

**2010 FOOTBALL WORLD CUP**

**STRATEGIC PLAN  
FOR**

**THE PROVINCIAL GOVERNMENT OF THE  
WESTERN CAPE AND  
THE CITY OF CAPE TOWN**

**22 January 2007**

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# **2010 FOOTBALL WORLD CUP STRATEGIC PLAN FOR PROVINCIAL GOVERNMENT OF THE WESTERN CAPE AND THE CITY OF CAPE TOWN**

## **BACKGROUND**

Much to the excitement of the nation in May 2004 South Africa was selected as host country for the 2010 FIFA World Cup. Expectations of the social and economic impact of the month-long event to be held across the country in mid-2010 continue to run high. Many visits to Germany by national, provincial and local government politicians and officials have already been undertaken in the hope of learning as much as possible as quickly as possible in order to host the best event ever.

This document sets out to record a common understanding and to develop a strategy for how hosting the 2010 World Cup could benefit the people of the City of Cape Town and the Western Cape Provincial Government.

Building on the FIFA vision and actively interpreting it for the developmental benefit of the City and the Province provides a departure point, namely

***Make the game better, take it to the world and make the world a better place. (Sepp Blatter- President of FIFA)***

This document aims to provide an overview of the developmental approach to be taken jointly by the Province and the City in relation to three stages of "2010", i.e.

- 1) the process leading up to the 2010 World Cup,
- 2) the month-long event itself and
- 3) the follow-up beyond 2010.

The approach to 2010 emerges from integrated development concepts, from the urgent need to build a shared economy and from an understanding of the dynamic role that this part of South Africa can play in presenting the diversity and richness of Africa. The approach to 2010 is firmly located in the Accelerated and Shared Growth Initiative for South Africa (ASGISA) articulated by the President in his 2006 State of the Nation speech, the Provincial Growth and Development

Strategy - *iKapa elihlumayo* - and the City's 2020 Vision for the development of Cape Town. The strategy is divided into three aspects:

1. **compliance** with FIFA requirements for hosting the games
2. optimizing the developmental impact: the **legacy**, and
3. maximizing the promotional and positioning opportunities: **leverage**.

This is a high level strategy for the City and the Province, not a detailed operational plan. While considerable **project scoping and planning** has already been done, the challenge is to engage with the operational detail to ensure alignment with the higher level objectives articulated in this strategy, and as prescribed by the contractual arrangements between FIFA, the 2010 Local Organising Committee (LOC), the Province and the City, with human resource requirements, timeframes and budgets attached for each of the project streams to be undertaken.

The decision for Cape Town to bid as a Host City centred around the benefits that would be derived from the media exposure, boosting the visitor economy, the opportunity to access funding for infrastructure and facility developments, to facilitate local benefits for people/firms/communities and to contribute to South Africa's international profile, as well as the African continent's image.

## **THE STRATEGIC MISSION**

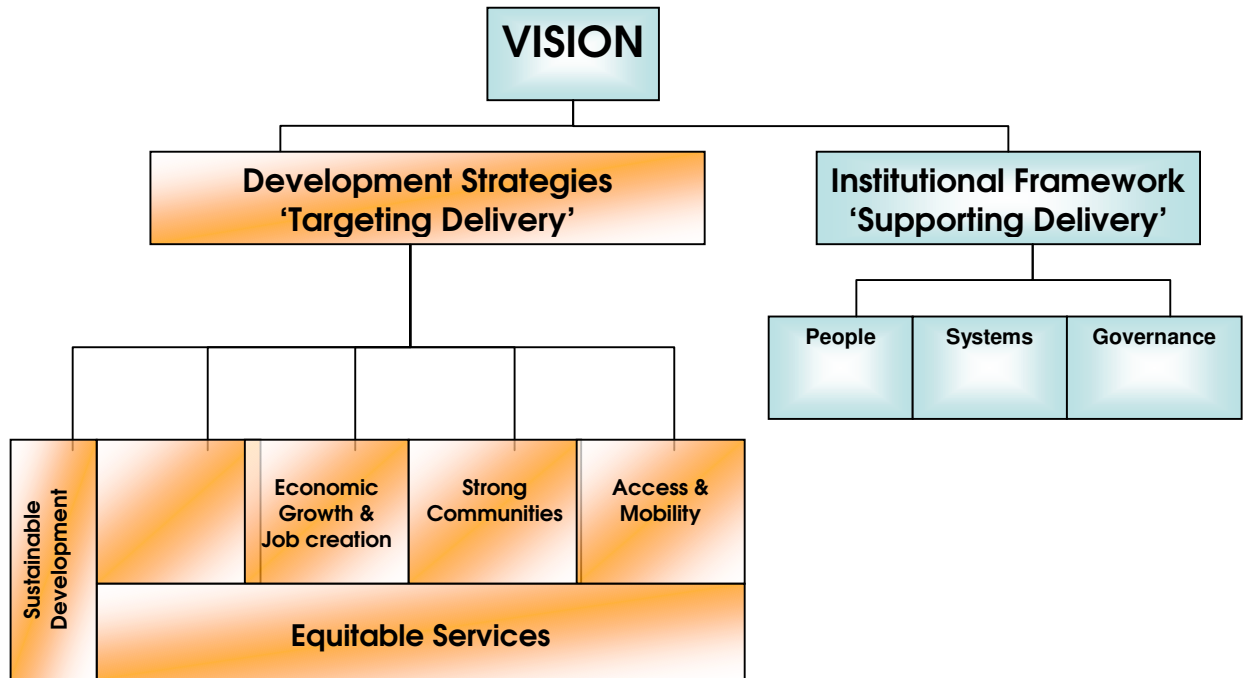
To organize an excellent 2010 FIFA World Cup event with lasting benefits to the people of Cape Town and the Western Cape

## **STRATEGIC VISION**

- To ensure that Cape Town and the Western Cape become the **centre of attraction** for participants, media and spectators of the 2010 FIFA World Cup
- To ensure that opportunities are **maximized**
- To build a **legacy** for the residents of Cape Town/Western Cape to benefit all

The mission and vision for the 2010 FIFA World Cup event have been aligned to the overall City of Cape Town's vision as captured in the City

of Cape Town IDP for 2005/2006 and the 2006 Provincial Growth and Development Strategy (PGDS).



## THE GREEN POINT STADIUM

Cape Town is set to become the dramatic backdrop to the 2010 FIFA World Cup. With its spectacular natural beauty, its long history and diverse cultures, Cape Town will play host to the family of nations celebrating the best of football in the first World Cup to be played in Africa. Not only the profile of Cape Town and our friendly people, but the capabilities of our country and continent will be beamed across the world to billions of fans, future visitors, investors and friends. 2010 offers a major opportunity to showcase the best we have to offer.

As part of the Bid Process the Newlands stadium was presented as a proposed match venue and was accepted as such, and therefore formed the basis of the agreement between the South African Government and FIFA. On 30 September 2005 a joint Provincial Cabinet and City of Cape Town Management Committee meeting was held at which the 2010 FIFA World Cup was discussed. Officials of the City and Province persuaded both the City and the Provincial

Government leadership to propose Athlone as the Cape Town venue, rather than Newlands as it was perceived that Hosting the games at Athlone would bring more developmental benefits to the City .

After following all the local and national approval processes, FIFA was approached to consider Athlone Stadium as a match venue. FIFA agreed to and executed a site inspection on 18 October 2005. During that inspection they were also shown the Green Point stadium as one of a number of potential training venues in and around Cape Town. During this visit, the FIFA delegation indicated that they were not willing to consider Athlone as an alternative venue to Newlands, but that they were surprised that Green Point had only been proposed as a training venue and not as the site for a semi-final 2010 FIFA World Cup™ as it was the prime location to profile South Africa and the African continent through the world's biggest football event. In their view neither the Athlone nor the Newlands Stadium would be suitable for a semi-final. Only first round matches would be played there and Cape Town would then not feature further in the World Cup.

After the announcement of South Africa as Host nation to the 2010 FIFA World Cup on 17 May 2004, most of the work undertaken by the City and Province focused on presenting Athlone Stadium as the preferred match venue for Cape Town. With the FIFA inspections during 2005, it became clear that two aspects of understanding were missing during this period. The first was a multifaceted approach to the potential socio-economic impact of such a global mega event – and specifically the location of the match venue. The second missing element was a poor understanding of the decision making drivers of FIFA and the Organising Committee. During the bidding phase the Country was competing against Morocco, Egypt, Libya and Tunisia and in terms of that competitive environment it was compelled to show case its existing infrastructure as the other competing countries could not boast the same. In the Hosting phase, the country is competing against previous Hosts such as Germany, France, Korea-Japan and the USA. In this respect, FIFA and the organizing committee viewed the City as seriously underselling its potential by placing its event infrastructure in Athlone or even Newlands.

A comparative cost-benefit analysis on Athlone, Newlands and Green Point was undertaken during October 2005 which indicated that although Green Point would be the most expensive stadium to build, it would offer the most short and long term benefits in the form of job creation and contribution to GDP.

On 18 October 2005 Mr Essop Pahad, the Minister within the Presidency, confirmed with the Premier that Green Point had been identified by FIFA as the preferred Cape Town site for the 2010 FIFA World Cup™ semi-final.

The LOC indicated to the Provincial and City leadership that should they want the honour and benefit from the considerable advantages of hosting a semi-final, which would attract well over a billion TV spectators as well as thousands of international fans and their families, not to mention all the lead-up events, product launches, possibly FIFA Congress and high profile other events, they should consider expanding the Green Point Stadium.

Once all this was communicated at the highest level, local and provincial stakeholders shifted their perspective and on 06 February 2006 the national Deputy Minister of Sport announced that the national government and the LOC had agreed that Green Point would be the match venue in Cape Town. A multi-disciplinary approach with a broader world view had now been introduced to underpin the 2010 strategy.

A Request for Proposals (RFP) to design and develop a stadium for a semi-final venue at Green Point was published. After a thorough adjudication process a joint venture of the two top consortia was appointed.

Subsequent to local government elections on 1 March 2006 the new Executive Mayor of Cape Town indicated that she was not entirely satisfied that Green Point Stadium was the appropriate site for the development of the stadium and commissioned an alternative site study and a more detailed financial analyses. This study confirmed that Green Point would be the most viable venue within the available timeframe.

## **THE BUSINESS PLAN**

The business case for funding the stadium and associated infrastructure which was presented to National Treasury served the local and provincial requirements for a detailed financial analysis. A mid-year Interim Business Plan, followed by a Final Business Plan



submitted to National Treasury on 31 October 2006, showing potential funding sources and revenue streams plus a sustainable model of operation for the stadium, as well as other infrastructural and operational needs, were submitted as agreed. The Final Business Plan is available to the public on [www.capetown.gov.za](http://www.capetown.gov.za).

National Treasury had indicated that the following principles for the Business plan should be addressed:

- Vision to be simple and clear
- Operating and maintenance cost understood
- a stadium that can accommodate soccer, but not only soccer
- Usability 365 days with maximum revenue
- Best case scenarios to be developed
- Architecturally innovative - range of services to be offered
- Innovative seating solutions
- Contextualised in African context - best effort in our context
- Managed to show that we are flexible
- Institutional arrangements investigated and proposed

The Initial Business Plan was a high level document giving an indication of how the stadium would be sustainable (financial, social and environmental sustainability shown) the resources required to deliver on the broad design concept for the stadium and the precinct. Specific scenarios had been developed around key indicators for presentation to the City and Province. These scenarios, including an indication of the Province's and City's preferred scenario, were then presented to National Treasury in order to negotiate funding.

