



SHARED LEARNINGS FROM THE CITY OF CAPE TOWN'S URBAN RENEWAL PROGRAMME

August 2006

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ACKNOWLEDGEMENTS

The outcomes reflected by this shared learning report are largely as a result of interviews held with a range of people intimately involved in the programme. Their knowledge and insights were invaluable and their contribution to this report is acknowledged with gratitude:

- Mr Monwabisi Boo (City of Cape Town)
- Mr Ivan Anthony (City of Cape Town)
- Mr Patrick Mqadini (City of Cape Town)
- Mr Pieter Terblanche (City of Cape Town)
- Mr Alistair Graham (City of Cape Town)
- Ms Bernadette Leon (National Department of Provincial and Local Government)

Furthermore, this project was made possible through the contribution of the Information and Knowledge Management Department at the City of Cape Town. Mr. Keith Smith and Mr. Kevin Tabisher have played a crucial role in supporting the process of shared learning around the urban renewal programme.

ACRONYMS

ANC	African National Congress
CDW	Community Development Worker
CMIP	Consolidated Municipal Infrastructure Programme
CMTF	Cape Metropolitan Transport Fund
CoCT	City of Cape Town
DA	Democratic Alliance
DLG&H	Department of Local Government and Housing
dplg	Department of Provincial and Local Government
HSRP	Human Settlement Redevelopment Programme
IDP	Integrated Development Plan
IGR	Inter-governmental Relations
IGRFA	Inter-governmental Relations Framework Act
IGRF	Intergovernmental Relations Framework
KBD	Khayelitsha Business District
KCT	Khayelitsha Community Trust
KDF	Khayelitsha Development Forum
KMP	Khayelitsha and Mitchells Plain

MAYCO	Mayoral Committee
MIF	Municipal Intergovernmental Forum
MIG	Municipal Infrastructure Grant
MPDF	Mitchells Plain Development Forum
MPTC	Mitchells Plain Town Centre
MSF	Multi-stakeholder Forum
MTIEF	Medium Term Income and Expenditure Framework
NP	National Party
NSC	Nodal Steering Committee
PG: WC	Provincial Government Western Cape
PMU	Project Management Unit
RMB	Rand Merchant Bank
SDF	Spatial Development Framework
UR	Urban Renewal
URBP	Urban Renewal Business Plan
URF	Urban Renewal Forum
URN	Urban Renewal Node
URP	Urban Renewal Programme

1. INTRODUCTION TO SHARED LEARNING REPORT

1.1 Background

The City of Cape Town (CoCT), has initiated the Khayelitsha and Mitchell's Plain Urban Renewal Programme (URP) Knowledge Management Project. The shared learning study forms part of this broader initiative as one of four different projects intended to be building blocks for a Knowledge Management Strategy for the City of Cape Town as whole. The shared learning study is aimed at archiving and documenting intellectual knowledge arising from URP implementation in Khayelitsha and Mitchell's Plain (KMP).

1.2 Motivation for the Study

Despite shared learning having been a key aspect of the URP at its inception, there has not, particularly at the local level, been a unified strategy to document and capture intellectual and knowledge-based assets that flow from the activities/initiatives/projects within the URP. The result is that the city has been unable to derive significant learning value from the URP that could assist in improving service delivery on similar programmes/projects in the future. Since the URP is a ground breaking development initiative, it is important that learning and experiences (both positive and negative) are documented for future reference.

Furthermore, 2006 also happens to be a mid-point in the ten year urban renewal programme (2001-2011). A review, at this stage is regarded as a valuable exercise and it is hoped that the shared learning research will:

- Contribute to reflecting on urban renewal (UR) experience in Khayelitsha Mitchells Plain to date;
- Provide a resource that both identifies challenges facing the programme as well as highlights 'best practice'
- Become a tool that assists in informing the adaptation of strategy and intervention in the programme and potentially initiatives beyond it.

1.3 Scope

It needs to be emphasised that this report is not a comprehensive evaluation of the URP programme in KMP to date. It does not aim to evaluate the attainment of the outcomes

of urban renewal as identified in the Urban Renewal Business Plan (URBP)¹. Rather, it is a strategic effort to identify aspects of the programme and its implementation that can contribute to learning and that could benefit CoCT and inter-governmental co-ordination and relations. It could feed into a monitoring and evaluation system for the programme as a specific input, but in no way replaces other elements required of a comprehensive, ongoing M&E system.

1.4 The Report: A Guide for Users

The report is divided into a number of sections including the following section (Section 2), which reflects on the approach and methodology adopted by this study.

Section 3 contextualises the urban renewal programme in KMP by providing a brief summary of the national origins of the programme, policy context and funding mechanisms, the institutionalisation of the programme and the local developmental context.

Section 4 presents the themes for evaluation and knowledge sharing. In each case a reflection on related challenges faced and progress made is undertaken followed by an identification of underlying reasons for these outcomes and a synthesis of 'lessons'. This section dominantly reflects the experiences of CoCT officials with regard to the URP.

Section 5 was included as an attempt to provide some perspective on the lessons learned within the context of the URP at this point in time. It identifies certain areas which may require consideration when strategizing around the future of the URP in Khayelitsha Mitchells Plain. This has been developed with the caution that it is based only on a perspective on the inputs gained as part of this process and may not be views shared by those involved in the interview process.

¹ In terms of the URBP seven outcomes of urban renewal have been identified for KMP.

2. APPROACH

2.1 Evaluative Framework

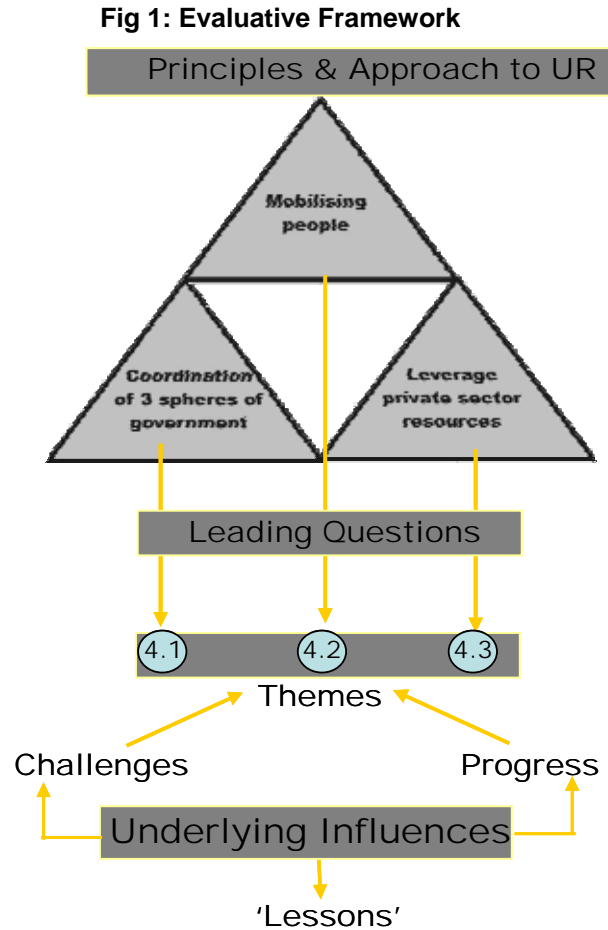
In developing the shared learning report, an evaluative framework based around a series of themes was identified to frame the research.

It was decided that the **principles and approach to UR** adopted by National Government and the Province/City would form a point of departure. The national principles of the URP include:

- The mobilization of people to become active participants in their own development
- Activities, initiatives and budget resources of the three spheres of government should be coordinated and focused; and
- Public sector investment needs to leverage private sector resources

The approach and objectives of the current URBP for KMP include:

- To mobilize people so that they can become active participants in the processes targeted at the upliftment of their own communities.
- To coordinate and focus the activities of the three spheres of government.
- To secure private sector co-operation and participation in the programme.
- To reprioritize and re-align the budgets and expenditure of the three spheres of government, in particular their expenditure on poverty relief, infrastructure development, maintenance and rehabilitation in MTEF cycles, to be consistent with the identified nodal points
- To pilot approaches to ensure cluster and inter-cluster as well as cross-sphere approaches to planning, budgeting and implementation.



A number of **leading questions** were developed in the light of these principles and objectives:

- To what extent alignment and coordination of effort and resources has occurred, as a result of the programme, across and between the spheres of government, specifically around:
 - The prioritization of the spatial area of KMP in terms of resource allocation;
 - Planning and strategy;
 - Budgets and implementation.
- To what extent the community has been mobilized to become active in processes of their own development?
- To what extent the process of UR has been characterized by partnerships between government and the private sector?
- To what extent the idea of innovation (doing things differently) in terms of institutional arrangements, budgets and implementation has been achieved?

