

a world class African city

The 2008 – 2013 Region A Economic Development Plan

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SECTION ONE: INTRODUCTION

1.1 THE PURPOSE

The purpose of the 2008 – 2013 Region A Economic Development Plan is to act as a coherent guiding instrument for current and future economic development interventions within the region. Consequently, this plan provides a framework of common priorities around which the public, private, and community sector in Region A can focus their economic development efforts and investment. The plan must therefore be owned, and can only be delivered better, by the whole region and the City of Joburg continuously working together, and also with other spheres of government and development institutions.

Put simply, this economic development plan is intended as an instrument through which the economic role of Region A within the metropolitan economy should be strengthened, consolidated and enhanced. The intended end outcome is to have the Region continue as a growing regional economy with economic opportunity and prosperity for its residents being the defining development landmarks.

1.2 THE RATIONALE FOR THE ECONOMIC DEVELOPMENT PLAN

Whilst recognising that there has been a number of vital interventions that have been undertaken in the region with particular reference to spatial planning and urban management, it nonetheless needs to be acknowledged that national development matters of critical concern such as poverty and unemployment require a dynamic

injection of an economic development dimension to the overall regional urban development agenda.

Within this context, the rationale for undertaking the formulation of the Regional Economic Development Plan could be summarised as being about:

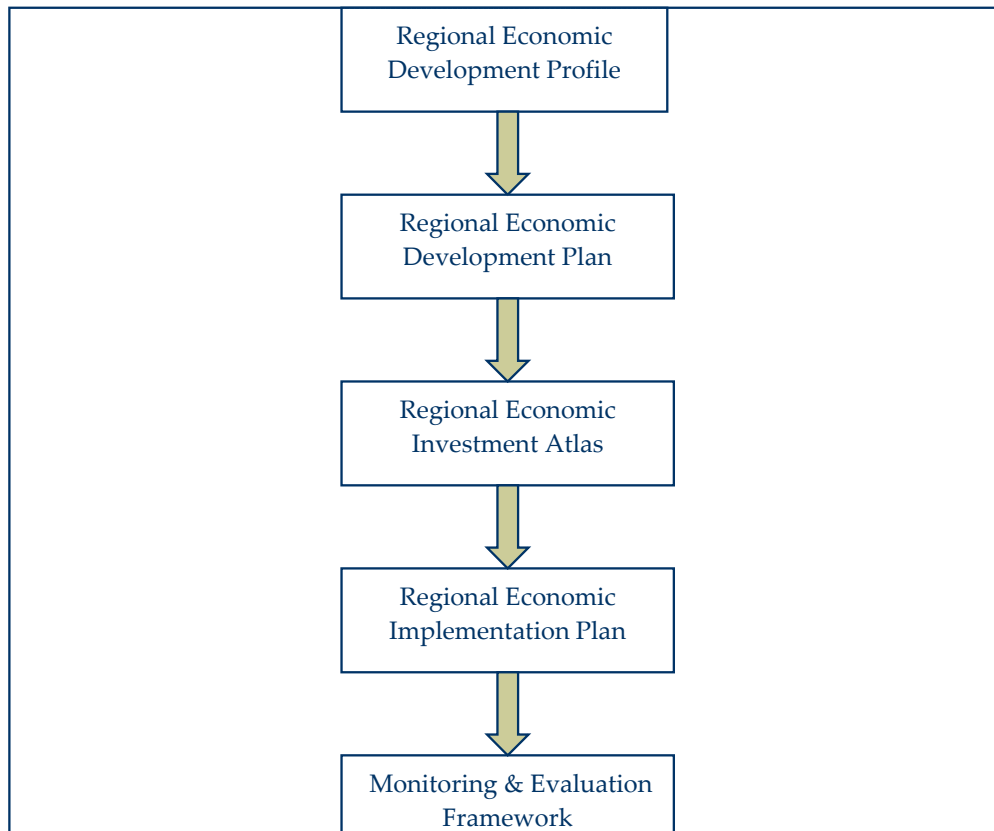
- ❑ Strengthening an economic development dimension as a key thrust of the regional development agenda;
- ❑ Developing sufficient and reliable economic intelligence to inform better and realistic economic planning;
- ❑ Capitalising on strategic region wide economic advantages in addition to current projects in the region;
- ❑ Providing credible economic inputs into intergovernmental plans such as the Integrated Development Plan (IDP), Spatial Development Frameworks (SDFs), Regional Spatial Development Frameworks, and the Growth and Development Strategy (GDS), and
- ❑ Developing a commonly shared understanding of economic opportunities across the region so that effective instruments and strategies are developed for consolidating the economic position of Region A as a dynamic player in building Joburg as a World Class African City.

1.3 THE OUTCOMES AND DELIVERABLES

From an outcomes point of view, the economic development plan should allow for a better appreciation of an understanding of the economic potential of the region, the identification of barriers and constraints to economic activity, and provide guidance on strategic interventions by the City towards guiding, improving, facilitating and managing economic development in the region.

Consequently, the deliverables of the regional economic development plan are illustrated as Figure One below:

Graph One: The Key Deliverables

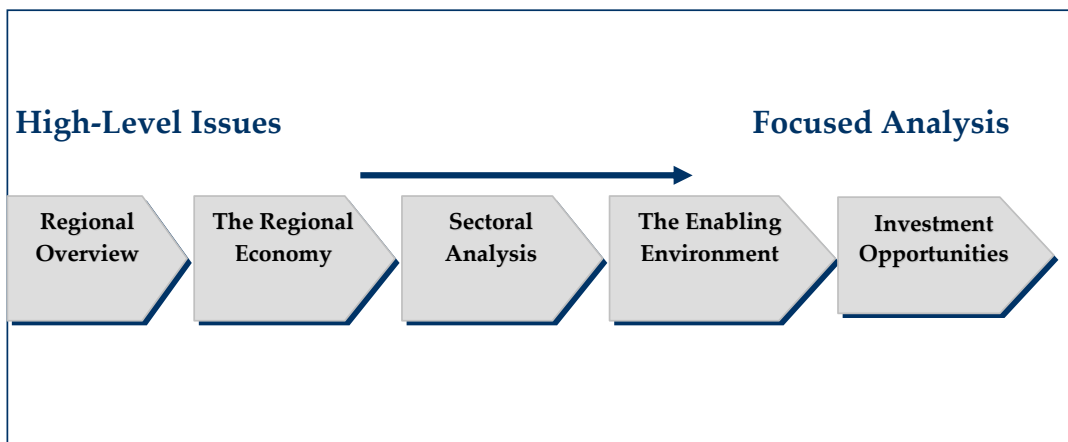


1.4 THE ECONOMIC PLAN DEVELOPMENT PROCESS

Two important processes were undertaken in the formulation of the economic development plan. One was the public participation process through a full representative, multidisciplinary and multi-stakeholder Project Management Committee.

The second process was a rigorous technical process in which a combination of strategic and micro level analyses were undertaken to ensure that an empirical basis for the regional economic development plan was developed. Such a technical process is illustrated as Figure Two below:

Graph Two: Economic Analytical Framework



The next sections of this document provide detailed contents on the plan itself – with the economic development profile being the first component in the economic planning value chain.

SECTION TWO: THE ECONOMIC DEVELOPMENT PROFILE

In order to maximize opportunities for the development of a successful and implementable economic development plan, it is important that the prospective economic development plan is located within a keen appreciation of economic development dynamics throughout the entire region. It is for this reason that a snapshot of economic development realities in Region A is provided in this section.

Critical emphases are placed on the economic strengths and competitive advantages of the region, key economic sectors, and the socio-economic and development trends of the region.

2.1 THE SPATIAL CONTEXT

Region A is located in the northern periphery of the City of Johannesburg, bordered by Regions C (which consists of Rooderpoort, Florida and Bram Fischerville) and Region E (Sandton, Rosebank, Bryanston and neighbouring suburbs) to the south, Mogale City to the Northwest, Greater Tshwane municipality to the North and Ekurhuleni Municipality to the east. By all accounts, Region A could be defined as a border region – given its strategic locational position in relation to the other regions and neighbouring municipalities (Refer to Map One).

The Midrand Metropolitan Node - which is a strategic economic anchor for Region A - forms part of the city's North South Development Corridor. The area has a wide range of land uses, namely residential, industrial, retail and commercial development as well as institutional services.

A boundary clearly defining the node has been drawn and the total land area of the region is about 21 551 000m². The eastern half of the region especially along the N1 Midrand CBD area, includes warehousing distribution centres, office developments and high tech industry head offices, particularly information and communication technologies (ICTs).

The following are the regional and speciality nodes in Region A:

- The Fourways node contains office developments, retail and entertainment centres with low and medium density residential developments. There is a high concentration of retail, which includes the Monte Casino Development. Region C's Northgate node, Kya Sands and Strijdom Park industrial areas both provide employment opportunities for Region A's workforce. Lanseria holds employment, tourism opportunities, transport, and airport economic development opportunities.
- Sunninghill Node has a number of office parks and accompanying high-density residential developments. The Sunninghill private hospital is also located in this node. The area is served by a post office, however has limited social and community facilities.
- Woodmead Node is characterised by large concentration of offices in the form of office parks, retail, entertainment, and high density residential developments, predominantly in the middle to high income markets.
- Waterfall City: This is a proposed regional node within this region.
- Kya Sands, Lanseria Airport and Commercialia mainly perform speciality economic functions within the region.