Building on the successful model for the Cape Town International Convention Centre (CTICC), the Business Plan explored various options including a substantial portion of capital provided by National/Provincial/City and the operation of the stadium to be private sector driven with public sector oversight. Private sector funding for the construction of the stadium was also considered.

With respect to the stadium, the Business Plan covered:

- Potential Markets
  - Sport codes
  - Local community
  - Other (non sport including international events)

- Rest of precinct (office/retail, etc.)
- Demand projections
- Revenue projections
- Operating costs (timing & cash flows)
- Funding (and funding stream contributions)
  - Financial model (surplus/shortfall)
- Institutional structure
- Management and operations
- Marketing (pre-, during and post)
- Economic impact and social impact
- Environmental efficiency

The situational analysis for the Green Point Stadium precinct undertaken in relation to a range of potential markets, resulted in a prioritized list that supports the overall **vision of Green Point becoming a sport and sport development hub within an Urban Park of metropolitan significance.**

## **BUDGET**

At the national level there are two main funding streams:

1. **Infrastructure funding**, including the upgrade and building of stadia and transport infrastructure and systems, to be channeled to the Host Cities from National Treasury through the national departments (Sport and Recreation South Africa and the Department of Transport). Other aspects such as safety and security will also receive extra national funding.
2. LOC to cover **costs of the event**

National Treasury made planning funds available through the national Department of Sport and Recreation and the DBSA. The PGWC made an initial grant for planning. A Sub-programme has been created within the budget of the provincial Department of Cultural Affairs and Sport (DCAS) for non-infrastructure facilitation, earmarked for planning facilitation including the possible establishment of a Special Purpose Vehicle (SPV).

The City has received funding from the national Department of Transport to facilitate the improvement of public transport at key transport corridors. Mandatory co-funding is to be made available within line functions for public transport infrastructure through the Public Transport Infrastructure Fund (PTIF). The City has now budgeted for planning (2006/7 and 2007/8 financial years). Further provision will be made in 2007/8 and 2008/9.

Budget for the stadium:

Initial estimates of R1.2 billion, excluding a retractable roof, as confirmed by the consortia highly respected Quantity Surveyor whose firm was working on the Athlone Stadium upgrade project. This estimate was made in the absence of a design and based on the 2005 Athlone Stadium price per seat costs. In August 2006, an initial business plan indicating a cost of R3.3 billion was presented to the City, Province, National Treasury and Organising Committee leadership. The Professional team was asked to refine the design in order to cut costs. In the final business plan a trimmer stadium and budget were presented to the authorities. There are a few limiting factors: FIFA requirements and the requirements of the Record of Decision of the Environmental Impact Assessment. The figures are subject to continuous and serious interrogation and National Treasury is kept informed at each step of the way. Estimates for the Green Point precinct upgrade were submitted as part of the final Business Plan, but will have to be updated in the light of the January 2007 Record of Decision issued by the MEC for Environment, Planning and Economic Development.

The major challenge faced by all stadia is that government is spending up to R400b on infrastructure over the next five years. Together with a global boom in construction (2008 Olympics in China and 2012 Olympics in London etc), human and material resources are highly constrained, pushing prices to unprecedented levels.

Initially National Treasury had allocated R3bill for the building and upgrade of all ten stadia. More funding was identified in the Adjustments Estimates tabled on 26 October 2006, indicating R15b for stadia construction and upgrade as well as for transport and related infrastructure. No allocations to individual projects were announced.

The City has pre-qualified three construction consortia and announced a preferred bidder through the legal tender processes. Cost estimates, are over the allocated budget and the City is required to enter into hard negotiations with the construction consortia before final budgets can be negotiated with national Treasury.

Community stadia, including Swartklip and Philippi will be upgraded by the City and the Province, in partnership with the private sector.

In summary, the **Interim Business Plan was submitted to National Treasury in the first week of August, the Final Business Plan on 31 October and funds were made available through the Adjustment Estimates tabled in Parliament on 26 October 2006.** Negotiations with National Treasury will continue until agreement is reached by all parties.

## **AN OPERATOR**

The City was advised by the bidding professional teams as well as by an independent financial advisor to appoint an Operator for the stadium as soon as possible. This strategy was successfully implemented at the CTICC. The requirement to appoint the Operator is now a legal requirement as it is one of the recommendations in the Record of Decision. An Operator for the Green Point Stadium and Precinct will be sourced through a broad Request for Proposal (RFP). The RFP will incorporate the need for international experience, best practice for a sustainable operation and will accommodate empowerment requirements. The appointment of the Operator is critical to the overall success of the project. The Operator is required to provide input into the technical and operational design of the facility to ensure appropriate design and an overall sustainable model for the stadium, as well as developing an appropriate operating contract/model and address marketing of the facility pre- and post-2010 for maximum usage.

The sourcing of an Operator for the CTICC was a local process, in order to avoid a costly international advertising campaign. With all

eyes on South Africa for 2010, the RFQ to be electronically distributed and locally publicised should attract international interest.

The key next step is therefore to recruit expertise in stadium operations as part of the Green Point Design and Development team.

## **PROCUREMENT OF THE CONTRACTOR**

The next critical process was the **procurement of the contractors** as the time frame is so tight. Following the CIDB process, contractors were pre-qualified, such that when the funding becomes available contracts can be signed and construction can begin early in 2007.

## **RISK MANAGEMENT**

The ability to manage strategic risks associated with the project will largely determine the overall success of the project.

Strategic risks were identified as part of the Adjudication process for the stadium development.

Further risks were identified during the Alternative Site study and strategic project risks have been identified by the Design and Development Team. Once the identified risks have been assessed from an impact and probability perspective to determine with the assistance of independent risk assessors, an accurate risk rating, a detailed risk management plan will be developed to address and mitigate them.

## **CRITICAL SUCCESS FACTORS**

The following critical success factors were identified during the adjudication process for the stadium:

- Appointment of operator as soon as possible
- Appointment of contractor for the construction of the stadium as soon as possible to afford them the opportunity of inputting into design process
- Fast track decision making process by client
- Decision making & decision making structures
- Timeous streaming of funding

Other Critical Success Factors include:

- Know what you want ....and have a dedicated team to achieve it
- Clear objectives, leadership, roles & responsibilities
- Partnership (sectors & spheres of government)
- Establishment of joint (3 spheres of government) communication
- Establishment of institutional framework/SPV
- Political support, clear communications with constituencies
- Local community support, involvement, ownership & acceptance
- Adequate resourcing
- The right jockeys for the right job
- Uninterrupted supply of water, electricity and continual services of waste management during event
- Lower operational and infrastructural costs
- Trained/skilled labour increases chances of earnings staying and benefiting locals
- Long-term perspective planning
- Sustainability (financial, environmental, social)
- Distinctive appeal & brand
- Imaginative interpretation of geography and history
- Appointment of dedicated staff including senior manager to manage legacy
- Ability to create stability in and continuity of initial team
- Robust monitoring and evaluation
- Integration management to ensure success on a programme level
- Alignment between strategy, operations and communication

The critical success factors will be integrated into the overall risk management plan.

Turning to the three main elements of the strategic plan, **compliance, building the legacy and leveraging opportunity** are addressed at a high level. The detail is not presented as part of this strategic plan. Details are contained in the programmes of the joint City/Province work streams.

## **1. COMPLIANCE**

This strategy does not detail issues of compliance with FIFA requirements, but the Host City Agreement, signed between FIFA and the City of Cape Town, as well as the Host Stadium Agreement and the technical requirements for the stadium form the bases from which the compliance issues will be unpacked and addressed.

### **HOST CITY AGREEMENT**

The Host City Agreement is a tri-partheid agreement between FIFA, the LOC and the City of Cape Town which has been signed by all parties. Within the national guarantees, it sets out the conditionalities for Cape Town being selected as a Host City for matches during the 2010 FIFA World Cup. An analysis of the Host City Agreement has been undertaken to ensure that the conditionalities set out in the agreement are operationalised and integrated with the detailed project planning and delivery.

### **STADIUM USE AGREEMENT**

This is a rental agreement which enables FIFA access to the facilities two weeks before the Tournament. It details FIFA's Operational Requirements during the event.

Although the focus is for the Green Point stadium to comply with FIFA requirements, the options to accommodate other sporting codes as well as the Olympics/Commonwealth Games will be considered in scenarios detailed in the Business Plan.

Reconfiguration after 2010, such as removing/replacing temporary seats to accommodate these types of international events will be addressed as part of the business plan.

### **HOSPITALITY**

Hospitality is an integral part of most mainstream sports events. The FIFA has developed the concept of hospitality much further than many other international sports federations and consequently there are detailed standards for compliance. As MATCH has been awarded the FIFA contract to deal with all hospitality and accommodation requirements, a good working relationship has

been established in order to maximize Cape Town and the Western Cape's opportunities. Again lessons learned from 2006 are being incorporated into the 2010 plans.

### **FAN PARKS**

Owing to the shortage of tickets available for the 2006 World Cup, FIFA permitted 'Fan Parks' or public viewing venues to be established in Germany where members of the public watched the match in another part of the city from where the game was being played. FIFA has agreed in principle that the same strategy could be followed in South Africa for those unable to obtain or afford tickets and for those unable to travel to the match venues.

Setting up fan parks requires planning from an infrastructure point of view and detailed logistical planning. The City's Sport and Recreation Directorate and the provincial Departments of Transport and Public Works and of Cultural Affairs and Sport (DCAS) in consultation with non-metropolitan municipalities have identified specific areas in the City and Province for fan parks, to enable early planning on a more detailed level. The identification process of appropriate areas for fan parks has been done in conjunction with municipalities. The City and the Province are awaiting the FIFA guidelines and conditions for Public viewing Events. In terms of the Host Cities Agreement, FIFA can exercise a right of whether to allow public viewing events beyond the FIFA Fan Park. It is the City and the Province's intention to solicit private sector support for Fan Parks without impacting on FIFA sponsorships. There are thus a number of opportunities for sponsorships which should be pursued.

### **TRAINING VENUES AND BASE CAMPS**

Training venues must be situated a maximum of 20min drive by bus from the FIFA Team Hotels. This means that they will have to be located within the Host City. Base camps are the choice of the participating National Teams and may be situated anywhere in the country and the SADEC region. Proposed training venues and base camps will need FIFA approval. Areas beyond the City's boundaries in the Western Cape would have a reasonable chance of being accredited. Municipalities wanting to be considered should be informed of requirements timeously and be supported and encouraged to compete cooperatively.



The certification requirements will be obtained from FIFA. The Department of Cultural Affairs and Sport (DCAS), together with the Department of the Premier will undertake a feasibility study to identify potential provincial venues outside the City that could be developed and marketed as training venues.

Part of the marketing strategy related to training venues will be targeting teams which will cement relationships with our existing tourism and trading partners.

The requirements for training venues and base camps are team specific (usually decided by the coach) and therefore a targeted approach is required. A clear understanding of team requirements needs to be developed and mapped against possible training venues and base camps in the Province and to be marketed as such to the teams' decision makers. The two most important criteria would be excellent playing fields and accommodation, as indicated in the draft FIFA guidelines for these facilities.

## **MARKETING**

For the 2006 World Cup there were 15 Official Sponsors and 6 National Sponsors. 12 German Cities were given marketing rights and each stadium was also given marketing rights. From 2007 there will be 6 partners for all competitions, between 6 and 8 international partners for the FIFA World Cup, 4-6 national suppliers or sponsors and only one global licensing agent.