To unpack experience in relation to these leading questions, a number of interlinked **themes** are identified. These themes are used as the basis for the discussion of lessons that are emerging from the URP in KMP in section 4 of the report. With regard to each theme, during the process of interviews, a number of areas were probed including:

- **Challenges** experienced;
- **Progress** that has been made;
- **Underlying influences** impacting on the challenges or successes.

Building on this input, an effort has been made to reflect on experience and tease out certain '**lessons**' that have value for shared learning. These 'lessons' raise certain 'broader questions' and issues which have been identified by the drafters of the report and reflected in section 5 of the report.

2.2 Methodology

The shared learning exercise focuses on a qualitative approach, whilst incorporating certain quantitative indicators where useful. Insights and information have been gathered primarily during a series of interviews that have been conducted with key role-players within the URP. These include representatives from the City of Cape Town Urban

Renewal Unit and where possible line function representatives. Furthermore, contact was also made with the national department of provincial and local government.

These interviews were focussed on the themes identified and comprised a set of questions, with a bias toward an open ended format that allowed the richness of the experience of the role players to be probed. The outputs of these engagements are reflected in Section 4. The drafters of the report have attempted to reflect as accurately as possible what has been verbalised by participants during the interviews, whilst maintaining anonymity and paraphrasing inputs to ensure that the section reads coherently. The draft was circulated to interviewees to ensure accuracy.

These inputs were supplemented by documentary information which was analysed to provide greater depth to the research including:

- Various strategy documents relating to the URP in KMP (including inter alia, the UR business plan, spatial development framework or SDF;
- Socio-economic data including that reflected in the draft profiling of the nodes document;
- Other urban renewal related documentation and presentations specifically related to case experience.

It should be noted that the methodology does reflect certain limitations. Firstly, the interviews documented inputs from a number of role-players very directly involved in the programme, however this has excluded stakeholders outside of government including community organizations such as the Khayelitsha Development Forum (KDF) and Mitchells Plain Development Forum (MPDF) as well as private sector role-players such as Future growth who have been directly involved in the Khayelitsha Business District (KBD) development. Secondly, there has been relatively limited engagement with individual City line departments to gain insights on their experience of the URP as well as with the Provincial Government.

3. BACKGROUND TO URBAN RENEWAL PROGRAMME

3.1 Origins of the Programme

President Thabo Mbeki announced the Urban Renewal Programme (URP) and the Integrated Sustainable Rural Development Programme (ISRDP) in February 2001, during the State of the Nation Address. The aim of these nodal programmes was articulated as being:

“To conduct a sustained campaign against rural and urban poverty and underdevelopment, bringing in the resources of all three spheres of government in a coordinated manner”.

Cabinet mandated the Department of Provincial and Local Government (dplg) as the national coordinating institution for the URP, but the successful implementation of the programme relies on the involvement of all the stakeholders. Eight urban nodes were pronounced, representing the largest concentrations of poverty in South Africa. It is estimated that these nodes (urban and rural) are home to more than 10 million people. The common features of these nodes are that they are areas of severe neglect, where poverty is at it most endemic. The programme has a ten-year life span and has the following objectives:

- To address poverty alleviation and underdevelopment;
- To achieve increased equity;
- To attain social cohesion;
- To enhance local government capacity to deliver; and
- To promote innovation in approaches to planning, design, implementation and financing

The achievement of these outcomes is underpinned by the following principles:

- Addressing micro and local economic development imperatives that seek to complement and sustain the macro-economic stability.
- Improved coordination and integration of service delivery across government.
- Decentralization of decision making and the setting of priorities at the local level are regarded as fundamental. This is directly aimed at building robust and sustainable municipalities and a strong local government.

- Support demand-driven approaches to development by using the integrated development planning processes at local level to identify priorities and needs.
- Fostering partnerships to mobilize resources for the local level.
- Participatory approaches to development.

The focus since inception in 2001 has been on matters of institutional capacity and intergovernmental alignment in support of implementation. Significant strides have been made in establishing and strengthening the institutional platform on which the programme rests. (www.dplg.gov.za).

3.2 Urban Renewal: Policy context and Funding Mechanisms

There is no specific urban renewal policy or legislation emanating from the national sphere. Documented communication around the programme and thrusts has generally been in the form of speeches and statements. Furthermore, there has not been a specific budgetary allocation for urban renewal from the national sphere. Existing funding streams and sources available to the spheres of government were to be tapped into to realize the goals of the URP.

At the nodal level, policy and strategy has been fairly slow to be developed. The most comprehensive strategy level initiative for the node occurred through the process of developing the Business Plan in late 2003. The business plan identified seven outcomes of urban renewal including:

- Physical (infrastructural) development
- Social development: capacitated communities
- Safety and security: safe communities
- Economic Development: a developing and sustainable community
- Effective governance
- Environmental development
- Effective service delivery

3.3 Institutionalisation of the Programme within Government

The URP was always intended as a joint programme involving all spheres of government. As such it has become institutionalized in a number of manners within national government, the Provincial Government: Western Cape (PG:WC) and the CoCT.

a) National Government

Within national government, the institutional home of the initiative is within the Department of Provincial and Local Government (dplg) within the urban and rural development branch which inherited the project after its proclamation in 2001. Dplg are responsible firstly for co-coordinating and managing the development and implementation of the URP including:

- Managing and developing the national policy and strategy framework around urban renewal, Manage and co-ordinate the implementation of the URP across government and develop an implementation strategy for urban renewal policy
- Provide support to other government departments and promote the policy objectives of the URP
- Support an effective communication and marketing strategy for the URP

Dplg is also responsible for developing and managing an effective Monitoring and Evaluation System for the URP which includes:

- Developing a national monitoring and evaluation system for the URP;
- Monitoring and evaluating the work of government departments and monitor impact on development;
- Establishing mechanisms to ensure closer reporting lines within provinces and nodal municipalities. (www.dplg.gov.za)

Furthermore, a number of political champions have been appointed at the national level whose mandate is:

- To promote the principles of the URP, as well as to remove blockages or impediments to the successful implementation of this programme.
- To remove any high-level strategic challenges at a political level, which could prevent nodal development priorities from being achieved.
- To mobilise critical national level stakeholders, such as the private sector, parastatals, donors, and NGOs, in order to harness additional resources which could add value to Government's efforts in the nodes.
- To ensure that the Presidency is kept updated on the progress made in the implementation of the URP.

The national political champions for KMP are:

- Minister Charles Nqakula
- Minister Trevor Manuel

- Deputy Minister Cheryl Gillwald

b) Provincial Government

The Provincial Cabinet mandated the Department of Local Government in May 2002 to act as technical champion of the URP. Currently the programme remains within the Department of Local Government and Housing. The Provincial Government has a number of roles with regard to the programme including:

- A resource unlocking role at provincial level (various departments);
- Lobbying for resources from various provincial departments (redirect existing funds);
- Creating awareness at a provincial level for all departments;
- Political intervention through the political cluster;
- Drive service delivery, especially health and education;
- Monitoring and evaluation, being a key link to DPLG with regards to upward reporting;
- Making and influencing decisions on provincial resource allocation.

(PG:WC, 2003)

c) Local Government: City of Cape Town

Until recently, there has been no specific institutional home for urban renewal within the City of Cape Town. Urban renewal was relatively slow to take hold within the City. From 2001, for approximately three years, the activities of the URP within the city were 'ad hoc' and were undertaken by officials from different departments who set some of their time aside for urban renewal. The slow take-off of urban renewal can, in some respects, be ascribed to the political leadership, which at that point did not prioritise urban renewal. When the ANC won the local government elections, URP received increased priority and there was a serious drive, at a political level, to foster alignment between spheres of government.

In 2004, the URP unit was formed as a department within the city. The unit was met with significant expectation, however it did not carry significant weight within the city. A clear development programme was not set and the URP was not 'mainstreamed' within the city. During 2005 the Violence Prevention through Urban Upgrading (VPUU) was initiated and institutionalized through the creation of a project management unit (PMU)

within the City. The VPUU is the result of a partnership between the South African and German governments. The aim is to build on specific URP structures with a specific focus on crime prevention.

d) Intergovernmental Structures

A number of intergovernmental structures exist with their focus on facilitating the URP. They include:

- The **Urban Renewal Forum** (URF) which was established, to bring together local, provincial and national role players responsible for the nodal programmes. It meets bi-monthly and has representation from the City in the form of the Director of URP and the EPWP.
- The **Multi-stakeholder Forum** (MSF), which is a representative body including role players from the City, Province, National, Private Sector, KDF, MPDF, Parastatals, and NGOs. At times political role players are drawn in. Its role is inter alia to ensure inter-sectoral and inter-sphere project planning, budgeting and implementation and to facilitate mobilisation of resources for project and programme implementation.
- The **Nodal Steering Committee** (NSC), which is a body drawing involvement from the officials from spheres of government, ward committees and sub council councillors and the private sector if involved in a specific project. Whilst the MSF has a higher level strategic focus, the NSC provides a forum to focus progress, challenges and new initiatives with regard to specific programmes and projects.
- The **Municipal Intergovernmental Forum** (MIF) which is a high level forum for improving levels of alignment between the City and other spheres of government. One of the issues dealt with is urban renewal, although the focus is broader.

