

ITEM NUMBER: C 11/04/21

RECOMMENDATION FROM THE EXECUTIVE MAYOR: 20 APRIL 2021

MC 37/04/21 REQUEST FOR FUNDING APPROVAL TO THE CAPE INNOVATION AND TECHNOLOGY INITIATIVE (CITI) TO EXPAND A CIVIC TECH SURVEY AIMED AT REWARDING POSITIVE BEHAVIOURS

It is **RECOMMENDED** that:

- (a) funds to the amount of R500 000 (VAT where applicable) be viremented from cost centre 19060503 and GL 413000 to cost centre 19060011 - Economic Development Facilitation and GL 457200
- (b) a disbursement of R500 000 (VAT where applicable) be made to the Cape Innovation and Technology Initiative (CITI) and debited from cost centre 19060011 - Economic Development Facilitation and GL 457200
- (c) the Enterprise and Investment Department, in consultation with Legal Services Department, conclude an addendum to the 2020/21 Memorandum of Agreement (MOA) with CITI
- (d) Council delegates the signing of the addendum with CITI to the Director: Enterprise and Investment.

REPORT TO: COUNCIL

1. ITEM NUMBER **MC 37/04/21**

2. SUBJECT

REQUEST FOR FUNDING APPROVAL TO THE CAPE INNOVATION AND TECHNOLOGY INITIATIVE (CITI) TO EXPAND A CIVIC TECH SURVEY AIMED AT REWARDING POSITIVE BEHAVIOURS.

ONDERWERP

VERSOEK OM BEFONDSINGSGOEDKEURING AAN DIE KAAPSE INNOVASIE- EN TEGNOLOGIE-INITIATIVE (CITI) OM 'N SIVIELE TEGNOLOGIE- OPNAME UIT TE BREI OM POSITIEWE GEDRAG TE BELOON.

ISIHLOKO

ISICELO SOKWAMKELWA KWENKXASO-MALI KWINKQUBO YOKUQEQESHA NENKCUKACHA YASEKAPA (CITI) YOKWANDISA UPHANDO LOBUGCISA OLUJOLISWE KWIMIBUZO YOKUZIPHATHA

M3070

3. DELEGATED AUTHORITY

In terms of delegation

This report is for DECISION BY

- Committee name :**
- The Executive Mayor together with the Mayoral Committee (MAYCO)
- Council

4. DISCUSSION

The Cape Innovation and Technology Initiative (CiTi) is Africa's oldest tech incubator. Working with government, business and society, CiTi promotes the inclusive growth of the digital economy.

The Cape Innovation and Technology Initiative (CiTi) was established in 1999. CITI's core objective is to promote the Western Cape ICT industry through positioning and promoting the Western Cape as a global source of ICT products and services.

Over the past 20 years, CiTi has played an integral role in catalysing and supporting the Cape Town tech ecosystem, now recognized as the most productive on the African continent.

The ICT industry is critical to the City of Cape Town in regard to the City's aim of positioning itself as a global innovation and knowledge hub. The ICT sector is an enabler of many other sectors and it is also a growth sector with huge potential globally. It contributes significantly to the provision of business opportunities to SMME's; competitiveness of Cape Town in regard to being a knowledge economy; promotion of entrepreneurial activity; supporting the development of other sectors through backward and forward linkages as well as attracting creative talent to Cape Town.

The ICT sector is strategic in that it contributes to the overall competitiveness of Cape Town through its linkages to the financial services industry (and industry in general) in their ability to service local and global companies.

Civic Tech Project

The Civic Tech project aims at expanding the survey project, whose key objective is to change behaviour through rewards. This project is an expansion of the original project being conducted by CITI for the benefit of the City of Cape Town and residents.

The project aims to create rewards for good citizenship with a convertible community currency "CITYCOIN" in the form of data vouchers, food vouchers, transport vouchers, airtime vouchers and electricity vouchers.

The project entails undertaking market research, consultations, and internal workshops followed by survey development, data collection and filtering.