Four international companies have already signed partner rights lasting until 2014 (**Adidas, Hyundai, Coca Cola and Sony**). MTN and FNB have signed on as national sponsors. Already more than US\$3billion has been signed for the 2010 World Cup, more than the final figure for the 2006 World Cup.

Global Brands purchased the Licensing and Merchandising rights from FIFA and aggressively seek the best return on their large investment. They have the rights for:

- Official licensing for the FIFA World Cup
- Official licensing of the FIFA Stores
- On-site (i.e. at the stadium) concessionaires & retail space

In terms of the Host City agreement there are also specific rights and obligations related to marketing and communications. The areas of compliance where there is room for negotiation has also been identified.

The key next steps will be to develop a detailed marketing campaign and to clarify our message i.e. marketing "Cape Town 2010" as the hook for the Western Cape, as well as developing a single overall marketing and communications strategy. The marketing campaign and associated marketing elements must assist in building social capital across the province and country. Building on extensive work already undertaken by the Province and City, Cape Town Routes Unlimited (CTRU), the Cape Film Commission and Wesgro will be working together to maximize tourism, trade and investment.

The first major international marketing event was the unveiling of the 2010 logo on 7 July 2006 in Berlin before thousands of media representatives and high profile leaders including the secretary General of the United Nations, the President of the African Union, the South African President and the President of the African Football Association. Cape Town was amongst the nine South African Host Cities promoting its beauty and capabilities.

## **2. DEVELOPMENT AND LEGACY**

FIFA promotes the notion of '**legacy**' to be left in each country which hosts the Football World Cup. This concept is widely interpreted across football clubs, local communities, trade unions, business association, and civil society in general. It may be appropriate at this stage to look back at major events to understand their legacy and impact in order to leverage the best for Cape Town and the Western Cape within our particular set of conditions and context.

*Understanding Japan/South Korea 2002 - a high level case study*

The journalist Ian Buruma in his book *Inventing Japan* argues that 10 October 1964 (the opening day of the 1964 Olympics) was "the day on which Japan was able to rejoin the international

community and display new transportation and communication systems and the rebuilt capital city of Tokyo. The event gave the Japanese the opportunity to impress the numerous visitors with their friendliness, impressive organisation and technology"[Horne, J, 2004, pp1233].

There is no doubt that the 1964 Olympic games was the catalyst for catapulting Japan from the doldrums of a vanquished and defeated state after WWII in 1945 to a world economic force and today's greatest repository of wealth.

After successfully hosting the Nagano Olympics in 1998 and a series of other world events, nearly 40 years later, Japan once again wanted to use a mega sporting opportunity (the 2002 FIFA World Cup) to act as an economic income generator to have a positive impact on the quality of life of local inhabitants in a region, to foster feelings of community belonging and local identification and importantly, to connect the peripheral economic centres to the hub of development. To do this 10 new stadia were built.

Whilst the matches themselves were well supported, the limited post tournament usage and post event cost-benefit analyses has resulted in the view that a negative financial legacy has been left (Horne, J, 2004; Matheson and Baade, March 2003, Matheson and Baade, June 2004).

In fact Horne (2004) argues that "despite the unanimous studies that public investment in sport facilities yields only minimal economic benefits, officials continue to push for new facilities". It is for this reason that thorough business planning is being undertaken for presentation to National Treasury.

Japan made a few errors in its handling of the opportunity:

Firstly, it over-invested in too many new stadia and could not have hoped to regain its capital sport infrastructure cost given the scale of their investment.

Secondly, it did not achieve the effect of a legacy of regional distribution of benefits because it relied too heavily on sport infrastructure alone to be an economic driver, building new stadia

in areas and communities without sufficiently taking into account other infrastructure and economic drivers which could assist with legacy once the World Cup had ended.

And thirdly, because it now sits with a legacy of having to maintain costly sport infrastructure only suitable for use at a very high professional level (e.g. the J- league), community sport is suffering from a skewing of resources in that these expensive facilities have to be maintained.

It is clear therefore that any investment in new sport infrastructure for the 2010 FIFA World Cup must be used for many other purposes and for leverage spending on public transport, safety, sports facilities and other infrastructure needed for the development of the economy and society.

### Other considerations

#### Growth rates

Matheson and Baade (March 2003) have argued that in many cases mega events are worse for developing countries than for industrialized nations. This narrow view has held sway especially for the 2002 World Cup where both Japan and South Korea seem to have been left with a negative financial legacy.

However, Lowe-lee , F (July 2002) has released a table indicating the relative pre- and post growth rates of countries hosting the World Cup :

<b>World Cup</b>	<b>Pre- tournament growth rate</b>	<b>Post- tournament growth rate</b>	<b>Variance</b>
Switzerland 1954	4.0%	5.5%	+ 1.5%
Sweden 1958	1.9%	4.0%	+ 2.1%
Chile 1962	3.2%	1.8%	-1.4%
Great Britain 1966	1.4%	3.0%	+1.6%
Mexico 1970	2.9%	5.2%	+2.3%
Germany 1974	9.5%	4.7%	-4.8%
Argentina 1978	0.0%	5.6%	+5.6%
Spain 1982	-0.6%	0.5%	+1.1%
Mexico 1986	-2.2%	0.6%	+2.8%

Italy 1990	2.4%	0.9%	-1.3%
USA 1994	2.4%	2.3%	-0.1%
France 1998	1.9%	2.9%	+1.0%

**Source: Korea Economic institute, Vol 4, No. 7, July 2002, page 3.**

While it cannot be said with 100% certainty that the World Cup was the only determinant affecting these patterns, all analysts agree that it had a significant impact on growth figures for these countries whilst influencing: **influx of tourists, exports and improving perceptions of these countries.** Of course it is difficult to measure the future impact hosting had on later growth but it is clear that the World Cup, as confirmed in 2006 by the Germans, is an unprecedented platform from which significant social cohesion and external marketing of the host country and its potential can exceed all foreign and domestic expectations.

Crowding out

Bade and Matheson (June 2004) have also alluded to other concerns. Their studies reveal that some “crowding out” effects were felt in some cities in the US during 1994 due to the perception that there would be limited hotel rooms, high hotel prices and rowdy fans. Their normal tourists who would have visited but who were not interested in the World Cup stayed away. This should not be a concern for South Africa in general and the Western Cape in particular because our event is being hosted in the June-July period. This is when we experience our lowest numbers of tourists and in fact this event will be used as a platform to smooth seasonal demand.

Because the matches are not held on consecutive days the New York Convention Centre was not used for the entire 3-week period of the games there, rather than just for the days of the games (Matheson and Baade, June 2004). This is an important perception issue. An innovative proposal to use the expansion of the Cape Town International Convention Centre (CTICC) for the six months leading up to the World Cup, and the whole CTICC for the four weeks of the 2010 World Cup for the International Broadcasting Centre (IBC) would solve this dilemma.

Substitution effects:

Substitution effects were also felt in South Korea 2002 where one of their normal tourists markets was Japanese, but because Japan

co-hosted many Japanese did not go to South Korea during the World Cup. So even though there were higher numbers of European visitors at the time of the matches this did not compensate for their loss of (high spending) Japanese visitors. In fact South Korea had fewer visitors at the time of the World Cup than they would normally have had at the same time of the year previously! While we should be aware of this, it should not present a problem for South Africa. Rather we should view our games as an opportunity to consolidate our existing markets (UK, Germany and US) and make forays into new markets like Brazil, Nigeria and China – all Football nations.

#### Next best use of resources

Baade and Matheson (June 2004) allude to measurement of cost benefit including the measurement of what resources would have been spent on had they not been spent on a particular stadium or infrastructure, or what they labeled “a next best alternative model”. In terms of our positioning our argument is that by spending Rx million we will leverage in excess of Rx+y million in infrastructure. This will be funding which would not normally have been attracted to this region. We will also utilize the opportunity to ensure that the event is used to catapult our destination from a tourism and investment point of view and the investment in sport infrastructure will leave us with a legacy of being able to host international and national sports, including football, with a dedicated world class facility.

#### Training facilities

According to the Bid Book the upgrading of training grounds is a main part of the strategy to leave a lasting legacy - the idea is to ensure that training facilities will have a positive impact on local clubs and communities leading up to and after the 2010 FIFA World Cup.

As mentioned previously, a distinction has to be made between training venues for the competition and training venues used to host training camps in the lead up to the matches.

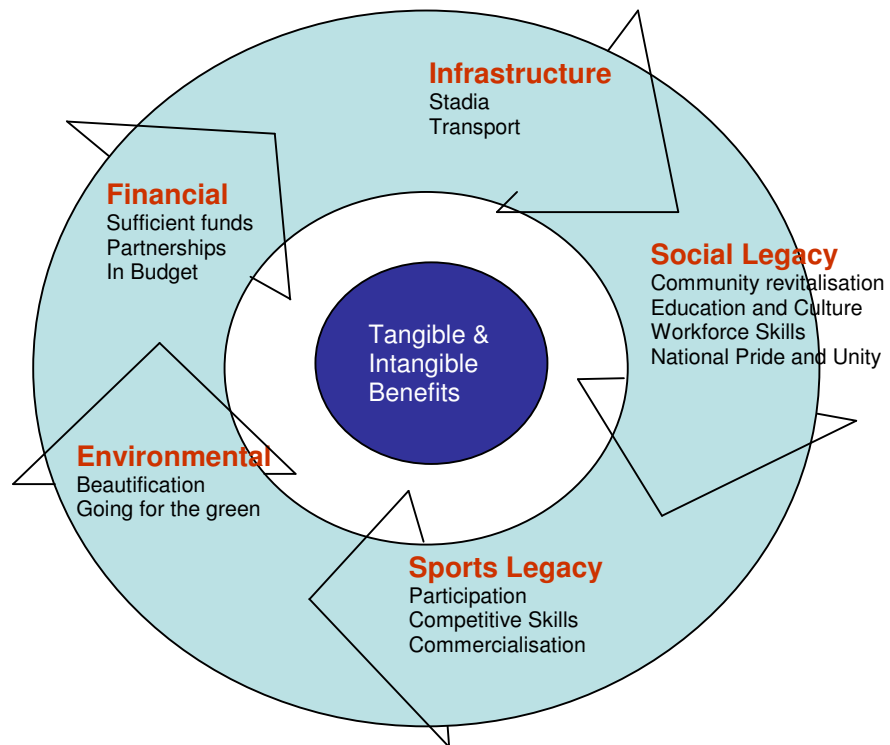
An analysis of training facility usage for previous World Cups reveals the following:

- A list of more than 80 training camp sites was made available to the teams by FIFA for Japan/Korea 2002.
- A list of 60 training camp sites was made available for the 2006 Tournament in Germany by FIFA. It should be noted that more than 500 centres in Germany tried to be accredited but only 60 were chosen and only 32 were used.
- FIFA does not decide which venues teams have to use (although they do accredit) – individual federations decide this – as referred to above the lobbying has already begun with some innovative municipalities traveling abroad to try to attract teams likely to qualify to play in 2010 to be based in their areas. More than 70% of the proposed venues will not be used. We should therefore invest in the training facilities with a view to addressing sport infrastructure needs in the regions, so that communities can benefit from facilities even if they are not used. The communication plan should explain these aspects.
- In Japan 2002 there was a scramble between competing cities/towns to host teams. An approach to be led by DCAS, based on criteria developed by (provincial and national) Sport should determine the process in this province.
- The majority of the training camp sites were situated 100 – 200km out of the city centres.