Box 1: The Developmental Context: Khayelitsha and Mitchells Plan

The population of the area is approximately 612 000 (329 000 Khayelitsha residents and 283 000 Mitchells Plain residents). This is approximately 21% of the population of the City of Cape Town. The areas vary both between each other and within themselves in terms of levels of social and economic development.

Mitchells Plain – Strandfontein is an area largely conceived of in the 1970s with its planning influenced strongly by the political ideologies of the time as well as standards based planning and engineering practices reflected by its wide roads and surfeit of open space. It was developed largely as a response to the housing issues of the time and

planned as a dormitory township, some 20 km from the central City as a coloured group area. (City of Cape Town, 2006)

Khayelitsha, meaning new home, is a more recent development established in 1983 by the apartheid government as an area where black people would be housed in Cape Town. The township was planned in an inward oriented manner that maximised isolation with four major entrance and exit points. The area has grown at a rapid rate since the 1980s and the area originally planned for 250 000 is now home to well over 320 000 people most of whom are housed in inadequate accommodation. (City of Cape Town, 2006).

4. THEMES FOR EVALUATION AND KNOWLEDGE SHARING

4.1. Urban Renewal in KMP: Government Coordination and Alignment

The principles and objectives of urban renewal make it clear that the programme involves and requires action by all spheres of government. Importantly, action and strategy should be aligned to ensure coordinated and ultimately successful implementation and service delivery.

4.1.1 Challenges and Progress

(a) Challenges

Challenges with regard to **alignment and coordination between spheres**, at a variety of levels, have been a common issue that has been consistently identified in relation to the URP in KMP. In particular, the following points are noted:

- Actions and prioritization of initiatives (projects and programmes) has not occurred from a common strategic base or understanding of urban renewal.
- Linked to the above, budgeting has reflected a lack of alignment (particularly between provincial and local government) in terms of spatial focus as well as optimising functional synergies.
- The approach to implementation of URP projects, at times, has been characterised by ad-hoc project identification. In this regard, City (and Provincial) line departments spend significant amounts of money within the geographical boundaries of the nodes, but often these investments are not aligned with the Business Plan or the URSDF and consequently do not constitute strategic investment.
- A limited response to urban renewal within certain line functions in terms of resource allocation and prioritisation of the node within their sector specific programmes and initiatives (line departments have been slow to internalise urban renewal).
- Issues in terms of coordination between project planning/implementation and post implementation impacts for servicing departments.

(b) Progress

Despite these challenges, coordination and alignment, both between and within spheres has reflected certain positive elements:

- The formation of intergovernmental structures (initiated well before the promulgation of the Intergovernmental Relations Framework Act (IGRFA)). This includes the Multi-stakeholder Forum (MSF) and Nodal Steering Committee, which theoretically would drive the URP.
- Coordination around planning and strategy development – Provincial and Local Government have been involved in joint strategy development, including the development of the urban renewal business plan.
- Common platforms for prioritisation of projects and initiatives have been developed including the seven outcomes of urban renewal, which has been linked to budgeting by the province and to some extent the city.
- Improving alignment and coordination, particularly at a project and programme level².
- Establishment of an URP unit within the CoCT, which holds the promise of providing a mechanism which will foster greater harmonisation and coordination around the URP.

4.1.2 Challenges and Progress: Influencing Factors

Achieving alignment and coordination in planning, prioritisation and implementation of initiatives in the Urban Renewal Node (URN) has been a huge challenge. A number of factors can be identified which assist in understanding many of the issues experienced as well as progress made.

(a) *Strategy Development: Divergences and Weaknesses*

Strategy can provide a powerful tool in focussing resources. A number of experiences within the URN have reflected certain issues around the effectiveness of strategy in harmonising and aligning effort and resource allocation within the URN.

² This is dealt with in more detail as part of a discussion around a number of case studies – see section 4.3.

(i) A Basis for 'Misalignment' at the Outset?

Urban renewal has (perhaps intentionally) not been articulated as a coherent strategy associated with a clear policy context at national level. Speeches and statements have been the primary means used to communicate the focus of the programme. Owing to this vague or perhaps hands-off approach, there has been scope for varying interpretations of what urban renewal is. This is highlighted in the following sub-section as one of the factors that has hampered the achievement of common direction.

On the other hand, urban renewal and the declaration of specific nodes within municipalities, has been a very direct and clear action on the part of national government in prioritising the developmental agenda of certain areas (in this case KMP). This identification occurred without consultation with other spheres of government.

Ironically, to some extent, a lack of communication and alignment has had its roots in the initiation of the programme that was expected to promote intergovernmental coordination. Thus, whilst not the intention, the URP has, in some quarters, been interpreted as national government imposing development agendas on local government with limited consultation.

(ii) Grappling with the Nature of 'Urban Renewal' - Varying Directions and Strategy Influences

The period after the initiation of the programme required the City (and Provincial Government) to grapple with the nature of urban renewal. At the time, the urban renewal process, at least up to late 2003, was characterised by differing approaches to urban renewal:

- The City's urban renewal programme, which did have an infrastructural slant;
- The Cape Renewal Strategy which was focussed on the soft end of infrastructural projects;
- The 'German Programme' (German Development Bank – Kreditanstalt für Wiederaufbau) which was focussed on the heavy end of renewal infrastructure projects. (PG:WC, 2003)

The somewhat divergent nature of these approaches, whilst potentially complementary, did not provide a basis for alignment. To a certain extent differing approaches to urban renewal remains an issue.

(iii) Responses: URP Business Plan: Strategy Weaknesses?

The current URP Business Plan (2003) represented an important effort to provide a joint strategy base for achieving greater alignment. Despite this effort (and the involvement of the spheres of government during its formulation) it has to a large degree not achieved the level of coordinated and targeted budgeting hoped for. Whilst it is not purely down to the business plan, a number of components of this initiative have been noted as reflecting a challenge to achieving alignment:

- The seven identified outcomes do not provide clear or adequate direction for coordinated resource allocation. Experience has reflected that although referred to when projects are identified it does appear that they are used as an afterthought.
- There is a lack of spatial direction in the Business Plan. Whilst both Khayelitsha (1999) and Mitchells Plain (2000) had Spatial Development Frameworks (SDFs) prior to the initiation of urban renewal programme, it is clear the business plan emerging in 2003 has limited linkages to these frameworks and itself is not informed by a clear spatial vision and analysis of potentials for the local areas. The strategies identified have thus run the risk of remaining suspended in mid-air rather than finding expression through initiatives in fixed locations in the urban renewal node. Of course, projects have been implemented in space, however the lack of a spatial component to the URBP has meant that opportunities for synergies in terms of coordinating national, provincial and local government investment in identified areas of priority has been diluted.

(b) *Effective Coordinating Structures?*

There is no doubt that the need for partnership between the spheres of government (and beyond) has been recognised as critical if UR is to be a success. This recognition, particularly on the part of the City, has led to the creation of institutional structures to facilitate the alignment process (including the MSF, NSC and MIF), as mentioned, well before IGR structures were legislated.

Despite their existence, intergovernmental structures have been limited in the extent to which they have enabled greater alignment in resource allocation. This can be ascribed to a number of factors including that:

- there is no firm strategy base from which to align initiatives;
- the level and depth of engagement necessary to achieve coordination is not happening;
- 'senior' management from both National and Provincial government are absent from MIF meetings, consequently, decision-making at these levels of government does not result from discussions and resolutions at the MIF.

The formation of the URP unit in the CoCT in 2004 holds significant promise for improving levels of coordination as part of the URP. However, relationships between line functions and the URP unit have reflected certain issues:

- Line departments are not viewing urban renewal as their task, but rather that of the URP unit.
- There seems to be a misinterpretation of the role of the URP unit. Whilst it focuses on a coordinating role, it is viewed in some quarters as playing an implementing role (which may go some way to explaining why line departments are avoiding some responsibility for UR as mentioned above).
- Line departments are reluctant to engage with the URP unit regarding specific projects within the nodes

Furthermore, a lack of capacity within the URP unit may also go some way to explaining the slow progress in achieving coordination amongst line functions. Only 20% of the approved organisational structure posts are filled within the unit.