Project deliverables:

Deliverables phase 1:

Phase 1 of the project will entail a survey that will target 1500 people (residents and informal community traders in the Mitchells Plain area). This will be followed by data analysis, report compilation and feedback regarding the opportunities and way forward. This phase will also entail understanding of which behaviours can be shifted as well as understanding of which rewards are sufficient to promote a shift in behaviour.

The following activities will be undertaken in phase 1:

- Survey 1500 people in 4 months within the Mitchells Plain area;
- Identify opportunities that incentivize/promote positive behaviors; and
Create an easily accessible low data usage application for qualifying residents to access CITYCOIN vouchers.

Deliverables phase 2:

Phase 2 will entail creating a reward for good citizenship with access to a convertible community currency “CITYCOIN” in the form of rewards that have been identified from the research to promote a shift in behavior.

The following activities will be undertaken in phase 2:

- Collate research finding, report; and create CITYCOIN digital currency application.
- Identify major commodities that incite positive behavior.
- Pilot a proof of concept using/designing a tech platform/application.
- The platform for voucher redemption needs to be both accessible to residents and local SMME’s. The platform needs to be easily downloadable as an application and have an easy to use interface.

Proposed amendment to the existing Memorandum of Agreement (MOA)

Please note that this request to expand the civic tech survey will require an amendment to the existing 2020/21 MOA. The existing 2020/21 MOA was signed in August 2020 and will expire on 30 June 2021. However, the civic tech survey will take 4 months from the date of commencement. It is therefore proposed that an addendum be added to the existing MOA that will reflect the additional funding and duration of the training.

Budget for the project:

This project will cost R500 000 to complete and the proposed operational funding for this project will be sourced from the Enterprise and Investment Department projects that could not take place due to Covid-19 and the resulting lockdowns.

Market Research	R 30 000
Convening and Consultation workshops	R 32 000
Marketing and Distribution	R 69 000
Technological Devices	R 44 000
Field workers	R 48 000
Data Capturers	R 24 000
Data collection and processing	R 24 000
Travel	R 16 000
Data Analysis	R 80 000
Project Management fee	R125 000
Incentives	R 8 000
TOTAL	R500 000.00

4.1. Financial Implications

 None Opex Capex Capex: New Projects Capex: Existing projects requiring additional funding Capex: Existing projects with no additional funding requirements

PROVIDE DETAIL - OUTLINE THE FINANCIAL IMPLICATIONS AND HOW IT WILL BE FUNDED. COMPLETE TABLE BELOW. IF FINANCIAL REQUIREMENTS OVERLAP INTO FUTURE YEARS INSERT ADDITIONAL COLUMNS ON THE RIGHT OF THE TABLE.

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Cost Centre	19060503
Cost Centre Description	Place Marketing
Cost Element	413000
Cost Element Description	Materials Consumables Tools & Equipment
Budget Provision 2020/2021	R 2.237.349.90
Spend to Date / Committed	R 503 245.00
Balance available	R 1 734 104.90
Funds required for this report.	R 500 000. 00

Budget provision for grants/ sponsorships (457200) are currently against materials consumables tools & equipment (413000) and will be viremented once approved by council or the relevant delegated authority in terms of the virement policy.

4.2. Policy and Strategy Yes No

4.3. Legislative Vetting Yes No

4.4. Legal Compliance

This report complies with provision of Section 67 of the MFMA

4.5. Staff Implications Yes No

4.6. Risk Implications Yes No

5. RECOMMENDATIONS

It is recommended that council approve that:

- Funds to the amount of R500 000 (VAT where applicable) be viremented from cost centre 19060503 and GL 413000 to cost centre 19060011 - Economic Development Facilitation and GL 457200.
- A disbursement of R500 000 (VAT where applicable) be made to CITI and debited from cost centre 19060011 - Economic Development Facilitation and GL 457 200.