Manzenreiter, W (2004) has argued that for sport to be a world commodity, in addition to it having to have a popular base, reliable governance and to be a commercially viable proposition, it should also have strong appeal to cultural industries. This provides us with a huge opportunity in the Western Cape. Planning for how our event can be used to stimulate the cultural industries of the region and leave a legacy for all is underway.

We should turn the cynical view of some commentators, from one which sees FIFA as awarding the World Cup to countries so that they and their sponsors can penetrate new markets, to one where we see the opportunity to develop new markets to consume our goods and services. This is part of the legacy we should leave.

Given this background, this strategy attempts to define the legacy Cape Town and the Western Cape would want to inherit from the 2010 World Cup from an infrastructure, social, sport, environmental and financial point of view as translated through tangible and intangible benefits from hosting the 2010 World Cup.



## THE VISION FOR GREENPOINT

The Green Point Stadium and Common is currently an under-utilised public open space and prime site for the 2010 World Cup. Through this development, the City and Province intend to catapult city-wide growth, attracting visitors and tourists, investment, while creating jobs and opening a multitude of new



opportunities for sporting, leisure and entertainment events on a scale not yet seen in our city.

Green Point is also extremely accessible from a location point of view - most accessible to public transport from within the metro and as far away as Zimbabwe with the railway lines, N1, N2 and N7 converging on the CBD and walking distance from the main railway station to the stadium.

The vision for Green Point is to develop a sport and recreation precinct within an Urban Park, including a world-class 68 000 seat stadium, linking the popular Victoria & Alfred Waterfront to the Central Business District (CBD), the Cape Town International Convention Centre (CTICC), the Atlantic Seaboard and the Table Mountain National Park with the metropolitan area of Cape Town and the hinterland of the Western Cape Province. Set in one of the most beautiful cities in the world, the stadium will be proudly owned and regularly used by all the people of Cape Town. Through affordable public and non-motorised transport, it will be accessible to rich and poor, black and white, female and male, locals and visitors. The Green Point Stadium will be the place to meet to cheer their teams, to hear their favourite musicians, to picnic with their families or simply to wander amiably in safe and pleasant surroundings.

Recognizing Green Point as commonage, several elements are being planned to enrich Green Point as a user-friendly sport and recreation precinct, not only for local residents, but for – and in consultation with - the wider public.

The development of the precinct being planned in alignment with this long term vision in a phased manner and with the appropriate sustainable funding models attached to each phase of this long term project takes the vision way beyond 2010.

The overall objective of developing a sport and recreation precinct is to enhance regional capabilities that already exist in the area and not to detract from other facilities, while also enhancing the value of the surrounding area for the benefit of all.

Elements that could be considered, subject to proposals that potential Operators may submit include:

Sports campus (national, provincial, local usage)

- Centre of excellence in sport nationally
- Institute of sport psychology
- Institute of sport medicine
- The development of facilities to accommodate other popular sport codes, particularly spectator sports
- Training facilities

The ability to develop the Green Point precinct as a whole will create long term sustainability for the stadium, but more importantly it will build a legacy far beyond the reach of the 2010 Soccer World Cup for the benefit of all.

## **THE PRINCIPLES FOR THE STADIUM**

The principles for the design and development of the Green Point stadium were detailed in the Request for Proposals (RFP):

- Provision of a stadium - complying with FIFA's technical, security, operational & regulatory requirements
- Stadium definition - facility requirements i.t.o.
  - pitch area
  - stadium building
  - stadium perimeter
  - stadium infrastructure
  - payment systems/automated telling machines
  - parking plan/admittance,
  - operation of the stadium
  - stadium security
  - stadium access
  - Tribune D'Honneur (VIP box)
  - stadium capacity & seating
- Stadium plans

## **URBAN AND RURAL DEVELOPMENT: LEGACY**

Compliance with FIFA requirements focuses largely around the stadia, but the impact of the event should be lasting for the citizens of the City and surrounding areas. The legacy aspects of this Strategic Plan therefore pick up on many of the issues raised

already under 'compliance', as well as including other developmental opportunities.

The upgrade of **public transport** is the most pressing challenge to enable spectators to attend matches in a safe, car free environment. This requirement applies as much in the day to day lives of our people as to the 2010 spectators. Public transport benefits people, the economy and the natural environment through preventing urban sprawl, cutting emissions and reducing travel time and costs.

*"Transport is an obstacle to growth, by improving public transport we will boost the economy. In 2010 thousands of visitors will be relying on our transport systems" (Cape Town 2005/2006 IDP)*

Safe and regular connections with the City and between towns in the Province, and with other provinces, must also be part of the legacy of 2010. Mobility brings opportunity, and opportunity brings social and economic development.

The development of **transport infrastructure** for the 2010 World Cup is informed by the lead provincial Strategic Infrastructure Plan (SIP) which is part of the Provincial *iKapa Elihlumayo* Growth and Development Strategy. The focus for transport is also an important part of the City of Cape Town's IDP and its key mobility strategies.

The national Department of Transport has required host cities and their provinces to prepare 2010 transport management priority statements. The following key projects have been linked to the 2010 opportunity and identified for further examination and securing of resources:

- Development of a 2010 WC Transport guiding framework and management plan
- Development of road and rail based infrastructure in the form of the N2 Airport City Link
- Development of the Klipfontein Corridor package of plans including plan for BRT and non-motorised transport (NMT), and Athlone stadium precinct upgrades
- Development of a central city transport system including, bus, taxi, pedestrian, NMT routes and concomitant facilities

- Upgrading of long distance coach terminals at CTIA, Central City, Bellville and Philippi
- Development of a multi – modal ticketing systems for 2010 and beyond
- Development of intelligent transport systems (ITS) including CCTV, variable road message signs, and upgrading of area traffic control centres.
- Development of rail infrastructure including: rolling stock upgrades, selected station upgrades (Athlone, Heideveld, Langa, Hazendal & Cape Town amongst others), and the exploration of a possible rail link between CTIA and the CBD
- Development of Airport infrastructure including: Domestic terminal upgrades, new aprons for A380 Airbus, multi-storey car parks and development of a formalized bus shuttle between CTIA and key metro areas.

Strategic infrastructure such as **Cape Town International Airport** must be addressed in partnership between the spheres of government and ACSA. Fast and affordable connections between the airport and the City centre are required as much by those who fly into Cape Town as the thousands who live and work in the vicinity of Cape Town International Airport.

Each night spent away from home as a result of the 2010 FIFA World Cup **grows the economy**. Cape Town is likely only to benefit as June/July is the quietest tourist season.

The ability to maximize visitor spending will further add to the economic benefits derived from the 2010 FIFA World Cup. The City and Province will work with private sector to (amongst many other initiatives):

- Develop marketing themes jointly (including Wesgro, CTRU and the Cape Film Commission)
- Inform business of marketing information, such as aversion & accompanying markets
- Create free zones for events
- Encourage special promotions executed through local media
- Maximise public viewing areas and the walk to the stadium with SMME opportunities en route.

The following strategies have been adopted and implemented:

- Business Breakfasts (WESGRO)
- Quarterly updates and presentations to Stakeholders eg Regional Chamber and through the Provincial Development Council (PDC)
- Press Club and business association briefings
- Forums with business to develop theming tactics & promotions for city zones i.e. aligned to the Cities' destination and marketing plans, not infringing on FIFA's marks
- Regular media briefings

Strategies to ensure that the length of visitors' stay is maximized include:

- Bid to host maximum number of matches to lengthen duration of the tournament in Cape Town
- Lobby to secure matches:
  - At least 3 International Matches in Cape Town each year
  - In 2010, 30% of warm up matches staged in Cape Town
- Create database of potential base camps & ensure that they are FIFA accredited
- At least 30% of FIFA Events to be staged in Cape Town leading up to 2010 (Congress, the Final Draw, launches...)
- Arrange a host of conferences in 2009 which invites the 2014 host to interact with SA Businesses to expose lessons and opportunities
- Develop entertainment program to entice visitors to stay longer
- Stage exhibitions, conferences/workshops to encourage visitors to arrive early or leave after the event
- Cater for visitors without tickets by creating public spaces for interaction (Public Viewing Areas) with economic opportunities
- Work with CTRU and districts to package & promote tourism outside the City adding a day or two onto the trip and encouraging repeat visits.



**Training venues**, both those used in the lead up to as well as those used during the competition, have to be located in the Host City and may offer opportunities for developmental impact, as has been mentioned. Most national teams want their accommodation within close walking distance of the training venues, which would mean that a university or sports complex very close to a hotel would be ideal. Stellenbosch, George or some of the other bigger towns or some major resorts with training and health facilities may serve as base camps. These requirements form part of the feasibility study undertaken as mentioned earlier.

Once the requirements are understood and the feasibility study to identify possible provincial training venues has been completed, detailed planning is to be undertaken with the owners and the municipalities to ensure that the upgrade and roll out of training venues forms part of their IDP's and budgets. Expectations that every small town could host a team are unrealistic.

## **ACCOMMODATION**

Whereas the FIFA family and many long haul visitors will opt for the four and five star hotels, there will be a market for simple, clean and affordable accommodation. The universities<sup>1</sup> and hostels have been encouraged to make their accommodation available but there is also a good opportunity to promote homestays and cultural exchanges within 50 km of Cape Town, as well as in those towns where national teams choose to train. Not all ardent fans from the home countries are affluent and many would be open to well-organised, affordable catering and entertainment. MATCH, the FIFA-accredited company arranging accommodation and hospitality has already begun to include B&Bs and township accommodation in the portfolio.

## **ENVIRONMENTAL LEGACY**

As part of the bid for the 2006 FIFA World Cup, Germany introduced the concept of climate change-neutrality to the Games. Similar to the Sydney Olympics, Germany wanted to ensure that global climate change would not be exacerbated by the 2006 World Cup. They defined their legacy in terms of changing their rather stark German image – their slogan ‘A time to make friends’, playing both on their legendary punctuality and their image of functionality over friendliness – as well as obviating further damage to the natural environment.

With the assistance of the Berlin-based OIK and the support of the Federal Government, the German LOC facilitated the signing of an agreement between FIFA and UNEP known as ‘Green Goal’ to ensure that all future Football World Cup events are environmentally well managed in order to prevent further damage to the natural environment. As a result of an agreement between the Federal Government and the national Department of Environmental Affairs and Tourism (DEAT) signed in December 2006, this approach to sustainable development is being incorporated into the 2010 World Cup. Programmes and targets will be set for South African stadia and the 2010 event. Based on lessons learned in 2006 in Germany, as well as from various mega events including the Winter and Summer Olympics, the LOC, the South African Government and NGOs are committed to implement

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<sup>1</sup> The Department of Education must be approached sooner rather than later to ensure that the 2010 tournament is played during school and university holidays.

the German legacy. The Germans focused on the following key areas:

- **Public transport**

Green Goal targeted at least 50% of all spectators to travel to and from the matches in Germany by public transport. In reality, results show an average of 70% traveled by public transport. Technology has enabled a seat ticket to be issued which allows free access to all regional public transport for the day of the match in question. This ticket has the added advantage of giving free public transport in the early hours of the morning following the match enabling fans of the winning side to celebrate without being tempted to drive home.

- **Water and waste management**

Green Goal assists the management of stadia in minimal water usage and comprehensive recycling schemes to minimize solid waste. The cooperation of Coca Cola and McDonalds with respect to simple innovative and reusable packaging ensured very little litter in the stadia at the end of games. Both these global players will offer their wares in 2010 and both can therefore be persuaded to serve food in paper serviettes and drink in reusable cups.

