



DEPARTMENT OF THE PREMIER

Enquiries: Martin Makasi
Phone: +27 21 483 3748

Date: 5 December 2013

THE PREMIER

APPROVAL OF THE SELECTION PROCESS OF MUNICIPALITIES TO BE ADMITTED TO THE VIOLENCE PREVENTION THROUGH URBAN UPGRADING (VPUU) WESTERN CAPE AND REGIONAL SOCIO-ECONOMIC DEVELOPMENT PROGRAMMES

I support the attached draft resolution


10/12/2013
DIRECTOR-GENERAL

THE DIRECTOR-GENERAL

1. Purpose

1.1 The purpose of this submission is to obtain approval from the Western Cape Provincial Cabinet for the following:

- a) Participation of the WCG in the extended VPUU Western Cape programme;
- b) The selection process of municipalities to be admitted to the VPUU Western Cape programme;
- c) The designation of those municipalities now selected for the Regional Socio-Economic Project (RSEP);
- d) The incorporation of the VPUU principles into the RSEP programme;

- e) The practical incorporation of the revised PSDF principles throughout the programmes; and
- f) The provincial governance structure for the two programmes.

2. Motivation and Background

- 2.1 The German Ministry for Economic Cooperation and Development has granted an additional amount of 5,0 million Euro for the expansion of the VPUU programme in the Western Cape, which is based on the positive track record and high level of cooperation with the City of Cape Town during the previous phases of the project.
- 2.2 The Ministry for Economic Cooperation and Development (BMZ) has agreed to co-fund the implementation of the VPUU methodology in the City of Cape Town (CoCT) as well as in two additional Western Cape municipalities.
- 2.3 Thus VPUU Phase IV is an extension of the VPUU programme that started in the City of Cape Town, into the municipalities which form part of the functional region of Cape Town.
- 2.4 The VPUU Western Cape is keen to have the Western Cape Government (WCG) as the primary partner and intends to implement the VPUU methodology through a dedicated Not-For-Profit Company in selected municipalities.
- 2.5 This independent Not-For-Profit Company was established in April 2013 and will act as the Project Executing Agency for VPUU Western Cape.
- 2.6 The framework for VPUU Western Cape has been agreed to by the WCG and the German Bank Kreditanstalt für Wiederaufbau (KfW) within South African - German Development Cooperation (Financial Cooperation).
- 2.7 It is also guided by a bi-lateral agreement between National Treasury (NT) representing the Republic of South Africa and the BMZ representing the

Federal Republic of Germany, in terms of national protocols for Official Development Assistance (ODA).

- 2.8 Subsequently, the following agreements will be entered into:
- a) Financing and Project Agreement to define the financial contribution by KfW; and
 - b) A separate agreement to define the work-scope for the cooperation.
- 2.9 Both of the aforementioned agreements are to be signed by KfW, WCG and VPUU NPC.
- 2.10 A Transfer Agreement between WCG and VPUU NPC will regulate the cooperation between the signing entities.
- 2.11 Memoranda of Agreement are to be signed between the VPUU NPC, WCG and selected municipalities to regulate the cooperation during implementation in the municipalities.
- 2.12 The KfW financially supported the selection process through appointing a team of two consultants who were supported by VPUU staff and WCG staff. The objective was to:
- a) Ensure provincial line department interaction and transversal input during the process;
 - b) Set up a participatory process;
 - c) Enable the buy-in of National Treasury; and
 - d) Support KfW as co-funder for VPUU Western Cape.
- 2.13 The selection team sought the following critical outcomes:
- a) A fair and transparent selection process;
 - b) Interaction with relevant stakeholders in public administration; and
 - c) Recommendations to allow the WCG and ultimately the Western Cape Provincial Cabinet to make a decision based on the need and

appropriateness of the municipalities for the extended VPUU Western Cape.

2.14 After a rigorous process five municipalities in the greater Cape Town functional region were identified and then subsequently narrowed down to two. The report on the steps that describe how two of the five shortlisted local municipalities were selected as partners for VPUU Western Cape is attached as Annexure 1.

2.15 The following overall scores were obtained from evaluating the participating five municipalities:

	Saldanha Bay	Swartland	Drakenstein	Theewaterskloof	Breedevlei
Total (100)	33.6	75.6	76.8	77.2	54.0

2.16 The municipalities of Theewaterskloof and Drakenstein were therefore identified as the recommended partner municipalities to be co-financed by the KfW-funding proposal for VPUU Western Cape.