2.2 THE ECONOMIC ROLE OF REGION A

Region A's main business activity is high-tech and light industrial uses. Recently, there has been an increased focus on the corporate office market, retail and supporting services.

The industrial developments are concentrated along the Hans Strijdom Drive in Kya Sands, which is home to industries involved in construction, building materials and electrical, automotive and engineering components.

Commercial activity is concentrated in Fourways, Woodmead, and Sunninghill (home to trade and financial institutions, office parks and entertainment). Midrand is the key economic focus area in the eastern part of the region, with developments along the N1 and K101 (home to the Grand Central Airport, high tech development corridor hosting businesses in the ICT, communications, pharmaceuticals, biotechnology, electronics, defence and aerospace).

The economic trends in the region are focused towards hi-tech business, logistics, warehousing, office space, and business tourism. Business tourism continues to play a critical role in the conferencing and hospitality industry with particular reference placed on the Pan African Parliament, Gallagher Estate, Eskom Conference Centre, Kyalami Exhibition and Conference Centre, Monte Casino, and a number of hotels and Bread & Breakfast establishments that cater for international and local visitors.

Within the City of Johannesburg's economy, Region A is playing a key role in the following sectors:

- ❑ Information and communication technologies (ICT);
- ❑ Trade;
- ❑ Manufacturing/ Industrial;

- Finance and business services;
- Tourism;
- Freight and logistics; and
- Agriculture/ Agri-processing

Despite the strong economic position of the region, just like most parts of the country, Region A has the First and Second Economy spatial and structural dimension. Midrand, Woodmead, Sunninghill, Fourways, Kyalami typically represent the First Economy dimension while Ivory Park, Rabi Ridge and Diepsloot represent areas of dire economic need and can thus be clustered under a Second economy dimension as economic activity is limited, mainly driven by informal activity, and with the majority of the people living in poverty and in informal settlements.

2.3 STRATEGIC ECONOMIC LINKAGES

There is adequate infrastructure that enables economic growth in the region and supports economic linkages with the Gauteng Province's economic centres of Johannesburg, Ekurhuleni, and Tshwane; i.e, the Johannesburg-Pretoria Corridor stretching from Johannesburg CBD to Pretoria with easy connectivity to the N3 Ekurhuleni.

The Regional economy is well linked with the City of Johannesburg's, Gauteng's and the national and international economy. Key linkage facilities are the OR Tambo International Airport, in addition to the 2 airports in the Region (Lanseria and Grand Central); a "midlands" position within Gauteng Province thus enhancing its accessibility to all the major economic regions such as City of Tshwane and Ekurhuleni. Midrand, Sunninghill, Woodmead, and Fourways ways have direct and easy access to the N1, which connects to Johannesburg, Tshwane and Ekurhuleni.

The N1, Witkoppen Road, and William Nicol Road form the main north-south link of the region to the rest of the metropolitan area of the City of Johannesburg. These roads are well established to form the basis for strong mobility spine, but will require to be expanded to accommodate the increased traffic. The N14/R28 and proposed K27, K54/R567 form the east west linkages which will respectively join residents of the City of Tshwane and Mogale City to the western side of the region and link Diepsloot with Williams Nicol Drive.

The key economic centres such as Midrand, Sunninghill, Woodmead, Kyalami, and Fourways are well connected via a number of routes. The provincial R55 coming from Pretoria is a key linkage road going past Midrand, Kyalami, Sunninghill and Woodmead with commercial activity and development (light industries, office parks, residential developments and retail developments) along the R55 between Kyalami and Woodmead. Witkoppen Road is another key road running parallel to the N1 south connecting Sunninghill and Fourways, and Fourways and Kya Sands, with a number of office parks, residential developments, medical facilities, and commercial and retail developments along the road. The M57 to Randburg links Kyalami to Fourways but has limited commercial activity (the land area is mainly classified as agricultural holdings).

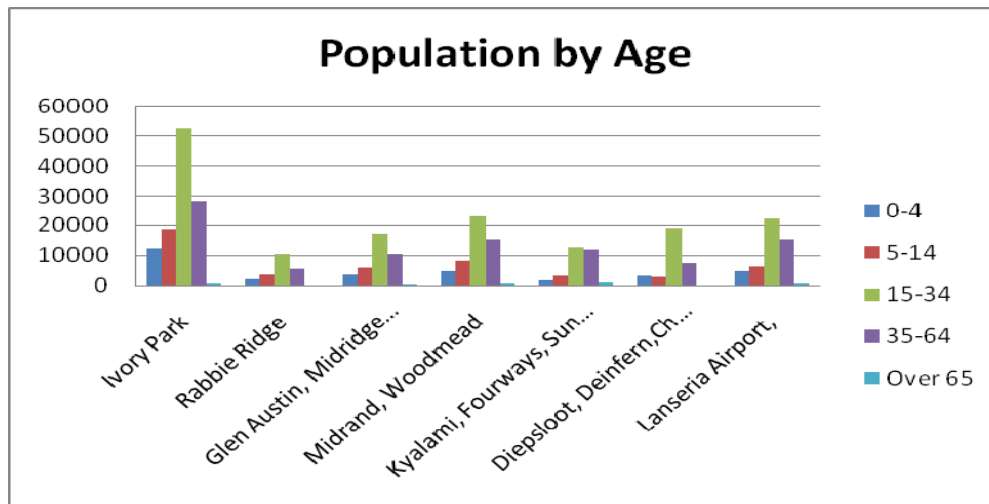
However in the deprived and marginalised areas such as Ivory Park, transport connections are lacking especially in the informal areas and the east-west movement between Ivory Park and the Midrand CBD is limited. Diepsloot also faces the same challenge, with the William Nicol Road providing the only connection to Fourways and Lanseria, and having limited or no connection to other economic centres such as, Sunninghill, Kyalami, and Kya Sands. Diepsloot is connected to Midrand via the Olifantsfontein Road, which connects to William Nicol Road. Such integration shortcomings will need to be addressed to ensure that functional economic integration of these areas is promoted.

2.4 REGIONAL SOCIO-ECONOMICS

2.4.1 Population

The 2001 Census data, estimated the population for Region A at 338 533 inhabitants, comprising of 179 422 males (53%) and 159 111 females (47%).¹ The region has a fairly young population with about 46% of the population aged between 15 and 34 and a significant economically active population (74%).²

Graph 1: Population per Area

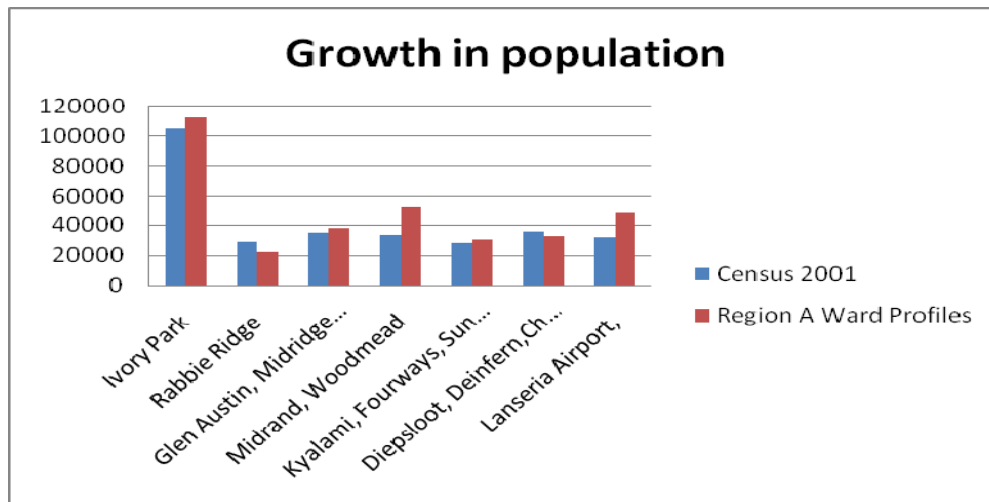


The majority of this population is concentrated in Ivory Park comprising about 112 520 (33%) followed by Midrand with 52 551 (15%), Glen Austin with 37 662 (11%) and Diepsloot - Deinfem accounting for about 33 130 (10%). It is important to highlight that Diepsloot falls within the boundaries of Ward 95 (Diepsloot, Deinfem, Chartwell) and Ward 96 (Lanseria).