- **Renewable energy**

Making stadia more energy efficient and sourcing electricity from renewable sources are integral to the sustainable development approach adopted through Green Goal. Major FIFA sponsors joined the Green Goal campaign to maximize wind, solar and other forms of renewable energy<sup>2</sup> in their commercial operations, thereby adding to the legitimacy of the movement for renewable energy

- Carbon Trading opportunities to raise funds for low income settlements (e.g. Kuyasa/Khayelitsha) were supported by the 2006 World Cup. Funding options are being examined to assist South African stadia sustainability, as well as contributing to mitigating climate change.

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<sup>2</sup> The Berne Stadium in Switzerland actually sells electricity generated from photovoltaic panels on its roof to the surrounding neighbours (see <http://www.stadedesuisse.ch/sonnenkraft.htm>)



The promotion of environmental sustainability could quite easily be undertaken through various programmes e.g. schools' and clubs' programs.

Now that the German assessment is complete and building on other global experiences including the World Summit for Sustainable Development (WSSD) held in Johannesburg in 2002, appropriate criteria for South Africa are being developed in an interactive process with DEAT, Provinces and Host Cities. These criteria are being incorporated into the detailed analysis and alignment with the technical and operational design of the stadium, the event and transportation plans.

### **SOCIAL CAPITAL LEGACY**

*"The State of the Cities report notes that municipalities of the nine SACN<sup>3</sup> must think beyond infrastructure as their key social development strategy. Social development is still being understood too narrowly" Cape Town 2005/2006 IDP pg. 12*

FIFA is rightly very concerned with fair play and rooting out racist and unruly behaviour. 'My game is fair play' was promoted at each match and highlighted throughout the 2006 event.

Led by the German churches, an extensive partnership of NGOs, trade unions and local and provincial governments, supported by the private sector campaigns were run in Germany promoting the concept of fairness in the game (of life). Based very simply on the game of football with its teams, referees and rules, the campaign, known as 'Fair Play, Fair Life', was aimed at teaching school children and young people in sports clubs about how to compete (between teams) and to cooperate (within teams), to respect the referee's decision (and if not to accept the yellow and/or red card!), to respect each other (particularly racial tolerance) and to insist on fair trade. This last aspect took the campaign into the international arena, focusing on the small town of Sialkot in Pakistan where most of the world's footballs are manufactured. The wages and working conditions (including child labour) leave much to be desired and this campaign brought consumer pressure on the large companies to 'clean up their act'.

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<sup>3</sup> South African Cities' Network

Not only was the campaign rolled out in school classes with interactive learning exercises, the play 'The Ball is Round' was performed by a Youth Theatre based in Dusseldorf. The play has been translated into English and the Director of the Youth Theatre, who has worked with youth theatre in Mpumalanga HIV/Aids groups previously, is keen to come to South Africa and work with young people linking culture and sport.

Building social capital through **school sport and club and community sport** programmes and adapting from the German 'Fair Play Fair Life' campaign is a tangible and manageable programme, which would receive considerable support from Germany. A South African version is being developed as part of the roll-out of this strategy. Funding has already been allocated through DCAS and the Western Cape Department of Social Development and Poverty Alleviation to Artscape to manage the programme.

Further social capital gains as a direct output from the 2010 FIFA World Cup opportunity are being identified and specific strategies are to be developed to maximize the building of social capital, through, for example:

- Revitalizing local communities
  - using an upgraded public transport system linking communities across the City
  - Building on cultural nodes and corridors to integrate and revitalise local areas through cultural and economic activity
- Building social and human capital through:
  - Building skills, experience and exposure
  - Improving environmental understanding/education
  - Using 2010 to educate in geography/science
  - Introducing/entrenching values of hard work, discipline, teamwork, fairness and respect for other e.g. Fair Play Fair Life campaign in schools & clubs
  - CT Tourism Framework: eg Cape Town Pride Campaign, Come Play in Cape Town, Fair Play Fair Price, Explore & Score – domestic tourism/recreation

- Developing critical skills in the workforce
  - Program management, engineering, hospitality/tourism, security, marketing
  - Broadcast Internships with SABC/Film Industry as in Atlanta Olympics for college students
  - Apprenticeships: women in construction industry
  - Ensure percentage of skills base is local (balance local vs. imported capacity)
  - Foreign language skills program for security and hospitality
  - Basic tourism familiarisation in Western Cape for taxi drivers, volunteers, restaurants, airport officials, car rental staff, etc
  
- Inspiring national pride and unity
  - Building racial, ethnic, gender, class understanding, tolerance and appreciation
  - Media coverage to build National Pride (and mitigate negativity)
  - Learning from 'Germany – Land of Ideas' and building on 'South Africa – Alive with Possibility'

## **PROUDLY SOUTH AFRICAN**

It is a stated objective of the City and the Province to enable and maximise as many South African and Western Cape suppliers to the Event. These will include suppliers to the merchandising program, the hospitality program and the graphic design industry. Although the LOC may have little say over how hospitality and branding suppliers to FIFA source their goods and services, it is essential that at this early stage **reputable and quality** manufacturers and suppliers are identified and introduced to the FIFA sponsors and licencees to enable them to source locally.

A detailed strategy must be developed with the LOC and the Department of Trade and Industry to:

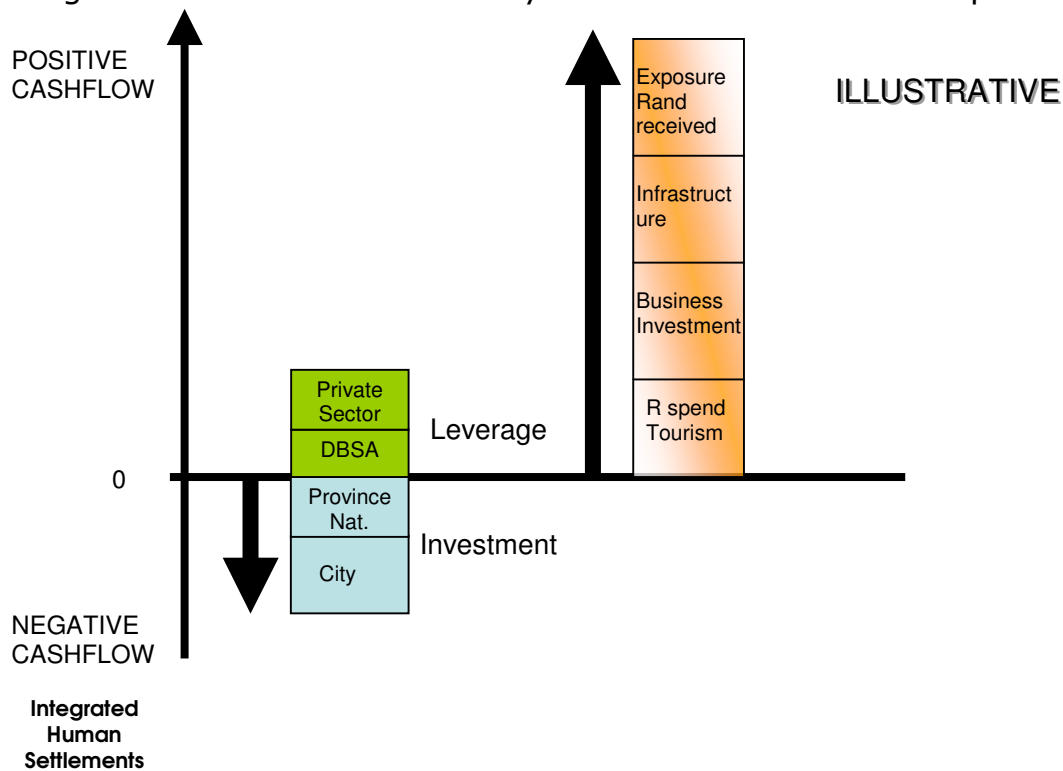
- Embark on negotiations with Global Brands for officially sponsored goods to be sourced locally;
- Source the specifications for officially sponsored goods;
- Put the right processes in place, including an appropriate tendering process, to support identified/selected local manufacturers and suppliers

- develop an integrated capacity and skills development programme that will assist manufacturers, suppliers, vendors, small business, factories and concessionaires, associated with relevant stakeholders, to better understand issues around legislation, distribution, access to finance, business administration management, etc.
- Focus on local crafters to produce innovative products

It is government's responsibility to ensure that as much as possible of the big spend, including design and construction of the stadia, design, creation and distribution of crafts, is sourced locally and equitably. From affordable mementoes to collectable art pieces, a market exists.

## FINANCIAL LEGACY

In order to limit the financial costs of the event haunting South Africans for generations to come, financial sustainability has been addressed upfront in the business plan. In order to avoid paying bills long after event - *the Montreal Olympics was known as "The big Owe"* – together with National Treasury a viable model will be adopted.



Whereas national government will benefit directly from taxes on the increased consumption of goods and services, the Province and City will benefit indirectly from a higher than usual allocation of national resources to the Western Cape in the form of improved infrastructure and construction spend. Allocation of funds will not be limited by the 'Equitable Share' proportions to provinces. Through expanded economic activity in the region, the local rates base will also increase.

## **GEARING TO MAXIMISE ECONOMIC OPPORTUNITIES**

As has been mentioned, there are economic opportunities in the following areas:

**Targeting national teams** and presenting Western Cape base camps to them for consideration would be a clear task for CTRU assistance. Already local mayors and councilors are traveling abroad to present their municipalities as ideal venues. The Provincial Government, through the CTRU could assist with presenting a coherent case, thereby minimizing destructive competition between towns.

**Language skills** to enable team members and supporters to communicate in hotels, restaurants and security situations, etc would be useful. Many young Germans learned English, but many visitors did not speak English. Young people here might discover new talent for careers in translation or business. Refugees, whose skills are heavily underutilized, could teach French, Portuguese, Italian and Arabic. Foreign diplomatic missions are to be approached for assistance with language training.

**Support for small businesses** for purchasing raw materials and acquiring marketing skills: from experience (rugby & cricket) the small businesses that produce excellent products have expertise primarily in manufacturing. They were unable to obtain licenses as they did not have the requisite resources.

A mechanism to help businesses to access funds for raw materials with sponsoring banks or their competitors. An empowerment marketing company that ensures that the merchandise produced by the small businesses is distributed by Woolworths, Pick 'n Pay and PEP amongst others would be invaluable.

**Vendor Association Training** to train & license vendors for raw materials or any marketing skills who would sell official merchandise in informal businesses and mitigate the purchasing of counterfeit products. It will educate the public about official merchandise and help us to deliver on FIFA compliance (as set out in the Host Cities Agreement), while benefiting elements of the second economy.

### **Concessionaires to obtain contracts from Global Brands**

A license to be a concessionaire at a stadium is a license to start a small business. Signet have an interesting model they would like to present to Global Brands in which each of the 50 vendors around the stadium get individual licenses, thereby starting 50 different businesses. They are keen to start this system with normal (non-world cup) matches, thereby giving impetus to our plan of bringing more sport, and soccer in particular, to Cape Town.

### **Expansion for existing factories**

The licensing program can also ensure that existing factories (especially clothing and accessories factories) produce the memorabilia. This should produce increased jobs due to additional demand.