(c) Government Communication around the URP

The possibilities for aligning initiatives often rest on clear communication. A number of points are noted in this regard:

- Communication and thinking at the national level does not always reach the appropriate individuals responsible for the URP within other spheres of government.
- Communication of the URP within the City of Cape Town is a challenge, which may in part explain why line departments, in some instances have been slow to internalise the URP.

- Whilst a number of line functions have been involved in coordinating structures (such as the MSF), it does not seem that relevant information always reaches the necessary individuals within line departments.
- On the other hand, it appears that, in some cases, individuals have not engaged to a significant extent with the programme and considered how synergies between URP and departmental programmes may be achieved. In other words no concerted effort has been made to find out about the programme.
- At the same time, there has perhaps been too little effort on the part of the developers of urban renewal strategic planning to engage with the realities of the demands within line functions, as well as existing processes that may be tapped into to the benefit of the URNs. This includes communication and engagement with entities or departments beyond those responsible for physical infrastructure (such as Transport), but also departments responsible for 'community services' and including safety, cleansing etc.

(d) *Funding Arrangements and Timing*

Funding arrangements have influenced levels of alignment both at the broader programme level, as well as contributing to determining the success of individual projects. A number of points are noted around factors influencing the misalignment in budgeting as well as where alignment has occurred.

(i) National Funding for Urban Renewal

As has been alluded to, no dedicated funding from the national level has been allocated to the URP. Funding for urban renewal initiatives was meant to be made available from existing sources including, equitable share allocations, departmental funding and the Municipal Infrastructure Grant (MIG). To some degree, the allocation of funding for UR initiatives has relied on the 'goodwill of departments' to align themselves with planning for the node or to identify initiatives that may contribute to the strategy within this geographically defined area. To some extent, this may be a factor contributing to the time taken for the programme to gain momentum in KMP, as well as the degree to which line functions have prioritized involvement and resources for the area. A planned new financing protocol for urban renewal, whereby a certain proportion of funding is to be dedicated to the URN, may alter this situation to some degree.

(ii) Lack of Collective Budgeting and Linked Budgeting Cycles

The lack of collective budgeting within and between spheres has been identified as a factor which has contributed to the apparent 'ad hoc' nature of investment in the nodes.

Within the City, line budgeting, for instance, is linked to three processes (administered by separate departments): the IDP cycle, the broad City budgeting process and the performance review process, associated with aligning spending to the scorecards of departments and individuals. In this regard, there is currently limited scope for budgets to be influenced by strategy at the URN level, let alone foster alignment with provincial processes.

Added to this, the lack of alignment of budgets is associated with factors that have been noted previously including strategy divergence, challenges around the role of the coordinating institutional structures and communication challenges which have affected alignment both within and between spheres. In some cases examples have been noted where line functions operating within similar arenas have intervened within the nodes in different areas without knowing what each other are doing. Duplication of effort has occurred at the level of planning, as well as with regard to resource allocation and spending in the nodes.

(iii) Apparent Time Lags - Project Lead in Times

An aspect of perceived misalignment has been the slower take up of urban renewal at the nodal project level, and the achievement of visible outcomes, than was expected. The point has been made that visible, innovative initiatives resulting from successful partnerships do not appear 'magically' overnight. Lead in times to major visible 'partnership' projects are significant. Most urban renewal anchor projects have their roots in the late 1990s and are thus not a product of urban renewal. The expectations of instantaneous results, within a few years of urban renewal hitting the ground, are thus unrealistic.

(iv) Innovative Funding Arrangements

Securing dedicated funding around an initiative (such as the URP) as well as securing or leveraging additional funding through partnership arrangements are two ways of

improving levels of alignment as they are able to focus or escalate resources on the initiative within Khayelitsha Mitchells Plain. Two points are noted in this regard:

- Ring-fencing funding for urban renewal initiatives has been tried in order to promote alignment of resources in the node. The capacity to spend the funding has however proved to be an issue.
- Efforts aimed at leveraging additional funding for projects have been made, in certain instances, with some success especially around the KBD and Mitchells Plan Town Centre (discussed in section 4.3). However, the point has been made that there has been limited ability and commitment on the part of the City to effectively leverage additional finance outside of the 'normal' streams. The City has 'thrown' money, to the tune of R200m at the nodes, without trying hard to use this as a means to leverage serious funding from other sources.

(e) *Tensions: Political Influence and Strategic Focus*

URP is a highly politicized. Whilst political influence and championing is essential in building the programme, in some instances, it has diluted the strategic focus of urban renewal and the possibilities for coherent and aligned action. In this light a number of experiences are noted:

- Political pressure to 'rush' the development of the URBP, developed in 2003, has been identified as a factor resulting in the fact that it did not achieve its full potential as a strategic tool which linked its goals to implementation and budgets.
- The so called 'quick wins' projects³, whilst having a level of merit, have been conceived of largely as a reaction to the Mayor's Listening campaign. It has been argued that these projects have diverted the focus away from building solid foundations for the programme and pursuing longer term strategic initiatives.
- Political directives falling outside strategic focus areas have been identified as an issue as it interrupts the rhythm of these initiatives.
- Ward allocations (whereby funding is allocated to specific ward committees) have been identified as problematic as the spending is generally not strategic in nature

³ Identified in April 2002/2003 during the political champion meeting

(f) *The Macro-City Institutional Context: Instability an Impeding Factor*

There can be no doubt that institutional instability within the City (see Box 2) during the course of the URP has impeded the possibilities for the level of stability required to achieve both greater strategy coherence and project based alignment internally and between spheres of government. A number of problematic conditions are noted in this regard.

Associated with the instability, there has been a flux around the prioritization of the URP. The profile of the Programme has, at times, been very strong, however this has not been consistent, which has impacted on the way in which the URP is prioritised (or not prioritised) within the City, as well as the way in which funding is allocated.

Furthermore, the opinion has been raised, that this period of instability has resulted in a lack of focus on innovation and being proactive. Generally there has been a shift to 'conservatism' including the consolidation of staff and resources around reactive approaches and efforts (particularly those functions and service levels mandated by legislation).

The loss in skilled staff and the altering structure of departments and associated officials within line departments is also likely to have impacted on achieving continuities in approach to urban renewal.

Box 2: Context - Political and Organisation Flux: The One Constant during URP

The period from 2001 to the present has been characterised by political uncertainty and changing City priorities. At the inception of the URP in 2001, the Democratic Alliance (DA) was in power within the City. During this period, intergovernmental relations were not characterised by a spirit of cooperation and there was limited buy in to urban renewal (dplg, 2006). The NP/ANC coalition gained power in late 2002 during which the focus on urban renewal was heightened, although the focus of resources were to some extent concentrated on major projects such as the N2 Gateway during the latter part of their term.

On the other hand, during the period 2001-2005, the organisation has reflected a prolonged period of restructuring or what has been termed 'arrested transition', characterized by a number of failed efforts to implement a new organogram. This

prolonged period of uncertainty, during which a moratorium of employment of new permanent staff occurred and senior staff positions were uncertain, no doubt had an impact on staff morale and, more than likely, on levels of service delivery. In this regard, necessary restructuring of line departments could not occur, leading, in some cases, to resource allocation issues that could not be effectively remedied. Further to this, during 2005, a far reaching restructuring of senior levels within the administration occurred. A significant number of senior staff voluntarily accepted packages and retrenchment. (MCA, 2006).

4.1.3 Synthesis: 'Lessons'

Whilst the previous section reflects the fact that there have been significant challenges with regard to government coordination and alignment, it is informative in terms of shared learning value of experiences in a number of respects:

- Strategy development as a means of promoting budgetary alignment
 - Strategy development at the broader nodal level can be powerful in creating a shared perspective on UR but in the case of KMP, challenges around strategy development have not created a clear common base for all role players.
 - Strategies developed for the URN, for a number of reasons, have proved ineffective in playing a significant role in influencing budgeting of line departments. In short, budgeting processes and planning process (within and between spheres) are poorly aligned.
 - Alignment (through securing interdepartmental funding and resources in one space and time period) has generally only been achieved through concerted effort at the level of individual projects (see also section 4.3).

- Coordinating structures as a means to promote alignment
 - The creation of intergovernmental structures, while being a necessary precondition to enabling alignment, has not been a sufficient precondition in the case of the URN.
 - These structures have provided a useful platform to share information regarding initiatives in the URN, but the audience has not always been wide or appropriate enough.

- (Lack of) Communication has hampered alignment processes
 - A lack of communication within and between spheres and departments around urban renewal and initiatives has created the preconditions for duplication of resources and effort. Although structures are in place to coordinate effort, this has occurred despite their presence.
 - A lack of communication around the role of the UR unit and how it relates to other City functions seems to be leading to misunderstanding.