¹ Region A Ward Profiles

² Region A Ward Profiles

Graph 2: Population Growth



Source: Census 2001 and Region A Ward Profiles 2008

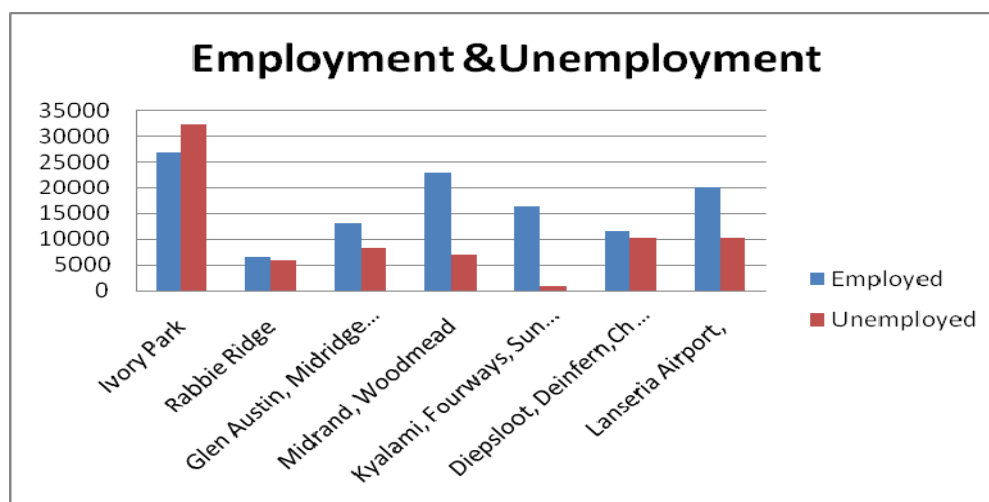
The population growth since 2001 census to 2008 Ward Profiles indicates that the population in the region has grown by 13%, with Midrand experiencing the highest growth (6%) followed by Lanseria (5%) and Ivory Park (1%). This increase in population growth is fundamentally driven by labour migration into the metro area – which is fuelled by the prospects of better employment opportunities.

The population for Midrand was 68,120 in 2007 and grew at an average of 8% over the last 11 years, with Ivory Park estimated at 118,560 in 2007 and growing at an average of 2%, and Diepsloot estimated at 83,849 in 2007 and indicating an average growth of 11%. The population growth for Region A has been similar to the growth rate of Midrand, mainly driven by the residential developments and commercial developments in Sunninghill, Fourways, Kyalami, which has attracted a number of people to work and live in the area. (Quantec Data)

2.4.2 Unemployment

Unemployment levels in the region are estimated at 39%. Unemployment is highest in Ivory Park (32 316) and Diepsloot - Deinfern (10 285), Lanseria (10 155) , Glen Austin (8 245) and Rabie Ridge (5 946). Midrand, Woodmead, Kyalami, Fourways and Sunninghill areas indicate low levels of unemployment due to the fact that most of the people residing in the areas have chosen and can afford living close to their work place, and have the required skills for the advanced 1st economy.

Graph 3: Employment/Unemployment per Area.

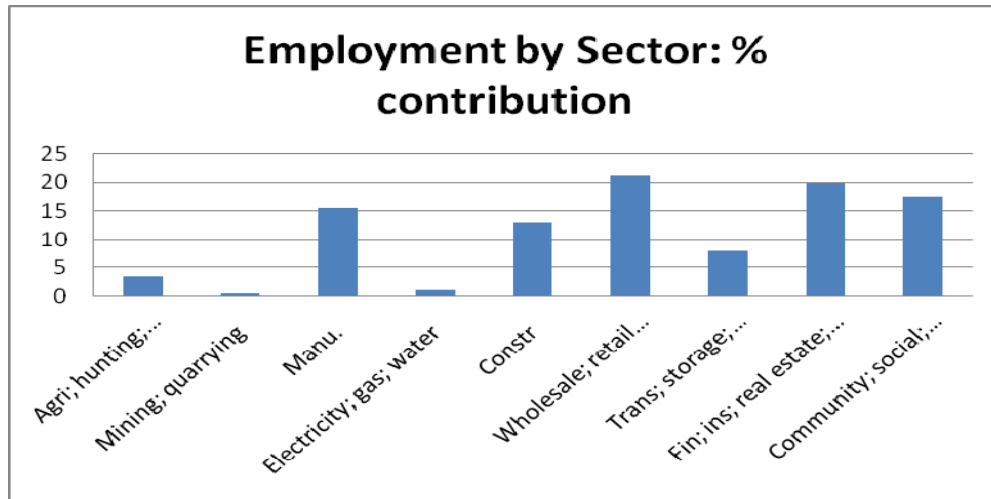


Source: Census 2001 and Region A Ward Profiles 2008

2.4.3 Employment

Wholesale and retail trade represents the highest labour pool (21%), followed by financial sector (19%), community services (17.4%). Manufacturing (16%) and construction (13.1%) are relatively strong, which have been the key economic drivers for the region.

Graph 4: Employment by Sector

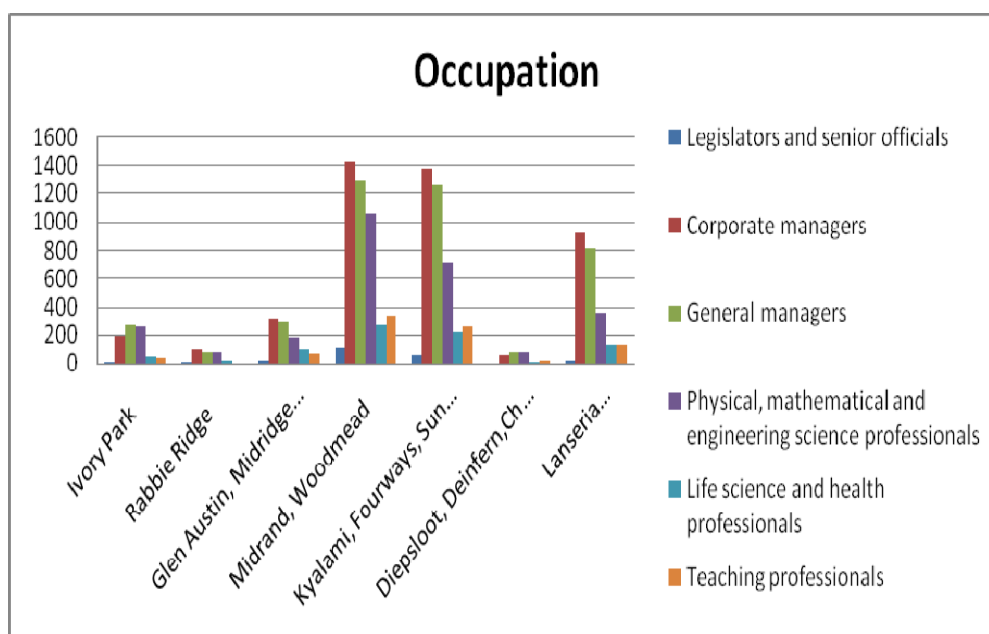


Source: Region A Ward Profiles 2008

Transport, Storage, and Communication can be developed to be one of the leading sectors in the Region, which is currently contributing 7.8%. Mining (0.6%), agriculture (3.4%), and electricity (1.1%) contribute very little to the Regions economy.

2.4.4 Occupational Composition

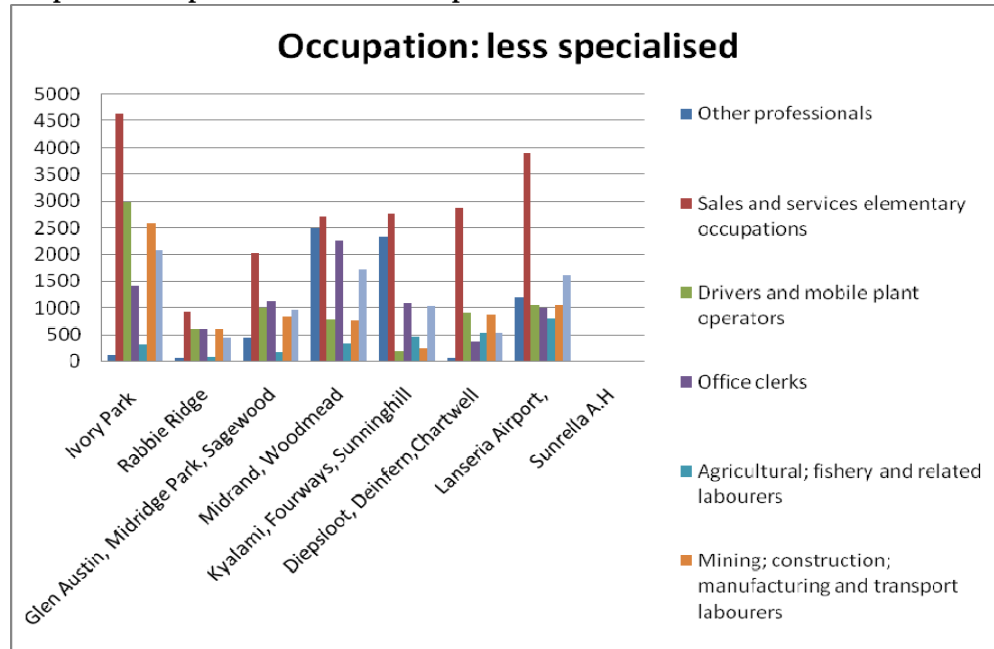
Graph 5: Occupation per Area



Source: Census 2001

The above graph indicates that Midrand, Woodmead, Kyalami, Fourways and Sunninghill had the highest number of professionals across all the six categories compared to Ivory Park, Rabie Ridge and Diepsloot, which recorded the lowest. This highlights the type of skills people have in the region, to take up the employment opportunities offered in the economic centres of the region. The graph also indicates that the people residing in Midrand, Woodmead, Kyalami, Fourways, and Sunninghill are employed in the top management positions and technical or specialised positions.