2.17 As part of the final 2013 MTEF budgetary allocations, Cabinet approved as a start-up R75 million over the 2013 MTEF towards the RSEP programme: R15 million in 2013/14 increasing to R25 million in 2014/15 and R35 million in 2015/16. These amounts have now been carried through into the 2014 MTEF as per Cabinet's approval as the overall project was put on hold pending final project design and finalisation of the VPUU municipal selection process.

2.18 The aim of the RSEP programme, similar to the VPUU programme and in concert with the revised PSDF as agreed to in principle by Cabinet in October of this year, was to crowd in spatially the joint efforts and resources of a number of key departments, the relevant municipality so as to practically harness sub-regional growth and the unique development potential of selected areas within the Province and so sustainably boosting long term socio-economic inclusive growth.

- 2.19 The Regional Socio-economic Development Programme, as with the VPUU, provides an emphasis for the development of strong partnerships with municipalities to locate and direct services and infrastructure spatially to achieve the desired impact. The inclusion of these stakeholders can only improve the sustainability and success of the public sector programmes. Similarly, partnerships with communities can empower them to take greater responsibility for improving their situation. Where relevant, given their spatial locations, the RSEP could also incorporate the challenges experienced by farming communities.
- 2.20 Initially the municipalities chosen for the RSEP programme were Witzenberg, Cape Town (Nyanga), George and Drakenstein. However, given the previous OECD assessment done in the greater Cape Town functional region and the extensive advance preparation work done by the five municipalities bidding for the VPUU project, it makes sense to rather shift our attention to these as so-called RSEP and VPUU municipalities respectively. It would therefore build on the local energy and work done, as well as prevent winners and losers.
- 2.21 Therefore it is proposed that Swartland, Saldanha (which would also fit into the IDZ initiative) and Breede Valley (in the heart of the farm unrest area) be chosen for the RSEP programme. It is further proposed that these three municipalities be supported with the now established VPUU methodology to enhance success and also entrench such learning into the joint provincial and municipal team.
- 2.22 In both cases, the principles and objectives of the Provincial Spatial Development Framework (PSDF) would have to find expression.

3. Personnel implications

- 3.1 The WCG will need to support the VPUU programme with a senior staff member to coordinate the interface between the VPUU NPC and all relevant WCG departments, as well as the interface between municipalities/WCG/VPUU NPC.
- 3.2 Similarly, under the leadership of the Department of Environmental Affairs and Development Planning, the WCG will need to support the RSEP programme

with in-house staff to coordinate the interface between the municipalities and all relevant WCG departments.

- 3.3 Whatever other support is necessary in both cases to capitalise on these two opportunities to give practical effect to the revised PSDF as presented to Cabinet.
- 3.4 Further, each provincial department will need to have a dedicated contact to act as a liaison person and as a coordinator between the departmental projects and programmes and the VPUU/RSEP Western Cape programmes.
- 3.5 Regular coordination and oversight meetings of a high-level transversal team under the guidance of the Department of Environmental Affairs and Development Planning will be a necessity to make these two programmes successful and to ensure lessons learned are eventually rolled out across the Province.

4. Legal implications

- 4.1 None

5. Financial implications

- 5.1 The German Ministry for Economic Cooperation and Development expects the WCG to match the five million Euro contribution over the three years of the project in cash and kind. Whereas the bulk of the WCG contribution will be staff and project costs, including transport and office accommodation, as well as municipal contributions, there will be a cash requirement which is to be agreed with the NPO, upon the submission of implementation plans.
- 5.2 Any cash contribution for the VPUU Western Cape project will be covered from the provision made for the RSEP by the Provincial Treasury plus any further amounts made available for this purpose, either by municipalities, departments or the fiscus dependent on budget priorities and success of the two programmes.

6. Institutions consulted

- 6.1 All WCG departments were consulted and information was provided to the Department of the Premier from the following WCG line departments: Provincial Treasury, Department of Community Safety, Department of Local Government, Department of Cultural Affairs and Sport, Department of Health, Department of Economic Development and Tourism, Department of Agriculture, Western Cape Education Department, Department of Social Development, Department of Transport and Public Works, Department of Human Settlements, Environmental Affairs and Development Planning, in order to facilitate the engagement with the five municipalities .

7. Classification

- 7.1 B

8. Communication

- 8.1 Communication process proposed:

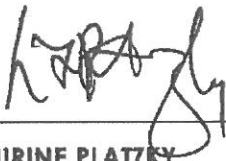
- a) Thanking and informing the participating municipalities on the outcome of this dual process;
- b) Inform VPUU NPC/ KfW / NT about this resolution;
- c) Inform the media (if applicable); and
- d) Enable an on-going communication plan to be implemented.

