way by external support agencies, but have to evolve from local initiatives and steered by some local agency.

## 7) PROVIDE COMPREHENSIVE SUPPORT FOR SMMEs

Formal and informal small, medium and micro-enterprises are extremely important for the creation of local jobs and the increase in local earnings. From experience gained over the past 15 years we know that effective support for SMMEs calls for action in many different fields, inputs by different agencies and adaptations to support programmes for different sectors. Besides, support needs are different between informal and formal operators, with much of conventional support geared to the formal sector, whereas Khayaplain's SMME sector is still dominated by informal operators.

Thus, effective support for small enterprises is not an easy task and not something which a small implementation team

can handle next to lots of other tasks. Ideally, the proposed agency would initiate and co-ordinate a Khayelitsha–Mitchell's Plain SMME-strategy process, where a few task teams would each focus on a different strategy area (like finance, informal markets, incubators, mentoring).

Through these more focused initiatives the most appropriate support from external bodies or government departments (like SEDA, Business Partners or the Red Door) could then be mobilised. In line with this approach the agency might also mobilise the research capacity of local universities to help deepen our understanding of the local SMME dynamics and how we can localise experience gained in other countries or environments.

## 8) TACKLE THE SKILLS AND ENTREPRENEURIAL CRISIS

The problems and challenges related to Khayelitsha–Mitchell's Plain's skills, management and leadership gaps are equally well known, and they also call for a pragmatic and incremental approach, co-ordinated by the agency and implemented in a decentralised, bottom-up way. Local educational bodies (including private training centres operating in the area) are as relevant for these efforts as nearby universities or specialised training centres. Once again, more research needs to be undertaken and lessons from other developing areas (as well as other parts of South Africa) need to be made digestible for local decision-makers.

The core team of the agency will hardly be able to do justice to this huge task. Help will have to come from government departments, private as well as semi-state bodies and engaged consultants. The critical role of co-ordination might, however, have to fall on the proposed agency, which should also be able to strengthen the links between efforts to address skills deficiencies and those related to sector development (e.g. training local entrepreneurs to be more efficient and competent panel-beaters or coffin-producers).

## 9) INTEGRATE DIFFERENT STRATEGIES EFFECTIVELY

Having considered four critical areas in the efforts to accelerate LED in Khayelitsha–Mitchell's Plain (spreading relevant information, supporting SMMEs, promoting sector-focused developments and addressing the skills gap) we now have to come back to the overall approach or "LED strategy for Khayaplain". Little attention was given to this aspect in the workshop presentations or the debates, except for references to weaknesses in the present strategy. In fact, it has become customary at such workshops to criticise existing strategies as too loose, vague and non-specific in their timing of outputs or results. This is both understandable (from a political perspective, since political leaders like to promise tangible results by specific deadlines) and grossly unreasonable, since the development process is far too complex and full of uncontrollable variables and factors to be able to guarantee specific reform outcomes at precise dates. Ironically, the greater our commitment to specific explicitly dated achievements, the higher the political cost of non-delivery.

An alternative approach places much of the emphasis on the

creation of (reform or development) momentum in specific areas, with frequent progress assessments and reportbacks showing what has been achieved already and what seems tougher to achieve than initially expected. This should be applied to each of the development dimensions mentioned in earlier subsections (e.g. crime prevention and preschool education) and also to the different spatial segments of the area of Khayelitsha–Mitchell's Plain (e.g. Site C or Tafelsig). In this way the emphasis also falls more on what we (can) learn and how the process is continuously adjusting in order to minimise obstacles and delays.

The overall strategy thus becomes the result of such an adaptive process rather than a preconceived process. This calls for honesty and thoroughness in the monitoring of the different processes as well as the courage to admit the need for policy adjustments. All of this one would expect from a well staffed, partnership-based development agency, which is in close contact with all relevant development players and which has a staff passionate about the LED process in their respective areas of responsibility.