Graph 6: Less Specialised Professions per Area



Source: Census 2001

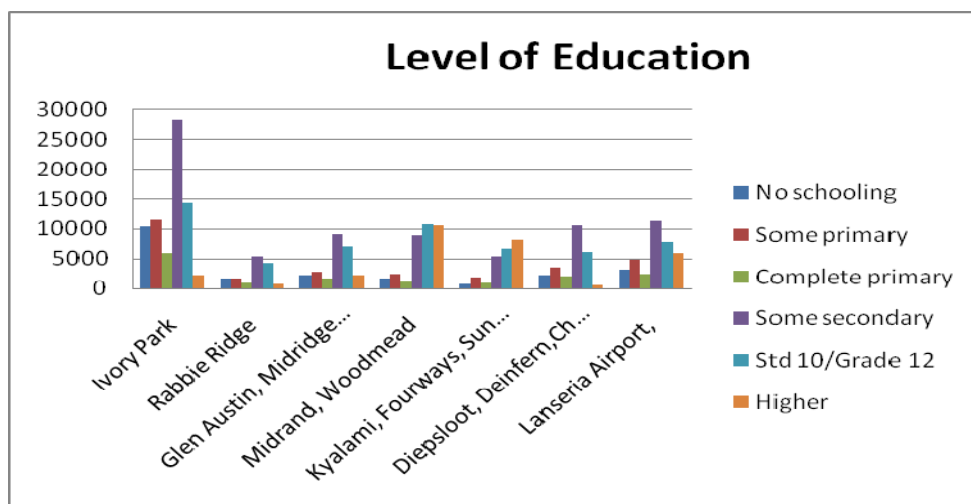
Graph 6 indicates that elementary sales and services occupations are the highest number of less specialised profession across the region, representing 33%. In addition, the majority of the people residing in Ivory Park and Lanseria area are employed in this field.

2.4.5 Educational Profile

The Region A profile data estimated 9.6% of the regional count had no formal schooling while 13% had higher education with Midrand (35 956), Kyalami and Fourways (8 273) accounting for 62% of the region’s highest qualified people. Areas such as Diepsloot (1.7% or 523), Rabie Ridge (2.3% or 690), and Ivory Park (7.2% or 2 195) are showing the least numbers of people with higher education.

Due to the informal nature of the area, there is lack of educational facilities in Diepsloot to bridge educational divide between the more formal areas and the informal sectors of society. The data indicates that Ivory Park (10 398) has the highest number of residents with no education in the region, very small in Diepsloot (2 175). However, the high numbers of residents with secondary and grade 12 education highlights the potential for skills development and training in the two marginalized areas.

Graph 7: Levels of education per area



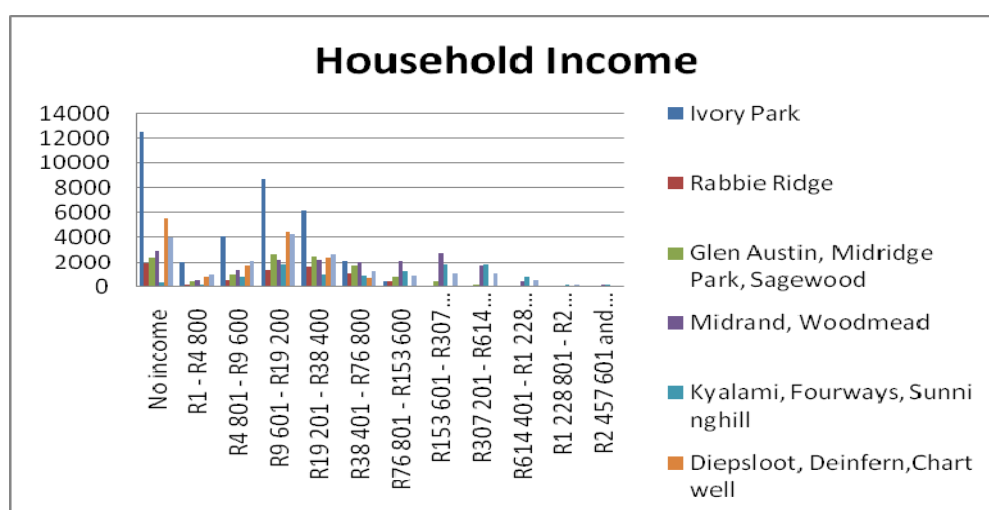
Source: Region A Ward Profile 2008

The level of education in the more depressed and marginalised areas is a concern. More schools are required to improve the capital development in these area. The more developed areas have a low number of schools but, the residents can afford to take their children to private schools outside of the region as public school facilities are often derisible.

2.4.6 Income Levels

The 2001 Census data highlights that Ivory Park had the highest number of people without income. The data also highlights that 72 630 or 59.3% of the total population in the region lived below the poverty line (household subsistence level of R19200 p.a.), mostly found in Ivory Park 27 498 (22.6%) and Diepsloot 12 681 (10.4%).

Graph 8: Annual Household Income

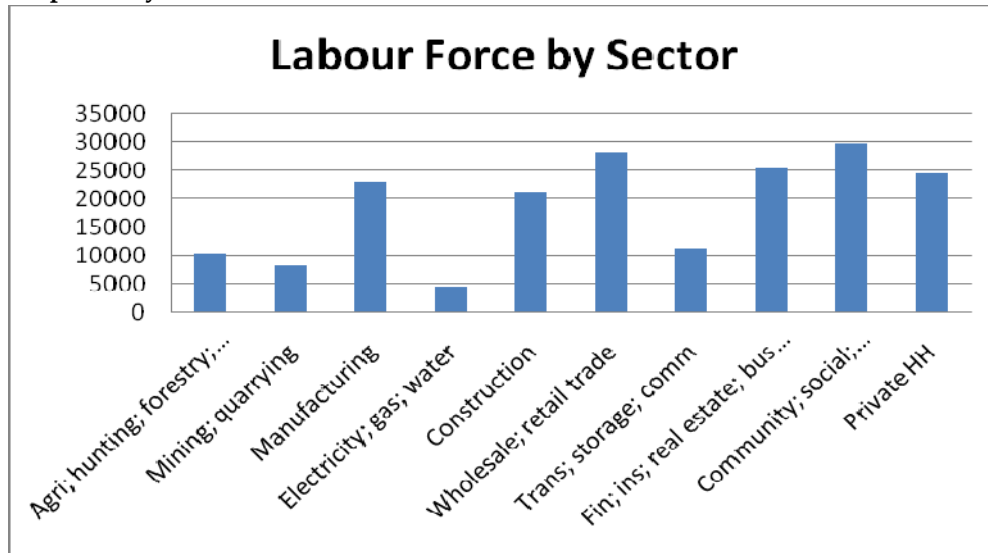


Source: Region A Ward Profile 2008

2.5 SECTORAL PROFILE

The economic characteristics and main industries in Region A are based on their labour absorption per sector. The key economic drivers are, wholesale & retail trade, which represents the highest labour pool (19 069), followed by business services (17 960), and community services (15 799). Manufacturing (14 080) and construction (11 835) are relatively strong. Agriculture (3 123) contributes very little given that Midrand has one of the most fertile agricultural lands in Gauteng, however, there is scope to identify sites for urban agriculture which have the potential to create jobs, especially in the marginalised areas.

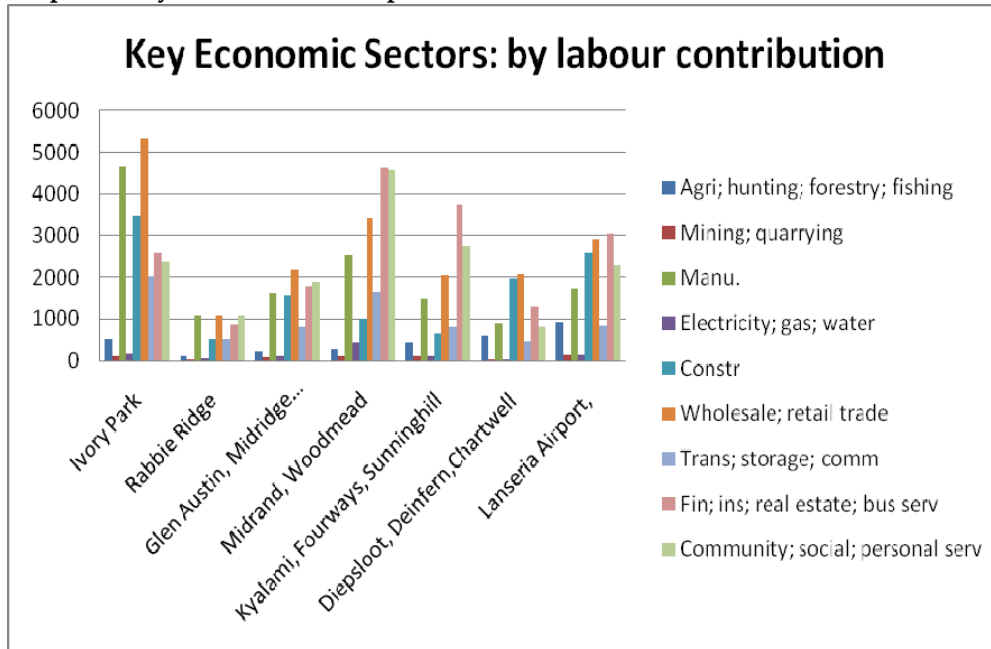
Graph 9: Key Economic Sectors



Source: Region A Ward Profiles 2008

Community services, wholesale & retail, manufacturing and construction sectors are the key economic driver in the Region. Business services, community services, and wholesale & retail sectors are the key economic drivers in the metropolitan and regional nodes (Midrand, Woodmead, Sunninghill, Fourways, etc), with manufacturing also indicating strong potential. It is important to highlight that manufacturing is a key sector in Ivory Park, and that construction in both Ivory Park and Diepsloot area is a key sector.