- c) In consultation with Legal Services, the Enterprise and Investment Department conclude an addendum to the 2020/21 Memorandum of Agreement (MOA) with CITI.
- d) Council delegates the signing of the addendum with CITI to the Director – Enterprise and Investment

AANBEVELINGS

Daar aanbeveel word dat die Raad goedkeuring verleen aan die:

- a) Fondse ten bedrae van R500 000 (BTW waar van toepassing), gevirementeer word teen kostesentrum 19060503 en GL 413000 aan kostesentrum 19060011 – ekonomieseontwikklingsfasilitering en GL 457200.
- b) 'n Uitbetaling van R500 000 (BTW waar van toepassing) gemaak word aan CITI en gedebiteer word van kostesentrum 19060011 - ekonomieseontwikkelingsfasilitering en GL 457 200.
- c) Die departement onderneming en investering in oorleg met regsdiens 'n addendum tot die memorandum van ooreenkoms (MOA) 2020/21 met CITI sluit.
- d) Die Raad die ondertekening van die addendum met CITI deleger aan die direkteur: onderneming en investering.

IZINDULULO

Kundululwe ukuba iBhunga maliphumeze ukuba:

- a) Izimali ezifikelele kwisixamali esingama R500 000 (kuquka iRhafuntengo apho kufanelekileyo), mazitshintshelwe ukususela kwiziko lendleko 19060503 neGL 413000 ukuba zibekwiziko lwendleko 19060011 elingezoQuquzelelo loPhuhliso lwezoQoqosho neGL 457200.
- b) Makuhlawulwe isixamali esingama R500 000 (kuquka iRhafuntengo apho kufanelekile) kwabeCITI kwaye sifumaneke kwiziko lendleko elingu19060011 – elingoQuquzelelo loPhuhliso lezoQoqosho neGL 457 200.
- c) Ngokucebisana nabeeNkonzo zoMthetho, iSebe lezoRhwebo noTyalomali maliqumbele isihlomelo kwiMemorandam yeSivumelwano (MOA) sangowama 2020/21 kunye nabeCITI.
- d) IBhunga malinikezele igunya kuMlawuli wezoRhwebo noTyalomali ukuba atyikitye uxwebhu lesihlomelo sesivumelwano kunye nabeCITI.

ANNEXURES:

ANNEXURE A - CIVICTECH PROJECT PROPOSAL

FOR FURTHER DETAILS CONTACT

NAME	Faith Kolala	CONTACT NUMBER	0782150477		
E-MAIL ADDRESS	Faith.kolala@capetown.gov.za				
DIRECTORATE	EOAM	FILE REF NO			
SIGNATURE : DIRECTOR	<table border="1"><tr><td>Lance Greyling</td><td>Digitally signed by Lance Greyling Date: 2021.03.31 17:07:31 +02'00'</td></tr></table>			Lance Greyling	Digitally signed by Lance Greyling Date: 2021.03.31 17:07:31 +02'00'
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EXECUTIVE DIRECTOR (ACTING)

NAME	RUBY GELDERBLOEM	COMMENT:		
DATE				
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CHIEF FINANCIAL OFFICER

NAME		COMMENT:		
DATE				
SIGNATURE	<table border="1"><tr><td>Kevin Jacoby</td><td>Digitally signed by Kevin Jacoby Date: 2021.04.09 15:11:20 +02'00'</td></tr></table>	Kevin Jacoby	Digitally signed by Kevin Jacoby Date: 2021.04.09 15:11:20 +02'00'	
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LEGAL COMPLIANCE

- REPORT COMPLIANT WITH THE PROVISIONS OF COUNCIL'S DELEGATIONS, POLICIES, BY-LAWS AND ALL LEGISLATION RELATING TO THE MATTER UNDER CONSIDERATION.
- NON-COMPLIANT

NAME _____

COMMENT: _____

DATE _____

Certified as legally compliant based on the contents of the report and subject to Legal Services vetting the Addendum prior to conclusion thereof.

SIGNATURE

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City of Cape Town Funding Proposal

Funding Proposal for Extension on CivicTech Project
From CITI (Cape Innovation Technology Initiative)



1. Background to the Organisation and Alignment to City of Cape Town Strategic Focus Area

Background

Over the past two decades the Bandwidth Barn has been an active participant in incubating, developing, building, supporting and growing IT and ICT businesses in the Cape Town region.