## 10) MONITOR AND EVALUATE PROGRESS REGULARLY

Having stressed the need for almost continuous strategy adjustments, we nevertheless cannot ignore the need for regular (bi-annual) progress monitoring and the honest and in-depth evaluation of what is being achieved. Here again, the primary emphasis should not fall on quantitative achievement ratios (although they may be useful, if reliable data is available) but rather the widest possible understanding of the processes ongoing in the different sectors and development dimensions.

Comprehensive and systematic progress reports can fulfil two important roles:

- They can inform the wider public about the complexity of the LED process and how different activities and developments interrelate and

- they can motivate those intimately involved in LED support or interventions to improve current programmes or adjust strategies (as explained under point 5.9).

It may not be possible or necessary to review each dimension of the complex LED process in each monitoring report, but rather to focus on a few dimensions at each occasion. Yet, it seems important that the evaluation is handled by an institution that has the capacity to do it thoroughly and objectively. The proposed agency should be able to develop that potential. Through a board of directors including respectable representatives of both the public and the private sector (and civil society) these evaluations combined with public-participation processes should pave the way for constructive strategy adjustments.

## SECTION 6: CONCLUDING OBSERVATIONS

This report appears at a time when South Africa and its different regions are confronted with serious socio-political and economic challenges which have the potential to make rapid and consistent progress in the Khayelitsha–Mitchell's Plain area over the short run even more difficult.

- Political restructuring within the ANC and its political leadership in the Western Cape can easily impact on departmental leadership at provincial-government level, given the critical role which provincial departments play in the LED-support process.
- The worldwide recession, triggered by escalating food and oil prices, higher interest rates and other deflationary forces, has started to impact on South Africa, with

some painful effects bound to also reach this area (e.g. higher influx of poor, job-seeking people and less household spending on non-essential consumer goods and construction).

These developments may be viewed as reasons why institutional reforms and more systematic LED promotion may not yet be possible. A far better conclusion should rather be that these things challenge us even more to develop viable, robust and effective institutions rather earlier than later. They also suggest that we should create the preconditions for a bi-partisan LED agency, which includes both Khayelitsha and Mitchell's Plain, and therefore provides scope for all major political groups to feel part of the process of LED support.



Children play on urban sculptures near the Mitchell's Plain Town Centre.

## ANNEXURE: ATTENDANCE REGISTER FROM NODAL ECONOMIC DEVELOPMENT WORKSHOP 2008

NAME AND SURNAME	DEPARTMENT / ORGANISATION
Franchesca Abrahams	Unity B&B Conference
Godfrey Abrahams	PATUM Properties
Cheryl Phillips	Department of Social Development Mitchell's Plain
Craig Mitchell	Department Local Government & Housing
A.K. Adams	Department of Labour
S. Gordon	Department of Labour
L. Cronje	FNB
J. Martins	Nu Fortune cc
C.J. Fabricks	DEAT
C. Stuurman	M.P.P.F
A. Rajap	M.P.P.F
T. Fortuin	M.P.P.F
H.R. Mentor	CFP
Bongani Mgijima	DEAT
Clinton Dixon	Health
Monwabisi Gamtolo	CDW
Heinrich Zana	Community Chest
Phindi Dingile	KCT
Debbie Goodwin	CoCT: EPWP
Themba Honono	CoCT: EHD
Nolubabalo Ligwa	Vodashop: Khayelitsha
S. Haka	KBC
Aaron Mlenga	SAPS Khayelitsha
Nosipho Gwala	CoCT
Jabu Mfusi	UYF
Moegsien Jacobs	Sikito-Sonke
Camillah Acherdien	MPPF: Youth
Desiree Brooks	MPPF: Civics
Nadeema Petersen	CDW
Virginia Voegt	CDW
Zandiswa Mzam	CDW
Trevor Agulhas	MPPF: Skills
Aubrey Moloto	DEAT
Themba Yamile	Provincial Treasury
Louis Botha	GCIS
Zakes Nyoni	BoP Khayelitsha
Lawrence Mitchell	Cape Film Comm.
Walton Carelse	CoCT
Juanita Fortuin	DLG&H
Vivienne Masembate	CoCT: CPU