Graph 10: Key Economic Sectors per Area

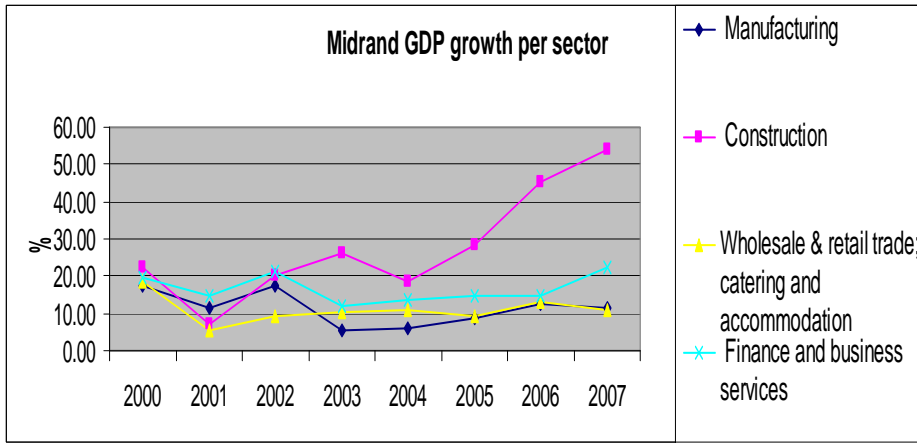


Source: Region A Ward Profiles 2008

The building and construction sectors experienced unparalleled growth during the past eight years, with the highest rates recorded during the 2002-04 period. This saw booming high-density residential property developments in areas like Fourways, Sunninghill, Kyalami, Woodmead, Midrand and surrounding areas.

One of the key growth sectors not highlighted in the graphs is business tourism. The sector is supported by the availability of hospitality and conference facilities like Gallagher Estate in Midrand, the Eskom Conference Centre and the Pan African Parliament, also in Midrand. Conference and exhibition facilities in Kyalami including the Indaba Hotel and Conference Centre are some of the key driving forces behind this growth.

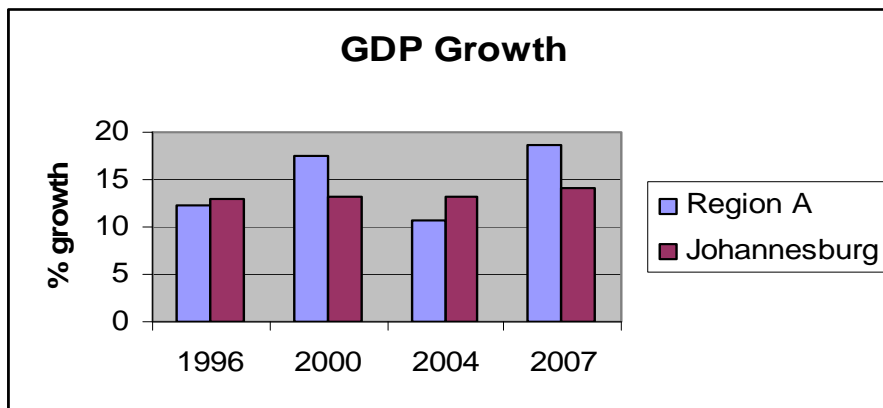
Graph 11: Midrand GDP Growth per Sector



Source: Quantec

Midrand is the key economic driver in the region, the economy grew by 18.7% in 2007, highest growth since the last two peaks of 17.4% in 2000 and 16.3% in 2002. The growth was mainly driven by construction and business services (refer to graph 11 and 12).

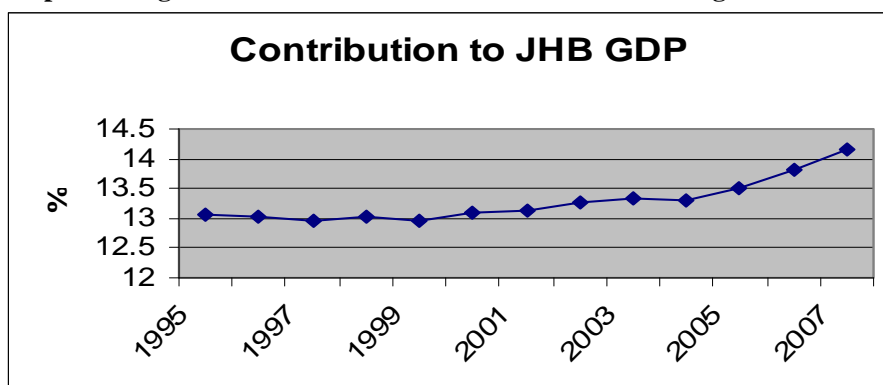
Graph 12: Region A GDP Growth Estimates



Source: Quantec

GDP contribution to Johannesburg GDP³ averaged 13% since 1995, and contributed 14.2% in 2007. From the graph below, it can be depicted that from 2000, the economic contribution moved above 13% and increasing significantly from 2005 up to 2007. (Quantec data)

Graph 13: Region A Economic Contribution to Johannesburg GDP



Source: Quantec

2.6 INSTITUTIONAL PROFILE

The Region is a well-developed economy and has organised business formations such as Johannesburg Chamber of Commerce and Industry (JCCI) that already interacts with the City by means of the Joburg Business Forum.

The Chamber is an independent and non-profit organisation focused on promoting and protecting the interests of business within Johannesburg region. It is the largest business organisation in Gauteng, and it represents business interests through on-going interaction with the regional and metropolitan governments, aimed at creating an economic environment conducive to growth and prosperity. The Chamber provides to its members business intelligence; identifies opportunities for growth; facilitates linkages with local and international partners, suppliers, markets; and training and development.

³ Based the economic contribution to the economic growth rate of Midrand

There are sectoral institutions that are members of the JCCI, such as the Midrand Tourism Association which focuses on attracting business tourism in the Midrand area. Even the depressed areas of Diepsloot and Ivory Park currently have organised business formations, namely the Diepsloot Business Forum and Ivory Park Economic Forum. Conditions seem to be fertile for the City to work in partnership with the private sector in the Region to ensure that the Region maintains sustainable economic development.

The Diepsloot and Ivory Park Business Forums focus mainly on SMME development, and provide training to local SMMEs. It would be critical that these formations work with the Khula regional office in Midrand, to access additional capacity. In addition, there is a Steering Committee that oversees all the initiatives taking place in Diepsloot.

The regional office does not have economic development capacity and institutional structures to drive economic development in the Region. Regional capacity needs to be enhanced through the appointment of personnel and the establishment of a Development Committee comprising government, private sector institutions and the community. The Committee will focus on the entire Region and seek to make recommendations to council on development priorities and challenges.

2.7 COMPETITIVENESS ANALYSIS

The region's strength lies in its economic viability and extensive transport infrastructure. It has two regional airports, the Grand Central and Lanseria Airport. The Gautrain has a planned central stop in Midrand which will further enhance mobility and networks.

Existence of high grade commercial and tourism facilities in the form of hotels, conference facilities retail, entertainment and other accommodation facilities present good opportunity for business tourism in the region. Gallagher Estate, Monte Casino, and Vodaworld, are the main centers that continue to attract more visitors to the Region.

The extension of the Pan African Parliament in the region provides further interest and exposure to African investors.

The Region has vast tracks of undeveloped land with natural flora and fauna which gives it a rural look despite it being one of the fastest growing urban centres in the City and Province. Country Clubs, Golf Estates, and small agricultural holdings spread across the Region and serve to attract new residents in the Region, and these need to be preserved.

Another major advantage of the region is its proximity to international heritage sites such as the Cradle of Humankind and Sterkfontein Caves, positive for tourism attraction. The Fourways Nature Reserve and Lion Park, Witkoppen Farm House (national Monument), the Glen Austin Bird Sanctuary, Lorry Park Zoo provide a basket of tourism related initiatives⁴ that should be packaged to promote the Region. The Kyalami Grand Prix Circuit and the Richard Lorrington Sound and Stage on the track is renowned for world entertainment and is unique to the region, which should be linked to tourism attraction.