In summary, as well as the networking and marketing leading up to the event, growing business strategies require us to:

- Lobby Global Brands
- Identify local SMME's to
  - participate in a Licensing & Merchandising program for memorabilia
  - be part of the FIFA supply chain e.g. tents, flooring, food, drink etc.
- Support Small Businesses with
  - Financial resources to purchase raw materials
  - Marketing resources
- Ensure Vendor Training
  - Lobby Global Brands to train/licence local vendors
  - Show innovative way to educate public about official merchandise
- Promote Concessionaires

- 50 Individual licenses as opposed to one Master License
- Participate in Hospitality programmes to:
  - Ensure that contacts made during the Event, lead to new business for Cape Town/Western Cape
    - e.g. Conventions/meetings, trade, investment
  - Use event tickets/celebrations/activities that surround the event to meet business people associated with event participants and suppliers or services to the event
  - Create opportunities for SMME's to make contacts to start business partnerships which should extend well beyond 2010

### Business Development Strategy

- Run VIP Hospitality Program during World Cup (negotiate for tickets with LOC or purchase)
- Identify and invite new businesses in flagship sectors e.g. Shipbuilding, Film-making
- Identify, facilitate and interact between local and new businesses and government officials before, during and after the event.

### **SPORTS LEGACY**

**Sport development** in schools and clubs must experience measurable improvement as a result of hosting the 2010 FIFA World Cup. The high profile nature and appeal of the event should leverage resources to upgrade facilities in Swartklip, Philippi and further a field will assist in attracting more young people, both male and female, into soccer clubs. Initiatives such as the Christmas Tinto Youth League, the Bayhill Tournament and the Ajax Academy will help to train desperately needed young Cape Bafana Bafana professionals.

Building a love for the game amongst all the communities in Cape Town, starting with youngsters in schools, will be a main drive in the Western Cape Department of Cultural Affairs and Sport. Building and ensuring the facilities are well maintained and accessible is the main focus of the City's sports function.

The following strategic objectives have been raised and will form part of an overall programme to maximize the opportunities that the 2010 World Cup will present to facilitate the sport development:

- Enable SAFA & PSL clubs to raise sponsorship to fund development of sport
- Clubs and SAFA WP infrastructure and home base to enable clubs to attract sponsors
- At least 4 National Team matches annually to be staged in Cape Town/Western Cape
- Attract at least one major PSL Event e.g. Vodacom Challenge, finals of major Cup competitions per year
- Western Cape to win 50% of National Age specific competitions
- Strong representation by Western Cape players in National Teams
- The Western Cape to be re-positioned as a “**Home for Football**”
- Premier’s awards to SAFA leaders for bringing World Cup to South Africa
- City/SAFA WP/PSL Clubs and Province to make a presentation to key decision makers to ensure that Cape Town is re-positioned - post African Cup of Nations and World Cup

It is sometimes argued that Cape Town and the Western Cape have not been high profile soccer supporters. However, it is reported that there are more soccer players registered in clubs in Cape Town, mainly on the Cape Flats, than anywhere else in the country. From the Manchester United/Kaiser Chiefs match on 18 July 2006 it is also clear that there are at least as many supporters of each side! Events need to be scheduled e.g.:

July 2006	Chiefs vs Manchester United
July 2006	Launch of 2010 WC campaign Premier’s Awards
Sept 2006	Homeless World Cup in Cape Town
Jan 2007	Ajax Amsterdam vs Ajax Cape Town



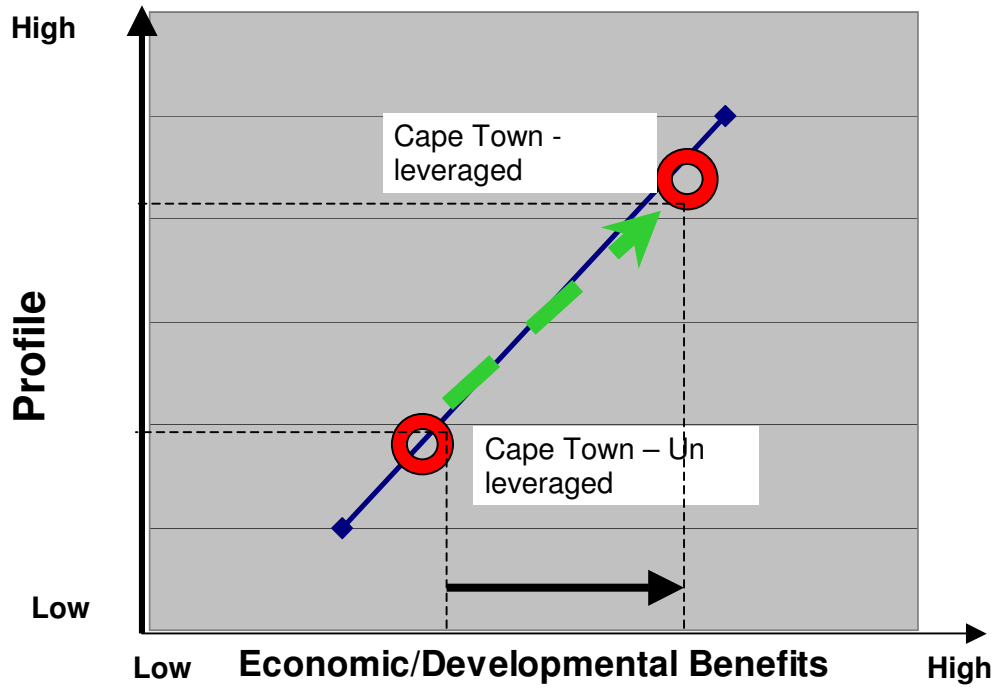
June 2007	African Cup of Nations Qualifier
June 2007	Awards banquet
November 2007	Nelson Mandela Challenge

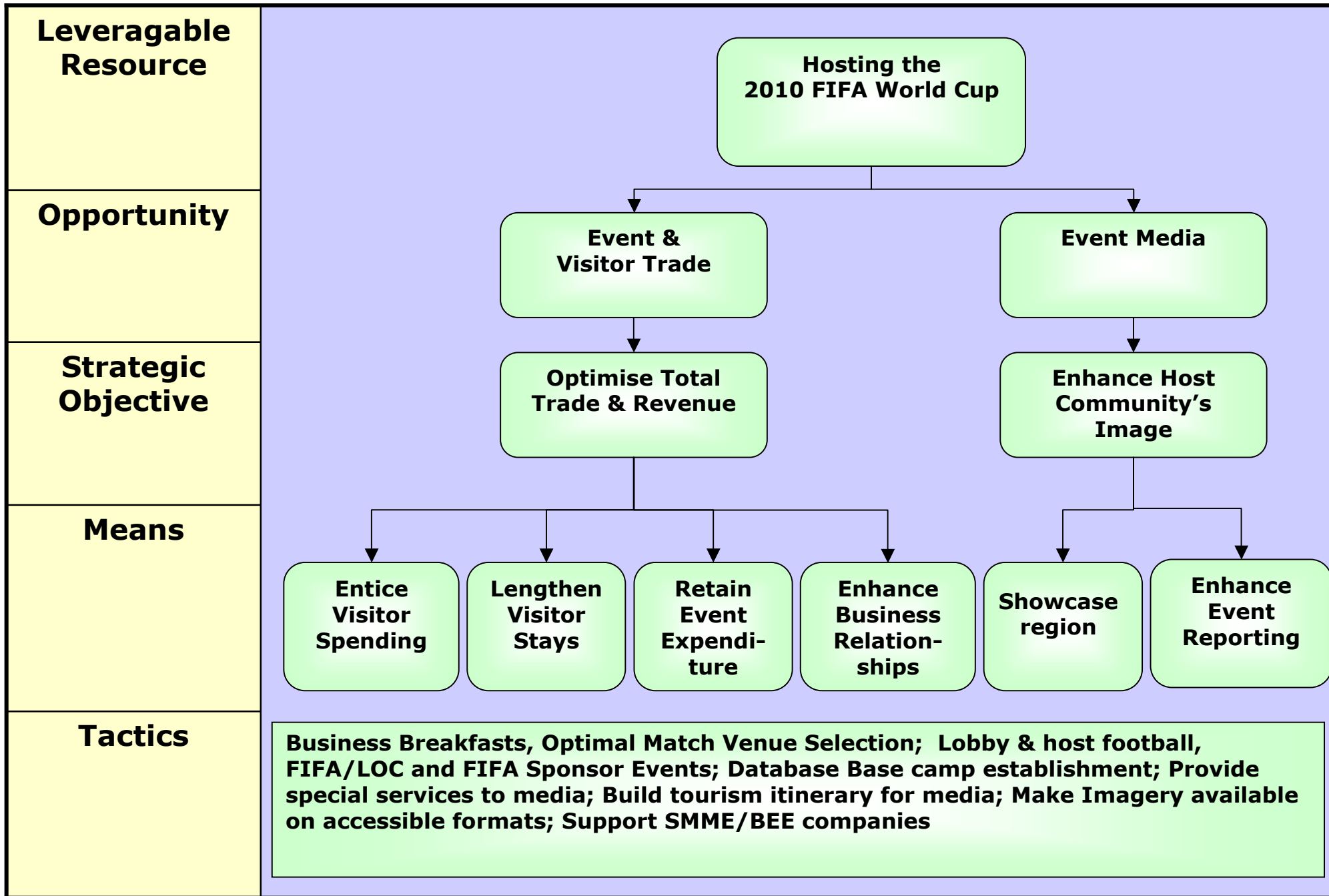
### **3. PROMOTION and POSITIONING: LEVERAGING GROWTH**

Promoting and positioning Cape Town and the Western Cape as a global city within scenic natural surroundings, with highly competent people and excellent service will not only build the self-confidence and skills of our population but prepare us for the prosperous future we will ourselves be shaping.

It is well known that an influx of tourists or spectators brings increased spending in the local economy, leads to exports of locally produced goods (and services) once those tourists and spectators have experienced first hand local quality, pricing and good service. As perceptions improve of the location and its goods and services, investment becomes more likely. The 2010 World Cup will provide a springboard to further support tourism, trade and investment to ensure economic growth and to better position Cape Town as a global city.

# Cape Town/WP Profile





## **Tourism, trade, investment**

Cape Town Routes Unlimited and Wesgro are required to play the major role in this process. They have already begun to see the opportunities for their core mandate in relation to 2010 and supported the Host City exhibition at the unveiling of the 2010 logo in Berlin on 7 July 2006. CTRU will be taking the lead in profiling Cape Town as a desirable destination, deepening our existing market and accessing new markets.

## **FIFA EVENTS IN CAPE TOWN**

The City's desirability and brand identity in established international markets is a key strategic advantage that the City has over other Host Cities and it must be used to encourage FIFA to stage as many high profile events in Cape Town. We must target events from product launches (such as the Coca Cola sponsorship launched in November 2005), including the FIFA Congress, the final draw and the location of the International Broadcasting Centre (IBC) at the CTICC. The CTICC is ideally located in Cape Town and with the Arabella Sheraton conveniently located alongside numerous other hotels, FIFA are inclined to use our facilities in Cape Town.

A strategy to select the events to "bid" for and to maximize the opportunities that exists to these high profile events is being developed. Already Cape Town hosted the first official event of the 2010 World Cup, the 'FIFA Kick-off Workshop' in October 2006. Detailed planning will only be undertaken when specific events have been awarded to Cape Town, however the possibility of playing host to some of these events is included in our business planning.

The following events have already been identified at high level:

- FIFA Congress June 2010
- FIFA Workshops Feb / March 2010
- FIFA Final Draw December 2009
- Exhibitions December 2007 & 2009
- Pre-Event warm up matches May 2009
- Confederations Cup June 2009

The Host City Agreement also informs the event requirements as part of the contractual obligations of being a Host City, and will be included in the overall events calendar for Cape Town.