- Long term imperatives and short term pressures are often in competition and may hamper alignment
 - There is an inherent tension between long term strategic goals and short term (often politically motivated) visible delivery.
 - Where this has not been managed carefully, spending has run the risk of being 'ad hoc.'

- Processes of achieving greater alignment between and within spheres around the URP cannot be divorced from macro institutional processes such as City restructuring.

4.2 Urban Renewal in KMP: Community Engagement and Participation

The principles and objectives of urban renewal indicate a strong role for communities in processes targeted at their upliftment. This section focuses specifically on the role and relationship between the two main community organisations (the KDF and MPDF), targeted in terms of the URP engagement process, and other agencies within the context of the URP. Essentially, the KDF and MPDF have been the primary mechanisms through which the community has been involved in the URP. These two forums' roles in terms of the URP are, inter alia, to identify and articulate community needs; popularise the programme; ensure community ownership and participation in the programme; mobilise resources and assist in training of members of the community (PG:WC, 2003). Experiences reflect that these forums have played a significant role in the URP, however, particularly in the case of the MPDF, a number of challenges have been experienced.

4.2.1 Challenges and Progress

A number of challenges exist in relation to the community structures and the degree to which they have succeeded in their role within the URP. These are reflected by:

- The defunct nature of the MPDF (described by some as unavoidable), which was to be a community champion of the URP;
- Problematic relations between the forums and existing political structures (such as ward committees and sub councils);
- A lack of shared direction and mutual engagement between community structures, including the forums themselves, and other civil society organisations.

Whilst challenges have been experienced, there is no doubt that community structures, have been critical role players in the urban renewal process. The KDF in particular has responded quickly to the call of the president around UR, perhaps more quickly than the city. In particular, it has:

- Deepened the level of community participation around urban renewal
- Managed to assist in mobilising funding for urban renewal initiatives

Furthermore, although the MPDF is now defunct, the capacity built during its existence and the period of the URP programme has not been lost. A number of former delegates have become active in ward committees or as ward councillors.

4.2.2 Challenges and Progress: Influencing Factors

(a) (In) Stability and Establishment Processes

One of the key reasons for the downfall of the MPDF has been linked to its process of establishment. The MPDF was instituted as part of a rapid three month process, with the aim of forming a broad community structure to represent the people of Mitchells Plain. There are conflicting views in this regard, as another perspective on the process reflects on the fact that it was less the process of formation of the MPDF than the influence of certain individuals within the forum that contributed to its downfall. It was noted that the MPDF did have a clear understanding of its role at the outset, but that as time went on, certain members sought to use the forum as a mechanism for furthering their own agendas and for personal gain. This situation resulted in the MPDF going ‘off the tracks’ in terms of its role. The impression that certain members of the structure had was that the community would run urban renewal. Within the structure, certain members were of the view that they could replace the municipality and that it would be possible to make

money from the initiative. They were of the opinion that they should prioritise, implement and project manage projects as well as play a role in influencing the appointment of contractors. The MPDF role that was to provide input around the programme and as a means to monitor the implementation process was thus never really fulfilled.

Whilst the formation of the MPDF was constituted in a 'process defined' manner, the KDF was formed in a more 'organic' manner, emerging from the community in 1994 and drawing membership from political, labour, civic, youth, women, sports, religious, health and education organizations and institutions. It had a strong developmental agenda and has had support from the Foundation for Contemporary Research (FCR), which has provided support and training to the KDF. (Dyantyi, R and Frater, W). Whilst it was initially involved in certain challenges around its legitimacy as an umbrella body for civil society in Khayelitsha in the mid-1990s, it has since become firmly established as the representative body in the area. It has a specific URP Portfolio and development forums in each ward.

A major contributing factor to the success of civil society structures in Khayelitsha including the KDF, has been the fact that the energy that existed prior to 1994 has been retained, as many of the leaders have remained in Khayelitsha. A number of these leaders now occupy high level positions in their working life, however are still active in community structures such as the KDF after hours.

(b) Tensions: Political Agendas, Rivalries and inter-organisational friction

A number of tensions have led to the challenges around the role of community structures in the URP.

Particularly after the ousting of the first group of members which formed the MPDF, experience has reflected issues with regard to:

- Infighting and self-serving agendas on the part of a number of members. It had no shared objective or common vision, but was characterized by self serving agendas. In this regard, the structure was viewed as an opportunity for individuals to position themselves to become councillors.
- Tensions between and within political parties – issues and conflicts arising from political caucuses were extended to impact on MPDF meetings.

- Tension between the MPDF and ward councils/sub-council. The situation was characterised by significant power struggles and jostling for positions between representatives of different political affiliations.
- Leadership, as it became unclear at certain times who was leading the structure.

The KDF has on the other hand experienced less of the internal and external strife of the MPDF. A number of factors have been noted as contributing to this outcome including that:

- The KDF understands its role and does not see itself as an alternative to ward committees.
- Councilors support the KDF and it is not seen as competition.
- Clear procedures are in place and if matters of major significance are to be discussed or presented, councilors are invited.

There have however been issues around the dilution of the role of the KDF, particularly in its relation to ward committees and the fact that wards are 'legislated' while the KDF was not, and thus does not necessarily hold the same political sway. In addition, there are some organisations that have expressed dissatisfaction at not being well represented within the KDF (including SANCO, Khayelitsha Business Forum, and NAFCOG).

4.2.3 Synthesis: 'Lessons'

Community involvement in initiatives is critical to the success of UR. The experience related to the involvement of the two main community structures in Khayelitsha and Mitchells Plain reflects a number of lessons:

- The formation of a community structure (MPDF) as part of the UR process has achieved some success in empowering individuals, but has perhaps created increased tension and been inhibiting to UR and what community engagement was meant to achieve.
- The experience in Mitchells Plain suggests that the process of forming a new community organisation can be a minefield and cause unintended consequences. It may be that working with existing well established structures (if present) would present less scope for conflict through not upsetting existing power relations networks.

- Where non-existent, it may be preferable for government to adopt a cautious approach to forming new structures. NGOs may have a role to play in this regard. Decisions also need to be considered around the politicisation of these forums and efforts potentially made or mechanisms found to reduce the scope for ‘politicking.’
- It may be preferable to work with communities and existing structures on an area and project basis than attempt to create new ‘mega-structures’ to engage around broader processes.
- Community structures can, particularly if well organised, play a positive role in supporting UR through, for instance, assisting in lobbying for funding.

4.3 Urban Renewal in KMP: Piloting Innovative Initiatives and Partnerships

4.3.1 Challenges and Progress

During the course of the URP in KMP, a number of innovative initiatives and partnerships have occurred. A number of successes are identified and range from securing private sector investment in the heart of Khayelitsha, a demonstration of strong and innovative governmental partnership to facilitate the development of infrastructure in the Mitchells Plain Town Centre and community involvement in the planning process to result in a safer community. The case studies presented in the following section do not attempt to be entirely comprehensive, but focus on highlighting areas which are useful to facilitate shared learning.

4.3.2 Case Studies and Lessons

Rather than directly outline a set of factors that have contributed to the challenges and progress made regarding innovation, this section uses a set of case studies to illustrate areas where successes have been achieved as well as issues encountered. They also reflect a number of experiences that are relevant to the previous two themes. Drawing on each of the cases, and related experience, a number of lessons are noted after the outline of the initiative.

(a) *Case 1: Khayelitsha Business District - Innovative Partnerships to Leverage Private Sector Investment in the Node*

(i) Description

The KBD development has involved a range of projects. One of the key aspects of the development has been the institutional arrangements and agreements put in place to secure private sector partnership and investment in the area. Box 3 provides a description of this process and the roles of different stakeholders from 1999.

Box 3: Process of the Development of the KBD

In the late 1990s, the KBD was to all intents and purposes a 73ha vacant expanse of land on the western side of Khayelitsha Station, which is located centrally within the area. To date, a range of development has occurred on the site. Public development has included a swimming pool and cricket oval, magistrate offices, social welfare and home affairs offices. Imminent development includes a new district hospital, multi-purpose centres and SAPS (detectives' branch). The private sector has also invested in the area in the form of a 17 500m² retail centre. Planned development occurring through private funding includes new residential development of between 1200 and 2500 units aimed at the 'gap' housing market (R180 000 – R250 000), a service station and municipal offices which is likely to receive R25m in funding from Rand Merchant Bank (RMB). (Human, 2006). The project, although initiated before 2001, became one of the 10 anchor projects of the URP.

1999-2001: Foundations for Development

The process was initiated in 1999 when a development plan, undertaken by council, was compiled for the CBD. It included a land use plan and EIA scoping report.