Constraints also abound. The road infrastructure is not adequate and not supporting the developments and initiatives that will boost economic investments in the area and enhance the networks to optimise on the opportunities for building the regional economy. Traffic congestion along the N1 highway running through Midrand, and

⁴ Vodacom World of Golf, "Bbbb" Equestrian estate, Leeukop Golf Course, Lippazaner Centre & Horse Society of Gauteng, Kyalami Castle, Landrover 4x4 centre (at Keegans, LoneHill), Kyalami Golf Course, Beaulieu Nature reserve, Gecko Mine, Voda World,

Blue Hills Golf Course, Randjiesfontein Race horse Training Centre, The Mint & Coin Museum, Olifantsfontein watersport, Chloorkop View point, Modderfontein Dynamite Factory, Pan African Parliament, Cambanos Curio's and Sunstar Diamonds (across the road from Gallagher), St. Saviour's church in Randjiesfontein, Wine Garden at Gallagher Estate

along major roads in the Fourways and Sunninghill areas, will require innovative interventions in the region as existing road infrastructure is unable to cope with the growing economy. The difficult entry and exit in the key economic centres of the Region during peak times, has a potential to push business away from the Region.

The Region has been growing too fast for the present infrastructure capacity to carry, resulting in bottlenecks everywhere in the Region. This is a recognised problem and many plans to address this problem by the City and the province are in place.

The lack of the public transportation infrastructure leaves the place unattractive to entrant developers and investors. The lack of a dedicated transport support from the City or its service providers makes living in Region A expensive for people who cannot afford own vehicles. This is more prevalent in the Ivory Park, Diepsloot and the newly developed, middle income housing stretching from the Midrand along to Sunninghill.

SECTION THREE: THE ECONOMIC DEVELOPMENT PLAN

The purpose of this economic development plan is, therefore, to present the Region A's strategic understanding of the future efforts needed to accelerate economic development and growth in a manner that benefits all the people of the Region; as well as contribute towards the transformation of the regional economy.

The Economic Development Plan is a package of three interrelated and interdependent components, namely:

- A set of core propositions for what needs to happen if the City is to take the best route towards developing the Region A Economy. Put simply, this is basically a set of *Strategy Principles* that light the way on the regional economic development path ahead;
- A view on what the future of the Region A economy ought to look like. This is simply a *Vision Statement* for what the Region A Economy will look like in the next 5 years and beyond; and
- A suite of strategic choices that the City of Joburg will need to undertake in working towards the desired vision of the Region A economy. This is referred to in this document as the *Strategy Pillars*.

All these three components of the Region A Economic Development Plan are dealt with in more detail in the following sections of this document.

2.1 REGION A ECONOMIC DEVELOPMENT PLAN PRINCIPLES

Within the context of the First and Second Economy dichotomy characterising Region A, a list of principles, listed below, have been considered essential in guiding the formulation of the Region A Economic Development Plan

□ **Proactive absorption of the poor**

The economy of the Region has in recent times been thriving and yet, it has not pulled the poor in the Region out of the poverty quagmire—more especially in the marginalized and depressed areas (e.g. Diepsloot and Ivory Park)⁵. It is therefore imperative for the City of Joburg that the Vision and the Plan of the Region A economy in the next five years *proactively facilitates the transition of the poor people in the Region into the mainstream of the economy*. Through productive facilitation, the City will assist the poor to gradually get into the ladder of economic prosperity using all the levers at its disposal and working with other key stakeholders.

□ **Accelerated and Shared Growth**

As a principle, it needs to be recognised that the improvement in the quality of lives is not antagonistic to economic growth and development. That the Region's economy has been on a positive growth path for a while now is commendable. However, it is also worth noting that economic growth has not met the expectations of all those who live in the Region. There has been unequal wealth distribution; less broadly shared ownership of capital; and less observable efforts to discontinue the 'Two Economies' divide.

⁵ For instance, the Region A Economic Profile clearly depicts this dire situation. Using Census 2001 data, it presents unemployment rate to be highest in Ivory Park, followed by Diepsloot and Rabie Ridge.

It is therefore an important principle that the City of Joburg through this Regional Economic Development Plan should actively intervene to positively shape the Regional economy. The intended end outcome is to have *economic growth that is accelerated and diversified, but that must also be shared more broadly by those who reside in Region A.*

The City should work with all key stakeholders and established governance structures in driving up the rate of economic growth in order to ultimately spread the benefits that come with such growth to all residents of Region A.

□ **Economic Transformation**

The development of the Region A economy must help in efforts to enhance and achieve economic transformation. Various sectors have developed Transformation Charters with the ultimate objective of achieving economic transformation within these sectors. In addition the Government has put in place economic empowerment legislation to help drive up the transformation agenda. Strategic economic development interventions within the region therefore must factor in the transformation imperative in their execution.

□ **Sector Diversification**

Region A (Midrand specifically) has for a prolonged period been recognised as one of the fastest growing areas in South Africa (others being Nelspruit, Rustenburg and Richards Bay). For this impressive growth record to be maintained and sustained, it is important that sectoral diversification be pursued as it drives the future regional growth path.

The consolidation and reinforcement of information and communication technologies, finance and business services, industrial development, trade and tourism, freight and logistics, and agri-processing need to underpin the economic development of the region.

□ **Economic management and governance**

The economic development of Region A has been largely a private sector driven process in the past, and will likely continue in that way in the future. However, if the vision and economic objectives of this Plan are to be realised, the City of Joburg must lead efforts, working in close partnership with the business sector and stakeholders in the Region, of ensuring that even private sector driven initiatives do contribute to the City's developmental goals that address the needs of the poor and deprived areas in Region A.

2.2 THE VISION FOR REGION A ECONOMY

There is a tremendous economic potential for Region A. Whilst there are economic challenges – just like in any part of the City, it appears from the economic profile and interface with key industry experts that a bold economic vision can be developed.

As Joburg's most accessible gateway, Region A is envisioned by 2013 as:

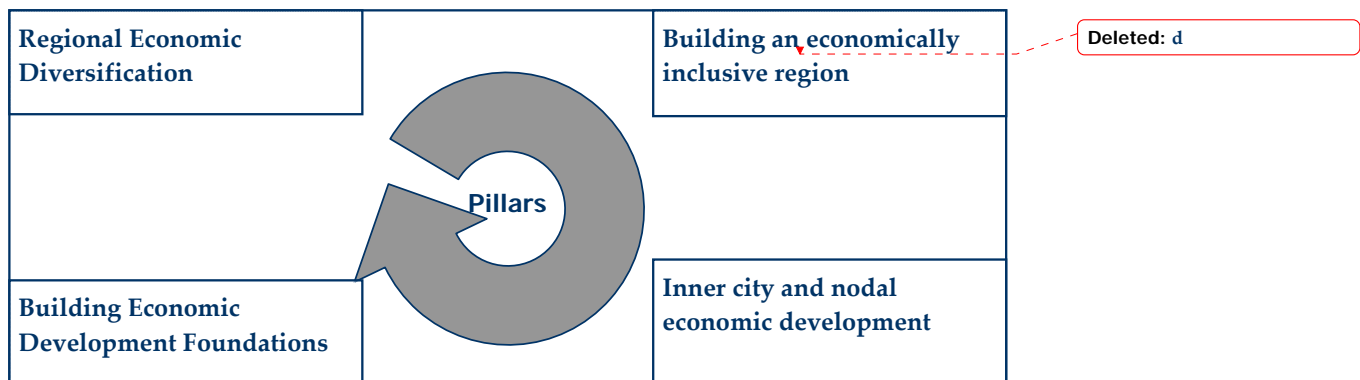
- An *international airport city region* (aerotropolis) comprising possibly, an airport facility, a commercial city, a freight and logistics city, ICT Hub, hotel/convention/entertainment district, a special economic zone/ industrial park, leisure/tourism facilities and a residential-led mixed use new town;
- *Tech-Savvy and creative city region* that uses and showcases technology to improve daily life, pioneers innovation within and across technology and business, culture and society,

- ❑ *A place of economic opportunity and Joburg's most livable region* – where residents find a range of rewarding employment opportunities and support to participate in the economy as well as a region where diverse and distinct qualities of life abound, and;
- ❑ *An entrepreneurial environment* - where people from all walks of life start and grow their businesses that achieve their dreams

The intended end outcome is that of a continuously growing economy which provides accessible economic opportunity and prosperity for residents.

2.3 THE STRATEGIC PILLARS FOR REGION A ECONOMIC DEVELOPMENT PLAN

This section interprets the economic plan principles and the vision into a set of strategic interventions, namely the *Plan Pillars*. These are the focus areas of Region A Economic Development Plan (the Plan). While the economic profile presents the economic status quo, the economic plan is forward looking and presents opportunities of what is economically possible in the region.



2.3.1 PILLAR ONE: ENHANCE AND MAINTAIN DIVERSIFICATION OF THE REGIONAL ECONOMY

The objective of this pillar is to ensure that the current diversified regional economy is maintained in order to ensure that the regional economy continues to provide employment and economic opportunities for regional residents. It needs to be pointed out that in the globalised economy no sector or industry is immune to economic fluctuations. In this regard, needs of the current prominent sectors should be continuously addressed in order to ensure their long-term competitiveness, while also identifying and supporting sectors that have a potential for growth.