Specific strategies to retain event expenditure include:

- Procure local goods/services
  - Design, build infrastructure projects, hospitality, licensing & merchandising, ticketing, printing, advertising etc.
  - Identify local sources of human and material supply
  - Build local supply chains
  - Identify necessary partners, helping to create appropriate alliances
  - Build relationships with DTI, IDC & DBSA to assist SMME's to obtain funding to tender for FIFA's work
  - Create forums for business which can potentially supply FIFA's services, can interact with World Cup Program

### **Media support services**

With the IBC based in Munich for the six months leading up to and the duration of the 2006 World Cup, the Bavarian government was in a good position to offer the German LOC a media support service for the whole of Germany, based in Bavaria's capital of Munich. Their services varied from half-day sightseeing trips for members of the media to arranging interviews, location scouting, to the provision of visual images and general information.

Although the Media Welcome Services is a regional (Bavarian) agency, it offered the media contacts across Germany and the German LOC was satisfied with the way its working, taking a huge load off the LOC for background information and media sightseeing ([www.mediaservices-wc2006.de](http://www.mediaservices-wc2006.de)).

It is proposed that the joint Western Cape/Cape Town agencies of Wesgro, the CTRU and the Cape Film Commission form a partnership (Cape Media Services?) to present a similar service to the South African LOC with the support and advice of our partners in Bavaria.

Already the media challenge is significant. From 9 July 2006 the world's eyes focused on South Africa – will we be ready? Will the stadia be completed? What about safety? How does the rest of Africa view South Africa hosting the 2010 World Cup? etc Many TV and

radio stations, not to mention the print and electronic media are touring the country, to interview the leaders, to illustrate their pro/anti points. Who will manage all these visits logistically, let alone make the most of the opportunity to present our positive 'Alive with Possibility' aspects, is a strategically important decision.

There will also be increasing pressure on government to advertise and this service would represent an investment in 'below-the-line' communication without necessitating costly advertising to get our state of readiness across.

Bavaria Tourism formed partnerships with service providers (tour operators, hotels, car hire companies, restaurants and major sights) so that they could offer the media a free service. According to Bavaria Tourism, the service providers are more than happy with the coverage they have received as a result of their contributions.

Putting the relevant media support services in place, alongside the EIA processes, the technical design and the business plan, is regarded as another major process for which immediate action and detailed implementation planning are to be done.

- Advertise and promote:
  - Enhance image of City/Province
  - Build event into destination's marketing mix: "Come & see visitor packages", "Play, Cape Town & Western Cape" "Explore & score"
  - Identify messages City & Province want to transfer about its brand through the event e.g. "Hamburg City of Sports" "Germany – land of ideas"
  - Associate Cape Town/Western Cape with visitors' memory of region (excellent service, splendid beauty, value for money, quality, friendly and capable people)
  - Use to change destination's image (from unfriendly to soccer/black people into soccer mad city, a 'Home for All')
  - Make imagery of City/Province available on easily readable & broadcast format to visiting media i.e. distribute pictures, video's
  - Clear above-the-line advertising strategy to enhance image/accessibility of the destination

- Propose to LOC/FIFA a “visiting journalist program” and media centre in Cape Town, similar to Sydney/Munich to serve country
- Services to media to include visits/tourism to enable first hand reports of their experiences
- Communicate:
  - Form Strategic Communications Forum
  - Design logo & strap line (in conjunction with FIFA)
  - Align message to National Messaging
  - Have a Messaging & Audit Workshop for all stakeholders
  - Messaging to be part of Marketing Mix, which includes Host City Events, website, etc.
  - Event mentions and visuals to be reinforced through promotions featuring prizes/discounts to visit destination
  - Negotiate pre-event build up matches, TV air-time/infotainment/print during World Cup (as part of FIFA contract)
  - Work with DEAT/SA Tourism/LOC to ensure that CT features widely in country’s imagery for World Cup ie. Look & feel/logo/opening ceremony/closing ceremony and any other opportunity
  - Legacy & CT readiness and progress – good news stories
  - While international attention focused on CT, use opportunities to launch developmental programs
- Event reporting
  - a. FIFA Events:
    - bring World Media attention to Cape Town
    - negotiated and finalised as part of Host City Agreement
    - Enhance volume of media coverage of destination by hosting as many Official FIFA events and packaging as many legacy stories as possible
    - Host “stars” that would attract media to the City
    - Helping event reporters to locate useful stories, interesting anecdotes and impressive visuals
      - Familiarisation visits (pre-event)
      - Press conferences (during event)
      - Video postcards inserted into telecasts (during event)
  - b. FIFA Sponsor Events

- Team to meet FIFA Sponsors (SA divisions): Adidas, Hyundai, Coca-cola & Sony and present Cape Town as a venue for World Cup related functions
  - Engage FIFA Sponsors to link themselves to Cape Town e.g. the Coca-cola world-wide launch: 'We All Speak Football'
  - work with sponsors/present opportunities to benefit/enable City & Province to capitalise on sponsors' media
- c. LOC Events
- Interest in World Cup ensures media focus on Cape Town e.g. regular Host Cities Forum meetings in Cape Town
- d. Events with High Profile Football Personalities
- Pele Exhibition proposed to be sponsored by private sector

### **PARTNERSHIPS FOR PROFILE**

The City of Munich is keen to link with Cape Town (Bavaria has already been linked with the Western Cape Province for many years) for promotional as well as learning purposes. Not only can we learn from the Munich experience of being a FIFA Host City where the first game and a semi-final were played in 2006, we can strengthen links with the considerable tourism, business and investment community.

The public relations team of the famous Brazilian player Pele has also approached Cape Town to link with Munich and Rio de Janeiro for maximum publicity. As Brazil hopes to host the 2014 FIFA World Cup, opportunities such as this could be leveraged to keep Cape Town on the world's radar screen long after 2010.

Major sponsors such as Adidas might also be interested in hosting their international clients and bringing football to visitors in a dramatic manner such as they did in Berlin, in Cape Town in 2010.

### **COMMUNICATION: STAKEHOLDER MANAGEMENT AND INFORMATION DISTRIBUTION**

Stakeholders are beginning to realize the enormity of this FIFA event taking place in our country. Although it is the first such FIFA event in Africa, the organizers will still demand world-class standards. As we have shown in hosting other global events, we



can rise to the occasion. The agreement to Green Point as the Cape Town match venue has shown a shift in attitude and commitment to a world class event.

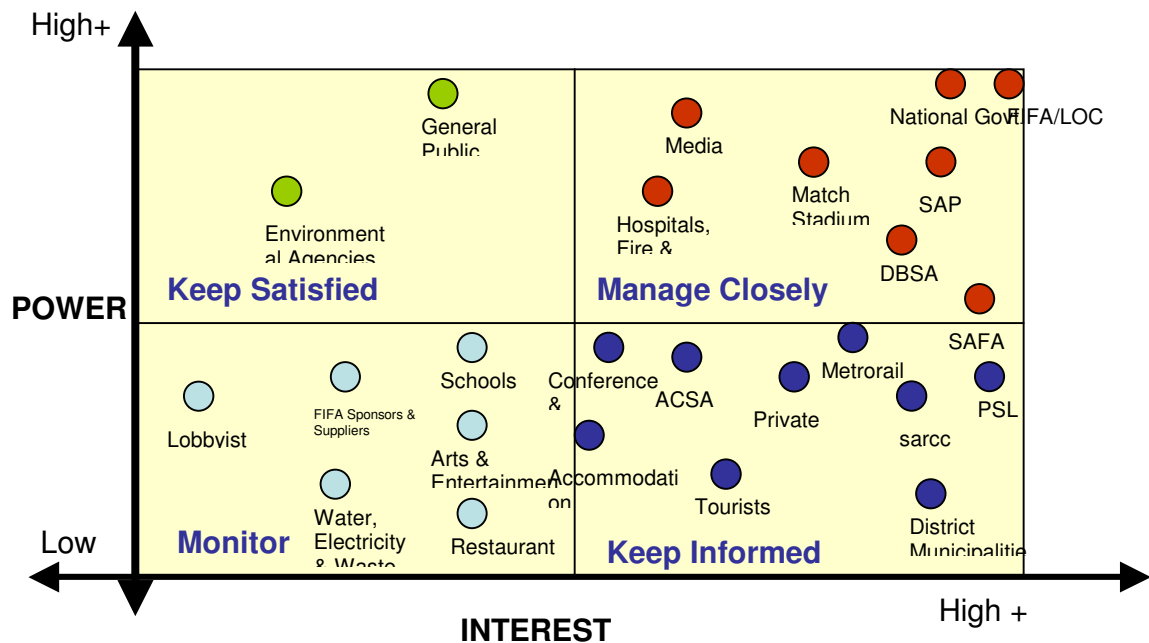
The importance of having identified and including the right stakeholders into the development process, to develop and sustain strategic relationships is fundamental to the overall success of the 2010 FIFA World Cup programme. Powerful stakeholders can shape the project and may improve the quality and help win more resources. Communication with stakeholders ensures that they understand the benefits and sensitivities of the project, while helping to win support, making the project resilient to political and other possible changes.

An initial assessment of stakeholders resulted in the following list, which has also been translated into a "power and interest" grid, as shown below:

- National Government
- LOC/FIFA
- SAFA WP
- PSL clubs
- Private Sector
- ACSA
- SARCC
- Metrorail
- Stadium operator
- Media
- Event Sponsors & Suppliers
- City Water, Electricity & Waste
- Environmental Agencies
- General Public
- Schools
- District Municipalities
- Tourists
- Accommodation establishments
- Restaurants
- The Arts and entertainment
- Convention & conference centres
- SAPS & Security Services

- Hospitals, Fire & Emergency
- Lobbyists: Anti- world Cup campaigners
- DBSA

## Power/Interest Grid



A stakeholder management programme must be developed and implemented to group the identified stakeholders and develop appropriate management plans, which will directly interface with the overall internal and external communication strategy.

Integral to the overall stakeholder management plan is the effective mobilization of communities. Expectations, particularly of the SMMEs and township groups, requires management as it is unlikely that vast numbers, i.e. more than the current ratio and profile of tourists, will be persuaded to utilize other than mainstream services. SMMEs must therefore be focused where opportunity does exist.

Strategies that can work well include clear publicity, media coverage, Corporate Social Investment programmes (for which there is considerable scope as experiences during the 2006

event). Well known local and international personalities are to be selected to drive programs and engage with communities.

## **STRUCTURE**

The LOC is the overall coordinator and leader of the 2010 process and we are guided by them. Our role is to be supportive and to take the opportunity to build a better life for our people. Together as a City and a Province we have the energy, insights and resources to impress the world with our capability, while bringing benefits to our people.

Broadly the City will be more directly involved with *compliance* issues as it will be a **Host City** with extensive contractual obligations to FIFA, as contained in the **Host City Agreement**.