Further to this a process of engagement between the community and council was initiated which resulted in a stakeholders framework agreement which made provision for an enabling entity representing the community. A number of development principles were also identified as forming the basis for the KBD development including partnership and risk sharing (private and public sector and the community), local buy in, equity and empowerment and that it should be market driven and sustainable.

A process of marketing was also undertaken during which the KBD was launched, a call for interest was made and meetings with financial institutions were undertaken. This process continued into 2001.

In 2001, a collaboration and cooperation agreement was signed between the City and RMB. The City and RMB established an operational team.

2002-2003: Toward Partnership Agreements

With the KBD becoming an anchor project of the URP, a new round of planning was undertaken during this period including:

- an urban development framework, which made provision for:
 - The disposal of retail, service station and residential land, subject to a land availability agreement
 - Development of a cricket and hockey oval
 - In principle approval for municipal offices
 - Approval for the transport interchange, informal trading and a number of other elements.
- an endorsed (first phase) financial plan, which identified funding arrangements including private sector debt funding to the tune of R250m for various components including the retail centre, community equity off R55.4m and public sector funding of R53.2m.
- an approved institutional framework which made provision for the Khayelitsha Community Trust (KCT) to exercise control over the process, implement an empowerment strategy, establish a management entity, allocate surplus funds and enter into a land availability agreement as well as a development company to address project management and become the legal entity for contracts around finance and implementation of initiatives.

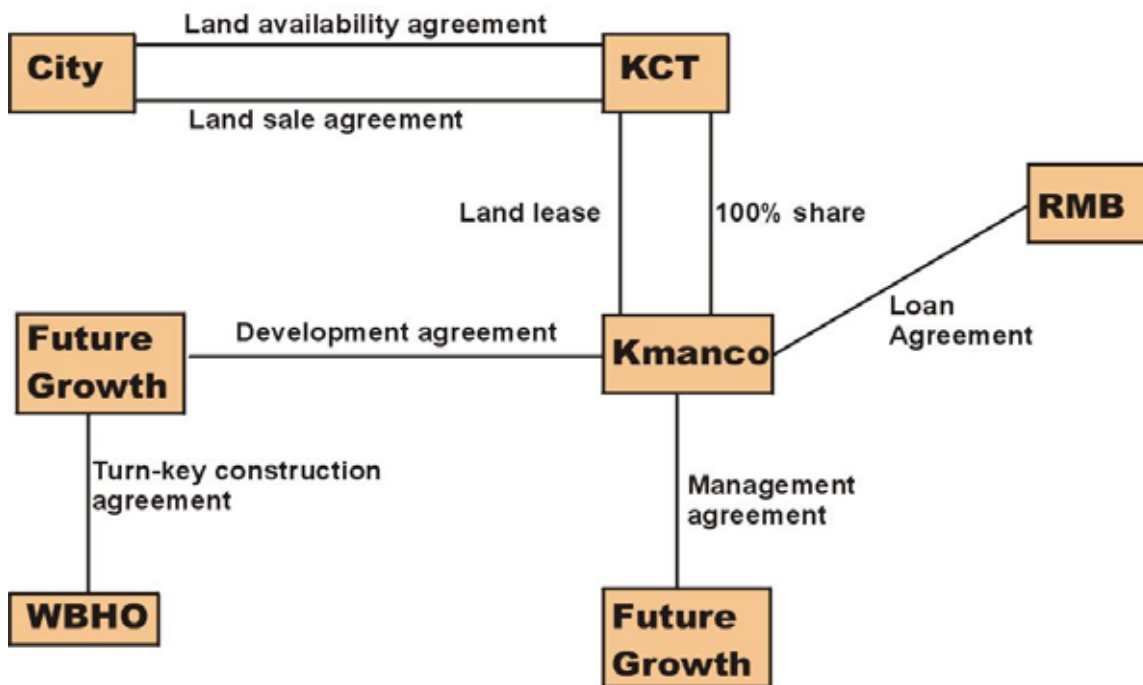
(Human, 2006)

As a result of this process, the KCT was established to oversee the development of the CBD and act as the custodian for the community. The KCT has, inter alia, the following responsibilities: acquiring KBD and other land, procuring access to and use of land (through a land availability agreement), establish development entities to undertake developments. The KCT were to play a significant role in enabling the development of the retail centre.

2004-2005: Securing Partnerships and Agreements – Development of the Retail Centre

The retail centre development was enabled by a number of institutional and financial arrangements building on those established during the earlier phases of the KBD development. (Summarised in Figure 2).

Figure 2: KBD Financial and Institutional Arrangements



In terms of these arrangements, the KBD Management (Pty) Ltd (KManco) was established by the KCT to act as the developer. KManco entered into a land lease with the KCT (who in turn had entered into a land availability agreement with the City in August 2004). Furthermore, the KManco entered into development and management agreements with Future growth (the developer of the retail centre) and a loan agreement with RMB. (Human, 2006). With regard to this loan agreement, the idea is that by the time the retail centre loan (from RMB) is paid off, the trust, as owner will be reaping a guaranteed income. (dplg, 2006). This income would then be available for use for projects to benefit the community of Khayelitsha in terms of the objective of the KCT.

Furthermore, Future Growth also entered into a turn key construction agreement with WBHO. WBHO was only paid after construction. This occurred to reduce the risk placed on the KCT, however, due to the pressure on WBHO to complete the job, pressure was placed on their ability to take on local labour.

(ii) Lessons

- The Need for a Dedicated 'Project Champion'

It is clear that the KBD initiative has required substantial input from the City of Cape Town to ensure success. The project leader from the City's side needed to ensure that all bureaucratic processes were addressed whilst engaging with the private sector around driving the development. There is no doubt that projects of this scale require dedicated project management resources and a champion that can 'get things done' and who is familiar with the bureaucracy (funding and other processes) and can engage with a variety of external role players. The project leader also needed to follow up with all internal departments to ensure that processes/commitments/permissions were in place. In essence one dedicated person may undertake these roles and be commonly referred to as MIH (made in Heaven), however, there is likely need for a project champion to have support to ensure that the project and related processes are 'hustled' along.

- Public Investment and Commitment is Needed to Leverage Private Development

Experience during the KBD process (involving private sector role player of RMB and Future Growth) has to some extent reinforced the fact that the private sector is risk averse. With an understanding of potential, the public sector needs to demonstrate commitment to an area, including investment and other efforts, to reduce the (perceived) risk to the private sector. Reducing this risk is critical in areas where the private sector perceives it to exist. At the same time, the City had to 'bend over backwards' to accommodate the private sector, who now are likely to gain significant benefit from the development. There is thus a question of how far government should go to accommodate private sector requirements.

- Planning Obstacles: A Need for Greater Flexibility and Coordination

Although not reflected explicitly in the description, the zoning exercise undertaken for the KBD put in place a system of regulation which was resource intensive to administer and inflexible in that development was not facilitated. In essence when proposed development did not conform to the very particular requirements of the scheme in place for the KBD, a new process of rezoning needed to occur. This resulted in demands on the public sector in terms of administration and has potentially slowed down the process

of securing development rights. A more flexible system is more desirable, particularly when dealing with private investment and a range of different public investments in one area. The package of plans approach may have been more suited to the context, although again this does demand resources in terms of administration.

Furthermore, experience has also reflected difficulty in terms of gaining a full picture of what is occurring in the KBD. A lack of centralised source of information for the multitude of planners working on individual projects in the KBD has led to technical difficulties and delays in terms of sourcing the correct information and has created issues in terms of proposals for the location of certain infrastructure in the area.

Figure 3: KBD before Retail Centre Development



Source: City of Cape Town

- Institutional Arrangements: Community Trust and Management Company

A number of interventions were required to create the preconditions for community benefit in relation to the investment in the KBD. Agreements were required to reduce the burden on the community trust by creating a management company, which at the same time will facilitate the flow of benefits back to the community. Effort on the part of the public sector is required to enable these arrangements. Without this effort there is a risk of limiting the benefits for the local community of such a development beyond access to new retail centre. There is thus a need to consider a variety of mechanisms to ensure that the spin-offs of private investment accrue to local communities to a greater extent.