In achieving this objective it is therefore of utmost necessity that the following elements are attended to:

□ Promote Competitiveness of Firms in Key Regional Economic Sectors / Industries

Competitiveness refers to the conditions that enable companies to be productive and innovative, thus supporting high and rising levels of prosperity. This element of the pillar should, therefore, focus on the needs of the existing firms in the predominant sectors in the Region so that they are able to enhance their global competitiveness. The following are the key industries in Region A:

- Information and communication technologies;
- Manufacturing industries (electronics industries, chemicals, pharmaceuticals, cosmetics, automotives and others);
- Finance and business services;
- Retail industry;
- Freight and logistics; and

- Construction sector – leveraging off the property development trends.

The positioning of the Region as a hub for Research & Development activities needs to be explored further.

□ **Leverage Strategic Location of the Region to Support Tourism Sector Growth**

There currently exists a perception that tourism sector is not important in the Region and is small. As articulated in the economic profile, tourism in the region is already well pronounced. Evidence points to the fact that Business Tourism is very well established in Region A and is supported by facilities such as the Gallagher Estate, Eskom Conference Centre, Pan African Parliament and Montecasino.

A number of hotels and B&Bs are also spread across the Region. All these are indicators of the tourism sector being a critical sector in the Region as a whole. What needs to be done going forward is for the stakeholders to better understand tourism market segments and what type of tourism products need to be developed to further strengthen tourism sector in the Region.

The economic profile also makes a strong case that proximal location of the region to world-class tourist attractions sites such as Cradle of Humankind, Sterkfontein Caves, and others of which leveraging can be made. A tourism route is being proposed by the Midrand Tourism Association in an effort to promote tourism in the region.

In addition, the Region is also sharing boundaries with the City of Tshwane and Ekurhuleni - which houses the busiest airport in the country. These further add value in growing the tourism sector. The fact that the Region has two Airports (Lanseria and Grand Central) does enhance the potential of the Region as a tourism gateway of the City.

In efforts to grow the tourism sector, the following should be done:

- Undertake a Formulation of Tourism Strategy for Region A in order to better understand the long term prospects of the sector;
- Parallel to strategy formulation, focus on the development of:
 - tourist accommodation for tourists wanting to spend time in the Region and visit various areas of the City and the Province
 - tourist accommodation for business tourists coming to the Region and the City for conferences, sports events and so on;
 - Nature Based tourism (including bird viewing, game farming, horse riding, mountain biking, etc) in areas with potential, especially in the Western part of Region A.
 - Tourism transformation process by ensuring that as the sector grows, all groups in the Region share the benefits.

□ **Identifying Niche Agricultural and Related Opportunities**

Region A has been a farming area in the past. However, in recent times agriculture has given way to the development of other sectors such as commercial and residential developments. As things stand currently there is very limited agricultural land left in the Region. The growth of economic activities in the Region, and Gauteng as a whole, needs to be supported by agricultural produce. This makes agriculture a relevant sector in the Region that needs to be pursued. In today's economy focus should be on niche agricultural crops that can fetch premium prices in food markets such as organically grown crops.

The City should explore the following agricultural and agri-business opportunities in the Region:

- Organic farming opportunities—especially on land closer to the marginalized areas of Diepsloot, Ivory Park and Rabie Ridge, and Blue Hills agriculture holdings;
- Agri-processing and packaging opportunities for local market (such as supermarkets and restaurants/hospitality) and export markets;
- Explore opportunities for fish farming (aquaculture)⁶, and
- Linking to the citywide agri-business programme that is championed by the Department of Economic Development.

2.3.2 PILLAR TWO: MAKING REGION “A” AN ECONOMICALLY INCLUSIVE REGION

The objective of this pillar is to identify significant economic development opportunities in the economically deprived areas and enhance linkages of such opportunities with the mainstream economic activities in the Region. While the regional economy has been growing in leaps and bounds, the fact remains that the benefits of such growth has not filtered in any significant way to all corners of the Region.

The case of the deprived and marginalised areas such as Diepsloot and Ivory Park has been highlighted in the economic profile. The large proportion of people in these areas rely on welfare transfers and the effort should be to move these people from “welfare to workfare” as the City and Regional stakeholders turn around economic fortunes of these areas and truly make Region A an economically inclusive region.

For the pillar objective to be achieved, the following should be explored:

□ Focus on a Township Economic Development Programme

⁶ See Draft Policy for the Development of Sustainable Aquaculture Sector in South Africa (29 September 2006).

Upgrading of informal settlements is the biggest priority to address poverty and marginalisation in Diepsloot and Ivory Park. The focus should be on extending basic services to all informal settlements. In addition, there is need to provide basic services, incentives and support strategies to promote economic activity, and develop transport nodes in order to create viable communities and improve the linkage to the economic centres of the Region.

The focus should be the following:

- Proposed housing development for the undeveloped informal settlements in the region, i.e. settlements around Lanseria airport, Diepsloot, Ivory Park, Rabie Ridge, Houtkoppen, Diepsloot South and surrounding areas;
- Diepsloot Economic Activity Node with particular emphasis on convenience retail and ancillary support facilities;
- Ivory Park Economic Activity Node and associated retail and economic support services;
- Industrial development support with particular emphasis to Bambanani Industrial Node;
- Informal trading and SMME development and support at Swazi Inn;

□ **Nurturing of Informal Sector Enterprises**

Informal sector enterprises in the marginalized areas need to be nurtured by addressing business and skills development needs of this sector. The protection and development of the informal sector within the marginalised areas is critical to supporting economic development and creating jobs. The objective is to develop a vibrant informal economy that seeks to develop local businesses into more competitive businesses or formalised businesses that will be able to access opportunities outside their operating environment.

Academic institutions and enterprise development institutions through their SMME development programmes, must be engaged to provide business skills to informal traders, and should be encouraged to extend their programmes to Diepsloot and Ivory Park. The City's SMME Fund should be geared to support informal traders in these areas by providing access to funding and fund proposed development programmes. The City should fast track the roll out of a Community Banking system that will enable informal traders to build a credit record and access expanded range of financial products.

It would be recommended that the support of the informal economy should focus on the following:

- Encourage home based businesses that support the mainstream economy as a strategy of business growth,
- Identify and develop current trading areas around Ivory Park and Diepsloot that enhance self-employment for people who cannot find jobs,
- Provide basic life skills and business skills for informal business operators as a strategy to enhance business development, working with the Metro Trading Company, academic institutions and enterprise support institutions such as Khula, Small Enterprise Development Agency, Wholesale and Retail SETA, etc,
- Address access to finance (start-up and working capital) for informal economy businesses through the SMME Fund, and the proposed Community Banking structures,
- Encourage migration of informal economy players into the formal economy (SMME sector) where appropriate in order to grow their business operations, through the identification of sectoral value chain opportunities.

The support should begin to take fold within the current and proposed activities in Diepsloot; i.e, the African Free Market and Economic Activity Node and, the Swazi Inn

informal trading centre in Ivory Park. Traders should be identified to undergo business skills training and mentorship; and linkages of traders with business opportunities should be facilitated. Upgrading of existing facilities like the Swazi Inn and development of new facilities should be undertaken.

□ **Promote SMME development opportunities and link business in depressed areas with regional industrial areas**

The objective is to facilitate access to commercial and industrial facilities for start up businesses, and provide support to these emerging businesses through the City's own targeted procurement. The development of industrial parks or empowerment zones within the Diepsloot and Ivory Park area is critical. The clustering of the industrial development should be encouraged to focus possibly on furniture making, motor repair and panel beating, welding, light engineering, carpentry and woodwork and home improvements.

An enterprise development programme should be developed to support local businesses to access markets and finance, and provide business skills and mentorship. The proposed light industrial node, which is part of the JPC Northern Farm Diepsloot Redevelopment Project and Bambanani Industrial Park in Ivory Park will require an element of enterprise development to local SMMEs using these facilities.

It would be critical to work with existing institutions, which provide such support to identify opportunities and entrepreneurs, and to be allocated at these facilities. The support programmes to be established by the identified institution should seek to provide technical assistance, mentorship, assist in mobilising funding to assist businesses to undertake feasibility studies; market research; initial pre-production activities; and facilitate investment funding.

The City is proposing a Jozi equity fund, which it will be providing R100 million as a catalyst for the Fund to attract R2 billion investments. The target market is SMME to support specific city driven investments such as Soweto Empowerment Zone, Broadband.⁷

□ **Leverage Investment Finance**

Leverage funding from financial sector institutions into the deprived areas as a mechanism for such institutions to meet Financial Sector Charter obligations, through the Transformational and Corporate Social Investment funds. In addition, leverage funding from the Development Finance Institutions (National Empowerment Fund, Development Bank of Southern Africa, Khula, Industrial Development Corporation, etc) to support local economic development and fund enterprise development programmes and infrastructure development through Public Private Partnerships. It would be recommended that additional funding be facilitated from the National Treasury's Neighbourhood Development Partnership Grant to specifically focus on the development of the marginalised areas.