9. Recommendation

- 9.1 It is therefore recommended that Cabinet concurs with:

- a) The WCG participation in the VPUU Western Cape programme in terms of the Provincial Spatial Development Framework;
- b) The selection process of the Theewaterskloof and Drakenstein municipalities to be admitted to the VPUU Western Cape programme;

- c) The selection of the Saldanha, Swartland and Breede Valley municipalities as the recipients of the RSEP programme, subject to their concurrence. Further that these three municipalities be supported with the now established VPUU methodology to enhance success and also entrench such learning into the joint provincial and municipal team.
- d) The three RSEP municipalities being supported with the VPUU methodology and whatever other support is necessary in both the VPUU and RSEP programmes to give practical effect to the revised PSDF as presented to Cabinet.
- e) That the Departments of the Premier, Economic Development and Tourism, Environmental Affairs and Development Planning, Agriculture, Cultural Affairs and Sport and Provincial Treasury be mandated to form a Steering Committee under the leadership of the latter to oversee and coordinate both the VPUU and RSEP Western Cape programmes, practically incorporating the principles of the revised PSDF.



DR LAURINE PLATZKY

DEPUTY DIRECTOR-GENERAL: Strategic Programmes

10/12/13

DATE

I, the undersigned, do hereby certify that I have evaluated the submission and that I can advise the accounting officer that the application/request satisfies the following requirements:

- a) It complies with the relevant prescriptions;
- b) It can be accommodated within the approved budget framework;
- c) It supports the attainment of the department's tabled strategic objectives and budget programmes; and
- d) The submission is therefore in order.

Additional comments: —



D BASSON
CHIEF FINANCIAL OFFICER

2013.12.10

DATE

Comments:

note
I ~~concur~~ with the contents of the memorandum.



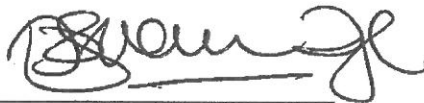
L BUTER
CHIEF DIRECTOR: LEGAL SERVICES

10/12/2013

DATE

Comments:

I concur with the contents of the memorandum.



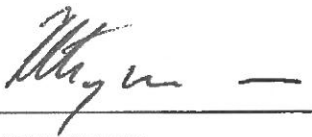
MR PIET VAN ZYL
HEAD: DEPARTMENT OF ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING

10.12.2013

DATE

Comments:

I note the financial implications and concur with the contents of the memorandum.



DR JC STEGMANN
HEAD OFFICIAL: PROVINCIAL TREASURY



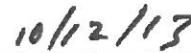
DATE

Comments:

The contents of the memorandum have been noted.



ADV. BRENT GERBER
DIRECTOR-GENERAL: DEPARTMENT OF THE PREMIER



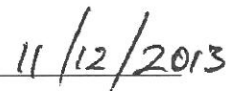
DATE

Comments:

The contents of the memorandum have been noted.



MR ANTON BREDELL
**MINISTER OF LOCAL GOVERNMENT, ENVIRONMENTAL AFFAIRS AND DEVELOPMENT
PLANNING**



DATE

Comments:

The contents of the memorandum have been noted.



MR ALAN WINDE
MINISTER: FINANCE, ECONOMIC DEVELOPMENT AND TOURISM

11/12/2013

DATE

Comments:

I support the contents of the memorandum.

MS HELEN ZILLE
CABINET MEETING

DATE

MINUTE NO /2013

PROVINCIAL ROLL-OUT VPUU WESTERN CAPE SELECTION PROCESS

(Ref: Department of the Premier (Branch: Strategic Programmes)

RESOLVED that Cabinet approves–

1. The WCG participation in the VPUU Western Cape programme within the context of the Provincial Spatial Development Framework.
2. The selection process of the Theewaterskloof and Drakenstein municipalities to be admitted to the VPUU Western Cape programme.
3. The selection of the Saldanha, Swartland and Breede Valley municipalities as the recipients of the RSEP programme, subject to their concurrence. Further that these three municipalities be supported with the now established VPUU methodology to enhance success and also entrench such learning into the joint provincial and municipal team.
4. That the three RSEP municipalities to be supported with the VPUU methodology and whatever other support is necessary in both the RSEP and VPUU programme to give practical effect to the revised PSDF as presented to Cabinet.
5. That the Departments of the Premier, Economic Development and Tourism, Environmental Affairs and Development Planning, Agriculture, Cultural Affairs and Sport and Provincial Treasury be mandated to form a Steering Committee under the leadership of the latter to oversee and coordinate both the VPUU and RSEP Western Cape programmes, practically incorporating the principles of the revised PSDF.

SECRETARY: CABINET