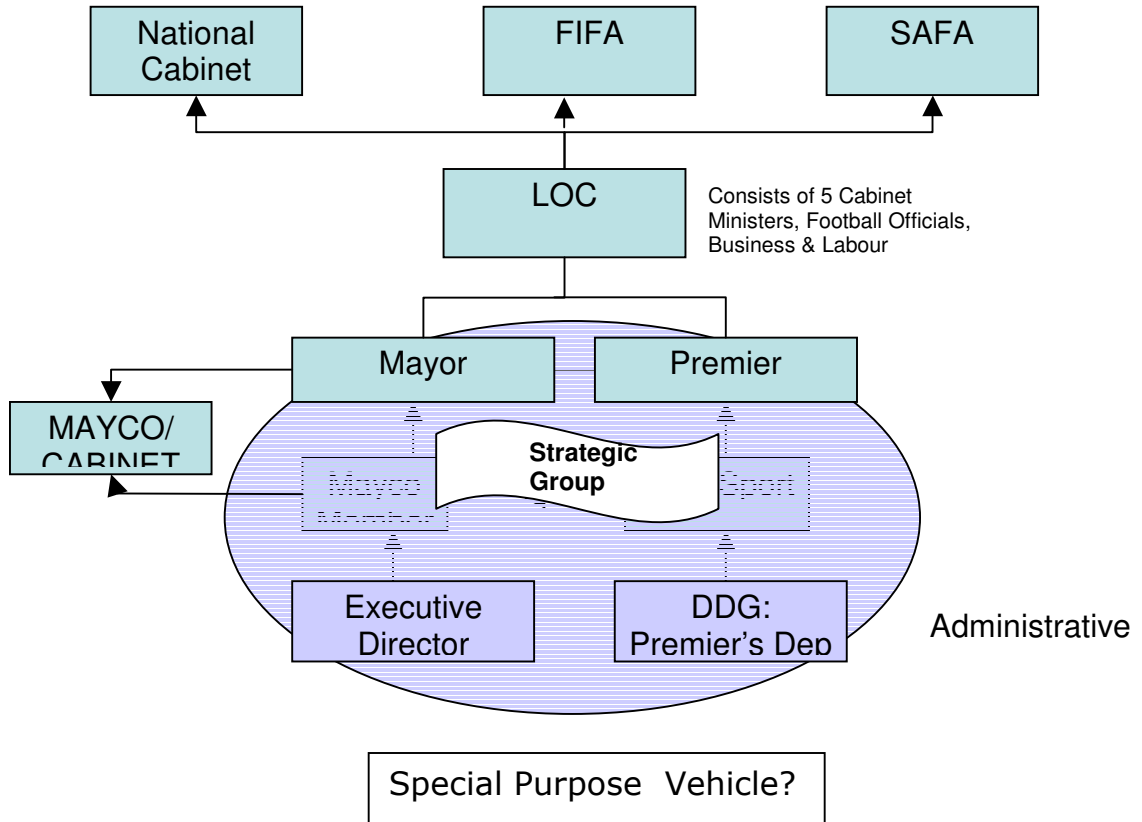
This relationship enables the Province to support broader objectives and play a more *developmental and promotional* than compliance role, being vigilant to all opportunities which could grow the economy for the benefit of our population. The responsibility for delivering a successful 2010 event will be the broad responsibility of all spheres of government (and indeed all stakeholders).

The rationale for a Special Purpose Vehicle (SPV) to deliver the stadium, precinct and a successful event is not argued here in detail. Suffice to say that an examination of the single most successful joint project, despite the political shifts and changes over the past decade in the Western Cape, was the CTICC which was delivered together by the City, the Province and the private sector under an entity known as Conenco, ahead of the programme and within the budget.

**Every effort to maintain the good and close working relationship between the City (and all municipalities) and the Province is being made.**

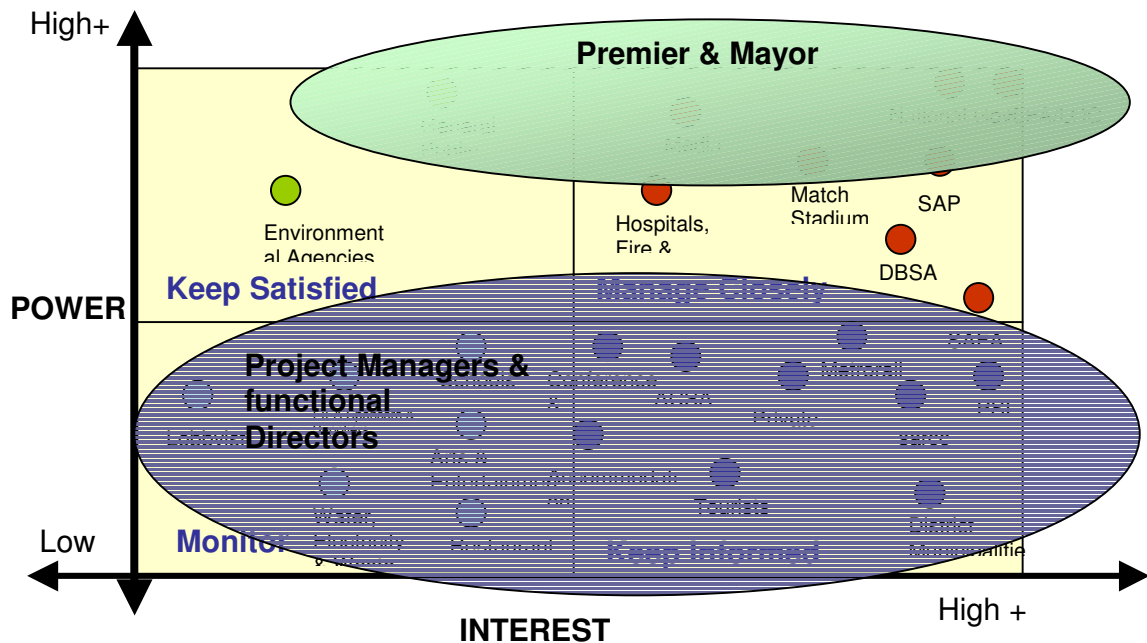
The following diagram sets out the current institutional structure to facilitate the 2010 FIFA World Cup.

# Current Structure



Perpaps we need to substitute and update this diagram with the one in the Business Plan

# Power/Interest Grid



Much has been written around the country about the structure for delivering the 2010 FIFA World Cup. Merely establishing a multitude of committees to address various issues is unlikely to ensure efficient processes. This strategy is an attempt to give leadership to the process in this part of the country.

Existing institutional structures should be used, e.g. tourism marketing issues to be handled by the CTRU, tourism development issues by the relevant provincial and city departments working together.

City and Provincial officials worked together on the formulation of this strategic plan, on the design, development and funding of the Green Point stadium, on communication and in the transport arena. The PGWC has a 2010 Cabinet Committee chaired by the MEC for Cultural Affairs and Sport and a 2010 technical team coordinated by the DDG for Governance and Integration in the Premier's Department.

The City has three Directors for 2010, each responsible for major project workstreams, reporting to the Executive Director for Service Development Integration, who in turn reports to the Executive Mayor.

The City's Mayoral Sub-Committee for 2010 meets regularly with the 2010 Cabinet Committee of the Province.

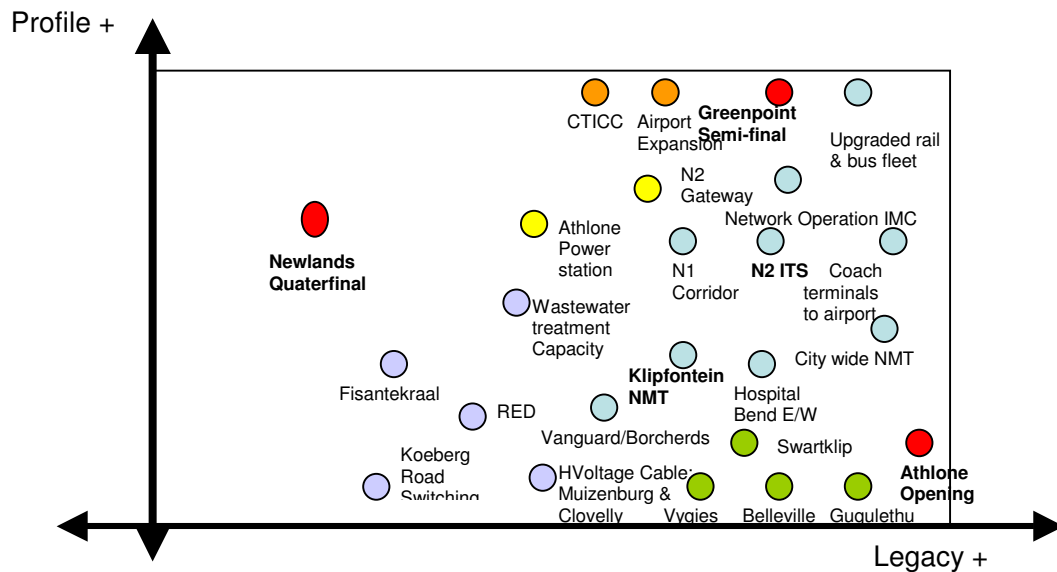
One team comprising both city and provincial officials represents Cape Town in the Host City Forum. Cape Town is the only Host City in the Forum which incorporates provincial representatives in its team.

Since September 2005, a number of working groups, 'work streams' were established and continue to collaborate between City and Provincial officials. Where a range of players need to collaborate, such as in the cultural sphere, a working team incorporating key government and non-government officials, would address specific issues.

Existing institutional and management structures are used to integrate delivery & decision making and track the progress of strategic imperatives impacting on the 2010 World Cup, including the Klipfontein Corridor, the redevelopment of the Somerset Hospital Precinct, the development of Granger Bay Boulevard, the upgrade of the N2 Airport link, the extension of the CTICC, etc.

For the purposes of reporting on ASGISA projects in the Western Cape, the following projects related specifically to the 2010 FIFA World Cup, were mapped and their progress is being monitored.

# Cape Town Projects



Source: 2005/2006 IDP & Departmental Frameworks

The suggestion to establish a **Special Purpose vehicle (SPV)** in terms of facilitative legislation to deliver the stadium, precinct and successful 2010 event is under debate. The concern is that a dedicated and focused body needs to be able to drive the delivery of 2010 without the complexity of Western Cape politics intervention. Until certainty is reached, a single strategic oversight committee between the City and the Province to facilitate decision making from a political and operational point of view was established in the form of the joint meeting between the Mayco and Cabinet 2010 Committees, attended by senior officials. Day-to-day operational programme aspects are managed by teams to facilitate key strategy deliverables for each of the individual workstreams identified.

Delivering on the 2010 FIFA World Cup requires a programme capacitated with highly focused staff at the highest level of skill. The overall success of the programme depends on finding the **right human resources** for the right jobs, with **adequate budget** and well managed **time schedules**.

Until the SPV debate is resolved, departments of Province and City have been requested to second resources for the duration of the project as required by the overall programme or until suitable new people employed or skills procured externally.

## **CONCLUSION**

In conclusion, this has been a high level strategic plan covering compliance, developmental and promotional aspects in relation to the 2010 Football World Cup event and legacy for Cape Town and the Western Cape.

The intention has been to ensure a common approach between the City of Cape Town and the Western Cape Provincial Government. Now that the approach was agreed by a meeting of the Premier's Metropolitan Coordinating Forum (PMCF) held between the Provincial Cabinet and City's MayCo on 25<sup>th</sup> July 2006, implementation is being accelerated for the timeframes are fixed and the challenge of delivery is enormous, but not impossible. Specific programmes for the stadium, the precinct, for transport, security, marketing, etc are all being developed.

Lessons learned, particularly from the 2006 German World Cup, have been incorporated. As more analysis becomes available, more will be incorporated. Specifically Cape Town/Western Cape challenges, including high expectations for economic development and questions about implementation will have to be addressed in more detail as more information and the results of more planning become available.

The process of securing funding through an Interim and then a Final Business Plan preceding the 2006 Adjustments Estimates in Parliament has been completed. The processes of site selection, design and development of the stadium, as well as related infrastructure have been completed.

This strategic plan focused in some detail on the 2010 World Cup offering the Western Cape and Cape Town a spectacular opportunity to profile its significant natural beauty and the talents of its diverse population, bringing carefully targeted opportunities to individuals and communities to enhance the growth and development of the region, while contributing to the development of Africa more broadly.



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