Information technology has become more pervasive over the past 15 years, and today forms an integral ingredient for success across the innovation spectrum ranging from product and services innovation (such as the internet of things) to business model innovation (such as mobile money for the unbanked) to social innovation. The Bandwidth Barn supports IT-enabled innovation across a multitude of sectors, including FinTech (and blockchain), TravelTech, HealthTech, Edtech and OpenGov.

In addition, the Barn facilitates access to the digital economy by providing training and support programmes to businesses enabling the adoption of efficiencies and opportunities available through software, the internet, and mobile phones. In line with the innovation construct this platform generates opportunities for tech businesses to create products and services for these informed customers.

The Barn provides business development services and networking opportunities to businesses across the stage spectrum: from micro-enterprises looking to stabilize their incomes in Khayelitsha, to start-ups validating their ideas, to established businesses looking to unlock growth in Woodstock.

The culmination of offerings and activities build a vibrant ecosystem which fosters opportunities for the creation and growth of tech and tech-enabled businesses across the broader Cape Town.

*Project Alignment with **City of Cape Town's Strategic Focus Area 1 Objectives and Economic Growth Strategy***

SFA 1: The Opportunity City:

The opportunity city focuses on the creation of an environment that stimulates sustainable economic growth, investment, and job creation.

- 1.1 Positioning Cape Town as a forward looking globally competitive City (programs include ease of doing business; Cape Town business brand; infrastructure investment, road infrastructure investment, economic development & growth; partnership development programs and leveraging City's assets)
- 1.2 Leveraging technology for progress (programs include digital city program)
- 1.3 Economic inclusion (programs include skills investment and EPWP job creation programs)
- 1.4 Resource efficiency and security (programs include energy efficiency & supply; climate change and City resilience programs)

ECONOMIC GROWTH STRATEGY**Chapter 1: A globally competitive City – Competitiveness Strategy**

- **Strategy 1:** Develop a consolidated One-Stop-Shop model
- **Strategy 2:** Roll out a city-wide business incentive program.
- **Strategy 3:** Enhance business clusters through SPVs and strategic partnerships
- **Strategy 4:** Accelerate and deepen regulatory modernization program.
- **Strategy 5:** Prioritize city competitiveness in business improvement initiatives.

Chapter 2: Infrastructure for Growth – Infrastructure Strategies

- **Strategy 1:** Leverage underutilized city assets to maximize economic benefits.
- **Strategy 2:** Develop a coordinated approach to Cape Town's international transport hubs.
- **Strategy 3:** Maximize opportunities to enhance infrastructure financing through SIP 7.
- **Strategy 4:** Expand public transport and consolidate integration process.
- **Strategy 5:** Roll-out broadband project and define stakeholder roles and responsibilities.
- **Strategy 6:** Maintain and upgrade basic service infrastructure to ensure sustainability.

Chapter 3: Inclusive Growth through Jobs and Skills – Inclusion Strategies

- **Strategy 1:** Coordinate local development programs to enhance informal sector.
- **Strategy 2:** Expand opportunities via recruitment and employee skills development.
- **Strategy 3:** Focus external skills programs on catalytic job-creating sectors.
- **Strategy 4:** Work with tertiary education sector to develop, attract and retain skills.

- **Strategy 5:** Broaden job opportunities via the expanded Public works program.

Chapter 4: Trade Promotion and Sector Development – Trade Promotion and Sector Development Strategies

- **Strategy 1:** Utilize external relations to attract investment and promote growth sectors.

- **Strategy 2:** Gear grant allocations toward addressing Cape Town's economic needs.

- **Strategy 3:** Showcase local economy by facilitating major strategic events.

- **Strategy 4:** Promote Cape Town as a competitive economic hub through re-branding.

Chapter 5: Sustaining Growth for the Future – sustaining growth for the future strategies.

- **Strategy 1:** Develop and implement a comprehensive green economy work program.

- **Strategy 2:** manage water conservation, supply, and demand to ensure sustainability.

- **Strategy 3:** Investigate options for energy diversification and promote energy efficiency.

- **Strategy 4:** Protect environmental assets to sustain and expand the eco-tourism sector

1. Project One |

Project description:

What if we had a way of tasking people with undertakings that would reward them with essential services that they need? Would incentivising positive behaviours to promote good citizenship with rewards such as data vouchers, food vouchers, transport vouchers, airtime vouchers and electricity vouchers have an impact?