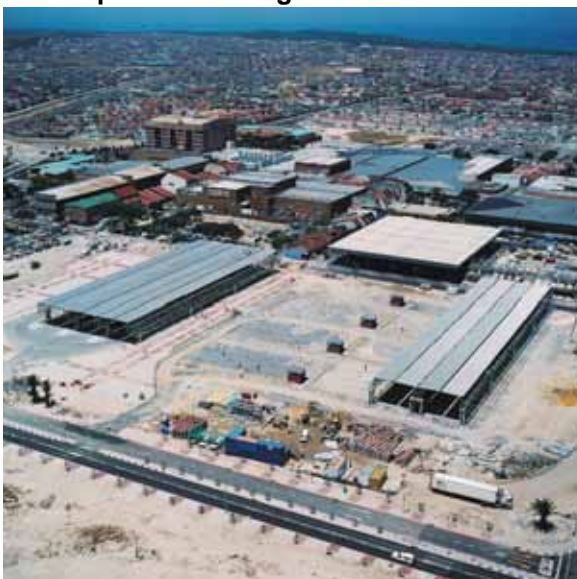
(b) Case 2: *Mitchells Plain Town Centre (CBD)*

(i) Description

The Mitchells Plain Town Centre is an urban renewal anchor project. It involves a cluster of development projects including:

- Transport Interchange Phase 1 (Portland Taxi Rank and market space).
- Transport Interchange Phase 2 (Southern and Northern Rank, bus terminus).
- Market and Public Space Improvements.
- Mitchells Plain Town Centre Extension (Northern Site).

Figure 4: Mitchells Plain Town Centre and Transport Interchange



The City was involved in all of these projects. One of the aims was to use investment in

Figure 5: Detailed Design for Public Transport Interchange



Source: City of Cape Town, 2001

infrastructure to form a basis for response and investment from the private (and public) sectors. The project was informed by the broader Mitchells Plain Spatial Development Framework (prepared in 2000) and a number of detailed design frameworks relating to the elements within the CBD. (see Figure 5).

Public investment, emanating from these detailed plans to the tune of more than R150m, was implemented over a period of four financial years. A large proportion being spent on

Public Transport Interchange infrastructure. Other investments in public space and market facilities have sought to capitalise on the levels of exposure and provide the conditions for economic opportunities associated with the station and bus/taxi facilities.

(ii) Lessons

- Strong Project Level Management Enables Coordination of Funding across Departments

It has been noted that UR has facilitated a shift from line funding into cross sectoral programme and project funding. One of the lead actors in the development of the MPTC, from the City's side, points out that an interdepartmental project team was created and were able to secure funding from 5 sources including the Consolidated Municipal Infrastructure Programme (CMIP), Human Settlement Redevelopment Programme (HSRP), internal and external funding from the Cape Metropolitan Transport Fund (CMTF) and the City's internal funding sources. Securing this funding ensured a hedge against any shortfalls.

- Delegated Decision Making is Required on Major Projects

As mentioned, a strong project team led the Mitchells Plain CBD process (including a range of development projects). This project team from the City included members from planning, public transport / transport roads and storm water. The team was able to act in a nimble manner as they took responsibility for decision making at the project level. Whilst due process was followed, they avoided taking project level decisions to MAYCO and were thus able to fairly rapidly ensure that implementation occurred. Unnecessary reporting was cut down and resources were freed up to 'get on with the job of implementing'.

- Individual 'Opportunism' is Required to Mobilise Line Functions in Realising Urban Renewal

It has been noted that a positive contribution to the success of this project has been down to individuals taking advantage of or maximising opportunities related to the project within the URP as well as possibilities around accessing funding. In this case, an official was able identify how the line department could contribute and stay committed to the project over a period of time, acting in a number of ways to ensure its success. This

included accessing funding and coordinating project actions and contracts. In this regard, it is clear that individuals and 'informal' networks of officials (obviously with due regard for broader processes and responsibilities) are able to make a significant difference if they seize and act on opportunities, as opposed to a 'passive attitude' toward contribution to the URP.

(c) *Case 3: Tafelsig Safety Audit and Precinct Development – Community Involvement as a Basis for Intervention*

(i) Description

The Tafelsig area has been recognised as one of the poorer areas in Mitchells Plain and one of the areas most affected by crime. It was thus a focal area of the Cape Renewal Strategy as well as being a focus of the VPUU initiative. The City of Cape Town sponsored a safety audit for the area (as this was one of the community's primary concerns). It aimed at getting a picture of people's concerns around crime and how it relates to their environment.

A process of planning and urban design was also undertaken stemming from the identification of the area as a priority by the broader Mitchells Plain SDF. An urban design framework/precinct plans was thus completed with a specific focus on securing public spaces. This framework was developed into an implementation strategy and a budgeting strategy. The result was the implementation a



Source: Holm Jordaan

number of projects including a youth and family centre, housing development all of which contribute to improving the degree to which the community has control over the public space along Kilimanjaro Road – an activity route identified by the SDF. Public involvement (whilst, at times problematic, as a two ‘groupings’ – the local community and MPDF – were of the opinion that they should be the primary representative body with regard to the project) was critical in this process as it had real impacts on the prioritization of projects.

(ii) Lessons

- Community Involvement and Partnership as Part of the Process

The process of engagement with the community through the safety audit was focused on understanding issues around safety. This resulted in a more responsive process of prioritization of projects, as well as an informed design intervention.

- Secure funding

Again, the importance of securing funding was highlighted with regard to this project. The development of a funding strategy was identified as critical in this regard. The point was made that, after the significant process of engagement and planning, if funding were not available the community may have lost interest and at worst become resentful. However, secure funding ensured that the components identified as part of the planning process could be implemented.

5. TOWARD PUTTING LEARNING INTO PRACTICE

The purpose of the shared learning exercise was to reflect on experience with regard to the URP KMP and identify lessons for shared learning. This has been largely reflected in section 4. During the process of the development of this report, suggestions have been made that the exercise be used to identify recommendations with regard to the URP. The scope of the work, however, means that this task would be difficult to undertake in any form of comprehensive and rigorous manner. However, there are a number of areas worth noting as considerations, both with regard to the URP's development, as well as the possibilities for Knowledge Management to, more broadly, develop a culture of shared learning within the City. In the context of experience related to the programme in KMP, the following is purely a perspective on *some* of these considerations and issues that confront the URP.

5.1. Urban Renewal Specific Considerations

5.1.1 Government Coordination and Alignment

The shared learning experience points to a number of lessons around coordination and alignment emerging from the urban renewal programme (see section 4.1.3). In this regard, several areas for consideration are raised with regard to the future roll out of the programme:

- (a) *The Role of Strategy in Guiding Action: A Case for a New Development Plan for the URN?*

Strategy in the form of the URBP has played a limited role in achieving coordination of resources and effort between line functions within the City or between the City and Province/National Government. In this regard, there are several options each with their own associated risks and opportunities. Two are listed below:

- **New Urban Renewal Development Plan:** Argument has been made for a renewed round of strategy development in the form of a development plan and linked medium term income and expenditure framework (MTIEF) for the urban renewal node. The rationale is that this new round of planning could, if it involved a

joint budgeting exercise and commitments from role-players within departments that are responsible for allocation of resources, result in greater alignment of effort and greater line department prioritization of the urban renewal node. There are, however, questions as to whether the formulation of a comprehensive new URP development strategy and MTIEF, in and of itself, would create the necessary conditions for alignment. Firstly, related to such a process, there are risks that would need to be managed including a lack of buy in by the relevant stakeholders. In addition, in necessarily being inclusive, the plan may run the risk of attempting to be 'everything to everyone' and thus lose strategic focus. Secondly, shared learning from urban renewal programme has also reflected that there are a host of other factors influencing the possibilities for achieving greater alignment. If these issues are not addressed in tandem with the development of a new plan, success will be difficult to achieve. Commitment is required, from the highest levels within the province and city if such an exercise were to be considered, and action would be needed on several fronts to address other issues hampering alignment of strategy and resources.

- **'Opportunist Approach' and Targeted Strategy Development and Investment Frameworks:** A case could be made for adopting an 'opportunist' approach to securing resources from within and across spheres. An opportunist approach would thus, rather than attempt a broad, comprehensive plan and investment framework for the node (although this could be developed as a parallel process), link into existing initiatives and opportunities and seek to leverage cross sectoral resources at a project level. This approach has been successful in several UR projects listed as innovative pilots (section 4.1.3). The approach would not be 'ad hoc' but would rely on targeted interventions at the local scale potentially through the development of local area based detailed investment frameworks and funding strategies guided by existing broad strategy perspectives (e.g. URSDF) and programmes (e.g. VPUU). The 'opportunist approach' would focus on rapid delivery, but could also involve less visible projects and longer term initiatives such as planning around areas of opportunity such as the Swartklip site between Khayelitsha and Mitchells Plain. This 'opportunist approach' would, however, require strong dynamic project teams and managers associated with the set initiatives and with the ability and mandate to leverage funding from a variety of sources, something achieved in a number of the case studies.