NAME AND SURNAME	DEPARTMENT / ORGANISATION
B. Connan	Labour
Mzwamadoda Coto	CoCT: IDP
Phero Khan	Resin Investment
John van de Rheede	DEDT
Thomas Botes	Sport & Rec
Lynn Phillips	DLG&H
Evelyn Walters	DLG&H
Xolani Luthuli	DLG&H
Sibongile Malebye	dplg
Cornelius Basson	LEF
Lynette Maneveld	CoCT
B. Dibakoane	dplg
A. Mbokweni	dplg
P.P. Zondani	Social Development
A.H. Dalvie	Dalvie's Motor Spurs
S.T. Venba	Mayor's Office
J. Daniels	City of Cape Town Cllr
W.L. September	Mitchell's Plain Chamber of Commerce
M.T. Leukes	Dept of Labour
Elmo Johannes	ABSA
Simon Phankisa	CoCT: URP
Michael Benu	KDF
N. Mandy	ABSA
Raymond Sijani	NICRO
Thozama Bevu	CoCT
Soulhan Gasant-Jackson	False Bay College
A. Isaacs	MPPF
L. Rami	KBF
Daniel Rass	MPPF
Theresa Bottoman	CCR
Thandi Ngesi Dani	Tamasa
Mavin Fimos	CCR
Jacob Modise	DOA
Hughen Lombard	Social Development
Epaph Mbesi	KBF
Simon Mudau	Safety and Security
Eric Nontshiza	Economic Development
Mpendulo Solizwe	Cllr
Brendon Johnson	CoCT
Grant Pascoe	CoCT
Susan Wishart	Learn and Earn

NAME AND SURNAME	DEPARTMENT / ORGANISATION
Andrew Lane	Learn and Earn
Clifford Sitonga	KCT
Phumlani Mbulawa	BCM-MURP
Tshiwo Yenana	National Treasury
N. Nicsson	SAPS
Abdul Reyazubdin	FNB
Nellie Agingu – Lester	dplg
Sharon Christiano	MPPF
Hanief Tiseker	EHD
Nkululeko Rorwana	DLG&H
Thabo Mzondi	DLG&H
Charles Meyer	STP Mitchell's Plain
Danny Christians	Ward 81 Councillor
Wolfgang Thomas	Stellenbosch University
Thembikhaya Marashule	Zenzele NGO
Esther Billie	Ward 89 Councillor
Lungiswa Sidinana	Councillor PR
Raymond Mrawu	Councillor PR
Mpumelelo Hendricks	False Bay FET College
D.P. Pedro	SAPS Mitchell's Plain
Louis Visagie	Denel
Nomathamsaqa Molisi	DEAT
Irene King	WCED
Roslyn Sparks	Red Door
Mzuvukile Figlan	CoCT
Mthwalo Mkutswana	CoCT
T.S. Kakaza	Ward 96
M. Mngasela	CoCT
S. Titus	KCT
B. Madikizela	CoCT
Michael Bell	DLG&H
Siyanda Makula	DLG&H
Damon Matyfield	DTI

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Thembinkosi Siganda	EHD
Dirk Vosloo	SAPS Harare
David Cedras	CoCT: Sub Council 12
Theresa Bottoman	Cllr
Thandi Ngesi	WINBUS
Razaq Laktar	DOCS
E. Johannes	ABSA
Sibongile Malobye	dplg
Pheroze Khan	Poor Mans Friend?
Jacob Modise	Dolf?
Happy Mbasa	Nedbank
Mteteleli Mbasa	Emzantsi Security
Cllr Benya	CoCT
C. Stuurman	DOTP
Aiden Baron	CoCT: URP
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Fundiwa Racaza	Ilitha Lethu Pro
Vanessa Aspeling	Mitchell's Plain
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Mbuyiseli Boqwana	SCO GCIS
B.N. Kungwayo	
Hantie Nelson	DEDT
L. Prinsloo	URP Mitchell's Plain
M. Makanda	URP Khayelitsha
G. Mabaso	CoCT: URP
P. Nqadini	CoCT: URP
George Penxa	CoCT: URP
Monwabisi Booie	CoCT: URP



Workshop delegates.



Delegates at the Nodal Economic-Development Workshop 08/09  
May 2008



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May 2008