Reward behavioural change with a convertible community currency "City Coin".

Project Overview (could copy and paste slide from the deck I sent you)

Benefits to participants/City:

Participants

Creating a reward for good citizenship with a convertible community currency "CITYCOIN" in the form of data vouchers, food vouchers, transport vouchers, airtime vouchers and electricity vouchers

City

We understand the importance of equipping the informal sector as we bear witness to increasing the contribution of the informal sector to the overall contribution of the Economy. By allowing access to "CITYCOIN" vouchers we automatically contribute to the formal sector and Economy.

Inputs [human and material resources]:

Human

Convening and Consultation workshops
Field workers
Data capturers
Data Analysts
Software developer
Project Management fee

Material

Market Research
Marketing and Distribution
Technological devices
Data collection and Processing
Travel
Incentives

Activities:

Market Research, consultations, and internal workshops
Ecosystem Engagement and target market selection
Survey Development
Data collection and filtering. Survey 1500 people (residents and informal traders) from the Mitchells Plain Area in 4 months
Data Analysis, report, and feedback

Outputs:

- Survey 1500 people who reside in the Mitchells Plain area by end June 2021
- Collate data and identify opportunities that incentivize positive behaviours
- Phase 2: Create an easily accessible low data usage application for qualifying residents to access CITYCOIN vouchers

<p>Outcomes/impact of the project</p> <p>Phase 1 Understanding of which behaviours can be shifted. Understanding of which rewards are sufficient to promote a shift in behaviour</p> <p>Phase 2 Creating a reward for good citizenship with access to a convertible community currency "CITYCOIN" in the form of rewards that have been identified from the research to promote a shift in behaviour</p>
<p>Stakeholders including other funders to the project, if any:</p> <p>n/a</p>
<p>Target beneficiaries, number of beneficiaries, start and completion dates:</p> <p>Citizens, Spaza shops and informal traders residing Mitchells Plain Area.</p>
<p>Beneficiaries by (Size and Type)</p> <p>Primary beneficiaries: Citizens, Spaza shops and informal traders residing in the Mitchells Plain Area.</p> <p>Secondary Beneficiaries: City of Cape Town and Economy as a whole, as this programme will promote more transactions between the Informal and Formal sectors.</p>
<p>Geographical Area (location) e.g., Khayelitsha, Gugulethu, Mitchells Plain, etc.</p> <p>Mitchells Plain</p>
<p>Anticipated deliverables/challenges</p> <p>Deliverables: Phase one</p> <ul style="list-style-type: none"> • Survey 1500 people in 4 months who reside in the Mitchells Plain area • Identify opportunities that incentivize/promote positive behaviours • Create an easily accessible low data usage application for qualifying residents to access CITYCOIN vouchers <p>Deliverables: Phase two</p> <ul style="list-style-type: none"> • Collate research finding, report; and create CITYCOIN digital currency application • Identify major commodities that incite positive behaviour. • Pilot a proof of concept using/designing a tech platform/application. • The platform for voucher redemption needs to be both accessible to Khayelitsha residents and local SMME's. The platform needs to be easily downloadable as an application and have an easy to use interface.

Challenges

Safety:

Safety of our field workers. Due to the number of surveys that needs to be conducted and the landscape of the sample area, we need to be extra vigilant. Precautionary measure is to send out our field workers in groups of 2-4 at any given time. Site surveys will be conducted between 09h00 and 15h00 when Mitchell's Plain is most active.

Data Integrity:

Survey data can be compromised if surveyor is unclear with questions or misinterprets answers. To mitigate this risk, we will use simple multiple-choice questions as far as possible. Open ended questions will not be ambiguous. All field workers will be trained extensively before they are deployed. When we do our 2-week programme pilot an additional opportunity will be available to assess any challenges.

Budget breakdown for the project

Market Research	R 30 000
Convening and Consultation workshops	R 32 000
Marketing and Distribution	R 69 000
Technological Devices	R 44 000
Field workers	R 48 000
Data Capturers	R 24 000
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