(b) *Mainstreaming Urban Renewal and the Allocation of Resources for the Node*

Allocation of resources has been identified as a major issue hampering the coordination of action within the urban renewal node. In general, it seems that coordination of funding across spheres and sectors, as well the ability to leverage 'external' funding has been achieved primarily through strong efforts pursued by individuals at a project level. Thus, partly due to the lack of 'top down' alignment and, at times, lack in commitment of resources from line functions for the node, an argument has been made for 'mainstreaming' UR through the use of mechanisms such as top-slicing budgets. This is aimed, in essence, at raising the node's profile and influence on sector budgeting processes to increase levels of resources allocated to it. Several considerations need to inform decision-making in this regard.

- **Mainstreaming of urban renewal should occur within a Context of Clear City Level Strategic Direction:** The 'mainstreaming' of the urban renewal node needs to be considered within the context of city-wide strategic planning. The (level of) prioritization of the nodal area and urban renewal needs to be firmly contextualised and given direction by the IDP and potentially longer term development strategies that may be implemented for the City. Trade-offs need to be made explicit and the direction and potentials for the node within the City identified.
- **Engagement with other spheres:** Since UR and the area of KMP is a priority of Provincial and National Government, there is a need to engage around the views of the City in terms of the node.
- **Avoiding the dumping ground scenario:** The risk is run that if mechanisms aimed at 'mainstreaming' urban renewal are implemented without strategy direction being established, either at the City and/or nodal level, the risk is run that resources would be 'thrown at the node', reinforcing an ad hoc approach to projects. Whilst a number of these mechanisms (e.g. top-slicing, ring-fencing, linking resource allocations in the URN to departmental/director scorecards) have been mooted as solutions, their implementation without firm strategic direction would be dangerous.

To a large extent, whichever approach is adopted in terms of the previous section (e.g. new round of strategic planning for the URN, or more bottom up 'opportunistic approach' within the context of broad strategy guidance), will influence the identification of appropriate budgetary and procedural mechanisms for fostering alignment.

(c) *Convergence on Nature of Urban Renewal: Infrastructure vs. Soft/Social Focus – Two Sides of the Same Coin?*

It has become clear, in terms of the interviews, workshops and engagements during the shared learning exercise that there seems to be a ‘tension’ between departments largely responsible for interventions which have a strong infrastructural focus or outcome and other departments with a softer, ‘service’ focus. This ‘tension’ seems to be at the heart of different conceptions of what urban renewal is and should be seeking to achieve and, potentially, is hampering the possibilities for greater coordination and alignment.

In this regard, two points are noted:

- The first is that investment in infrastructure resulting in development of the built environment is strongly linked to social and economic conditions of people. For instance, investment in well designed public buildings and active spaces can convert areas from being prone to crime and general lack of safety to vibrant, safe and economically active areas; and investment in engineering services can improve communities’ level of health. There needs to be a shared understanding that infrastructural investment is a means to achieve social and economic objectives.
- The second is that issues in the urban renewal node are clearly dominated by social and economic challenges and there needs to be a stronger joint focus on developing people as well as places. In practical terms this should result in agents responsible for either infrastructure development or ‘softer,’ service based programmes reflecting on how synergies can be achieved. This could mean, for example, designing settlements in a manner that could cater better for the needs of those afflicted with HIV/AIDS, or ensuring that policing and cleansing resources are aligned with infrastructure led projects aimed at creating new nodes of public and private investment (recognising that reducing crime and grime is a key means for business districts to develop).

Achieving this shared focus requires officials to be aware of these linkages as well as being willing to initiate joint programmes or reinforce existing efforts within the node to create synergies. Furthermore, better communication is necessary between departments to identify potentials.

(d) *Coordinating Structures, Communication and Engagement*

Alignment and coordination as reflected by the shared learning process has not been achieved through coordinating structures, although they hold potential as platforms for this purpose. There is a need to respond to the challenges that these structures face and strategise around improving their effectiveness in terms of supporting greater alignment in resource allocation within and between government spheres and other stakeholders including the private sector.

What has emerged strongly from the process is that new mechanisms need to be investigated to promote stronger means of communication between individuals and line functions concerned with the business of UR. The structures that exist present one such opportunity for knowledge sharing, but other communications approaches are also required within and beyond government.

The URP unit does present significant possibilities in terms of assisting in coordination and alignment around UR. At present, the marketing and communication position within the UR unit is not filled. It seems, however that there is a critical need in this regard. Support is certainly required to enhance the communication of all aspects of UR, and a communication and marketing strategy may be required in this regard.

5.1.2 Community Engagement and Participation

The shared learning experience focused mainly on the 'macro' community structures such as the KDF and MPDF and what challenges have been experienced around their role in the urban renewal process. In terms of the experience thus far, it seems that issues have arisen when community organisations have misunderstood their role in the process. Again, the issue of communication is highlighted. Any efforts to create new organisations (which should be considered thoroughly before the public sector initiates such a process) or engagement with existing structures should be very clear around the role of such organisations in the urban renewal process. Furthermore, greater clarity is perhaps required around communicating the role of ward committees and clarifying the relationship between ward committees and other community structures to foster a positive working relationship around the URP.

5.1.3 Piloting Innovative Initiatives and Partnerships

The shared learning experience yielded a number of lessons emerging from an exploration of relevant case studies. In relation to these cases, it does seem that the projects did not emerge due to the urban renewal process itself, but were the result of momentum generated by other processes which were emerging at the time. In many cases, projects 'usurped' the urban renewal banner which then did play a role in facilitating implementation. This is not necessarily problematic and it is suggested that this approach be reinforced and that urban renewal be seen as an opportunity to harness existing opportunities and momentums. This form of 'opportunism' can work in favour of the URP, as well as enhance the possibilities for success of individual projects.

In this regard, there are a number of areas where there is current energy around the UR process and which present opportunities in terms of harmonization an alignment of resources. There are of course the obvious focal points for 'opportunistic' investment and resource allocation such as the KBD⁴ and MPTC, however there is an emerging thrust of effort focusing on a number of areas in the node. These include areas such as Site C and the Nolungile/O.R Tambo area.

- Site C has been identified as a lead project of the province's Sustainable Human Settlement Strategy as reflected by the Provincial Minister:

"One of the lead projects is in Site C (Khayelitsha), where my plan is to de-densify the area through relocation of some residents to nearby pieces of land, upgrading of the existing area, and provision of public amenities".

*MEC Richard Dyantyi, Provincial Minister for Local Government and Housing
Budget Speech 2006/07, 24 May 2006.*

- Site C and the Nolungile area have been identified as a critical focal point as part of the Klipfontein Corridor Strategy and precinct planning has been initiated
- It is one of the safe nodes identified though the VPUU programme
- The URSDF highlights the area as a future investment and planning area

⁴ An example of opportunistic investment has occurred, to some extent, in the form of 'a clamor' by government line departments to locate offices and facilities in the KBD.

Other areas also reflect momentum or have had opportunities highlighted including Monwabisi and a number of others. The key here is to coordinate resources, both to avoid duplication in effort and to pool them to achieve greater impact. Communication is critical to achieving this.

Figure 7: Monwabisi: Area of Opportunity



Source: City of Cape Town, 2006b

5.2 Knowledge management considerations

The process of developing this shared learning report has highlighted the value of reflective practice not just with regard to UR, but in a broader sense. There has been particular value in highlighting the experience related to specific projects. More detail and resources allocated to this form of work would be of significant benefit. Reflecting on the successful work that has been undertaken by the City can add to and empower colleagues in the organisation, other spheres of government and beyond.

With regard to further learning value that the URP can offer, it is suggested that emerging practice linked to the VPUU programme could form a fruitful basis for lessons on the successful implementation of a programme. It is thus suggested that experience with respect to this programme be interrogated and documented, building on what has been included as part of this report.

6. CONCLUSION

This report has reflected a depth of knowledge amongst key personnel working close to or within the URP. It is clear that experience around promoting alignment and coordination of planning, budgeting and implementation within and across spheres has proved to be a major challenge. A variety of influences have impacted on these challenges (related to, inter alia, the ability to translate strategy to resource allocation, issues around coordinating structures, levels of communication, and broader institutional uncertainty), however successes have been achieved, particularly at the level of individual projects.

The role of community structures within the nodes has also been of critical importance and there is no doubt that both structures within Khayelitsha and Mitchells Plain have been engaged with and bought into the processes of urban renewal to a significant extent. There have, however, been some challenges around these community structures which have impacted on their ability to fulfill their role in the URP. Experience has provided some cautionary lessons in this regard.

Experience has also reflected the fact that innovation in terms of funding arrangements, public-private sector partnership as well as levels of engagement with the community has been achieved in a number of cases. To a large extent, this has been down to a supreme level of commitment of individuals working within the City.

It is hoped that this report will contribute to the continuation of certain debates highlighted around the URP and that the experiences gleaned will provide some perspective on decisions taken with regard to these debates.

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