2.3.3 PILLAR THREE: INNER CITY AND NODAL ECONOMIC DEVELOPMENT

This pillar is intended to ensure that economic development efforts at Region A are geared towards increased efficiencies in the utilization of the Midrand Central Business District, and that economic development is encouraged in various nodes throughout the region where the potential for economic development has been realized.

In supporting inner city and nodal economic development, critical interventions include the following:

⁷ City of Johannesburg 2008/09 Draft IDP

- ❑ Supporting transit oriented development at Midrand Gautrain Station – thereby leveraging off the Gautrain Rapid Rail Link initiative;
- ❑ The revitalization and bringing to full productive use the Midrand Central Business District including commercial corridor development;
- ❑ Development of an Art and Entertainment Precinct on the western edge of the Central Business District;
- ❑ Land assembly, packaging and targeted area development along the link back road between New Road and Midrand CBD as well as the expansive land next to the offices of the Development Bank of Southern Africa, and
- ❑ Development of a mixed-use airport city at Lanseria thus maximizing on the economic role of the Lanseria International Airport.

2.3.4 PILLAR FOUR: BUILDING ECONOMIC DEVELOPMENT FOUNDATIONS

The objective of this pillar is to ensure that economic development foundations are created to encourage economic development in the region. Critical emphases (strategic interventions) are placed on regional economic development capacity, strengthening accountability and, marketing and developing an identity for the region:

These interventions are elaborated on as follows:

❑ Region A Economic Development Coalition

Establishing a “Region A Economic Development Coalition”—a meaningful compact between the City and all key stakeholders in the Region (such as Business Organisations like the Midrand Chamber of Commerce and Industry (MCCI), Midrand Tourism Association, and those in traditional townships in the region such as Diepsloot Business Forum and Ivory Park Economic Forum and Communities and Organised Labour) could

be suggested as an important instrument for bringing the economic development stakeholders together.

The purpose is to ensure that all business formations in the Region are represented in the proposed structure, and this becomes the institutional arrangement through which the City will be able to engage with business and the community in the Region.

From a functional point of view, the Coalition should be set up to:

- Assist in overseeing the implementation of the Region A Economic Development Plan;
- Provide a platform for dialogue between all the role players in the economic development field in the region;
- Provide an opportunity for a wide discussion on key issues of regional importance in economic development;
- Provide business and economic development advice on resource requirements needed for the implementation of the plan;
- In addition to the City's Economic Development Sub Committee and the Mayoral Committees' strategic oversight roles, the Coalition should also assist in monitoring progress on the implementation of the plan;
- Liaise, consult and advocate with key stakeholders to ensure that the outcomes outlined in the plan are achieved, and
- Advocate for the integration of economic development outcomes with other regional strategies.

The Department will provide secretariat functions and the meetings of the Coalition could start off as quarterly meetings.

□ **Regional Economic Development Capacity**

An *Economic Development Support Programme* needs to be set up for Region A. Such an economic development capacity must be structured as follows as a minimum - of course:

- *A Deputy Director,*
- *An Assistant Director and*
- *A Project Specialist*

Resident within these individuals should be the following competencies:

- Relevant experience and understanding of economic development – with particular reference to regional/ local economic development;
- Ability to manage economic development organisations;
- Neighbourhood/ township economic development experience;
- Strategic economic development planning;
- Economic development funding and financing;
- Economic development marketing and attraction;
- Business retention and expansion;
- Workforce development;
- Small business development and entrepreneurial;
- Sectoral interventions, and
- Economic development capacity building

Such an arrangement will ensure that a bottom up economic development planning process is instituted, and it is not a centrally located function as currently is the case

□ **Strengthening Accountability: The Ward Governance Committee**

Whilst governance structures exist for accountability on projects and programmes, it needs to be ensured that regular reports, feedback and guidance is secured from the

Mayoral Committee, Economic Development Coalition and the Region A Ward Governance Committee on economic development matters.

❑ **Economic Empowerment Support Programme**

The Region should drive the “BBBEE Support Programme” – using its procurement lever to support in particular emergent SMMEs and Black owned businesses in the Region. This should be seen as a public and private sector institutional effort to promote empowerment and transformation of the regional economy to benefit entrepreneurs in particular, from the currently marginalised areas. The programme should be driven and supported through public and private sector procurement.

The City will need to provide the enabling environment that will drive SMMEs and Black owned business, and increase their participation in the investment opportunities and developments earmarked for Region A, through its own procurement, proposed funding instruments (SMME Fund, Jozi Equity Fund), and capacity building programmes.

❑ **Workforce Skills Development**

The objective of this aspect is to ensure that the Region has skilled workforce that enhances its competitiveness, not only currently but also in the future. People in the Region should be able to compete for jobs in the growth economic sectors in the region. Today’s economy is largely knowledge-based, skills driven, innovation focused and entrepreneurship oriented – so investment in people is indispensable. Furthermore, technology permeates all industries regardless of where they are located. Therefore higher skills are required by all firms in order to realise the potential productivity gains that technology can bring. City regions across the world compete, among others, by attracting and retaining skilled labour force.

Achieving a Skilful Region status calls for focused attention to the skills of the present workforce, the unemployed in order to enhance their employability and the youth—the future workforce. A concerted effort of government, the private sector in general and the communities is required in conceiving and implementing interventions to achieve the objective of achieving the Region’s long-term competitiveness.

The following are identified as interventions to realise the objective:

- Building quality schools (private and public) in the Region as a long term strategy to provide future skilled workforce (building future regional human capital), in addition to attracting skilled workforce to the Region;
- Implement business Skills Development Programmes for the current workforce across industries to ensure that the Region enhances and maintains its competitiveness. Continuously upgrading skills of incumbent workers is no longer a choice, but a necessary imperative in ensuring that employees are competitive in the workplace and in turn support competitiveness of their firms.
- Develop and implement learnership programmes for the unemployed and unemployed graduates in the Region (*The proposed ICT Innovation Hub is an example of building ICT skills in the Region*);
- Ensure that Leadership and Management skills are also developed among regional companies’ top management echelons.

□ **Building and Positioning Region “A” as powerful brand in the marketplace**

An integral key step in building a strong brand is value proposition. Different areas of the region are strong in different industries. Some possible guiding value propositions for the region are as follows:

- Region A, can be branded as the gateway to the City of Johannesburg;
- Midrand, can be branded as the technology and pharmaceutical hub;
- Woodmead, Sunninghill, Fourways, can be branded as the retail and commercial centres of the region;
- Lanseria, can be branded as an airport city;
- Kyalami, can be branded as a small farm holding for horse riding, nature reserve or a motor race course.

The sum total of all these pillars represents a foundation upon which the future economy of Region A will be based. Moreover, anchoring these pillars is a suite of investment opportunities which are dealt with below.

SECTION FOUR: THE REGIONAL INVESTMENT ATLAS

The investment atlas could be defined as a 'compendium' of potential private and public sector investment opportunities for Region A. In simple terms, the investment atlas lists potential opportunities in terms of either some or a combination of the following variables (criteria): description of an investment opportunity; economic rationale; employment considerations; enabling conditions such as the level of action required from the public and private sector; sectoral location; scale of the opportunity in terms of the number of potential jobs and funding requirements, and the state of readiness as regards whether a business plan is in place, funding/ financing is also in place, and operational capacity is available.

Based on the criteria, a number of economic development and investment opportunities were identified for Region A, namely:

4.1 The Midrand Central Business District Redevelopment

Inner cities perform very important roles: The vitality and vibrancy of an inner city frees up resources which are required to address social and economic disadvantages; enhances return on public investment in infrastructure such as housing and transportation; eases constraints to local economic growth through utilising the inner city labour force, land and infrastructure more optimally; and offers substantial growth and profit opportunities. It is in this respect that the Midrand Central Business District is considered an underutilised investment opportunity.

For Midrand to be realised as an investment opportunity, economic redevelopment efforts will need to focus on:

- ❑ Redesigning the Central Business District as a modern, appealing and iconic city;
- ❑ Commercial corridor development;
- ❑ Possibly relocating the Midrand Taxi Rank to some more convenient and accessible position – but not in its current position where is taking economic space that can be productively used for commercial/ retail developments;
- ❑ Developing an Arts and Entertainment District particularly on the western edge of the CBD;
- ❑ Putting in place proper urban management systems – along the lines of a City /Business Improvement District;
- ❑ Leveraging on opportunities associated with the Gautrain Station developments - a transit oriented development model, and
- ❑ Funding / Financing Model of a growth coalition/ partnership nature to drive the implementation of the Central Business District redevelopment programme.

Such packaging efforts will yield a number of economic benefits such as jobs and wealth creation, Midrand re-imagining and bringing even night life and expanded trading hours in the CBD.

4.2 The Waterfall City

The Waterfall City is the biggest property development in the region and will close the gap between Midrand, Woodmead, Sunninghill and Buccleuch. The project is estimated at between R11 billion and R15 billion and will include a R207million road upgrade. The residential site will be developed on 22 hectares of land.

The development is intended to absorb the middle income people and provide up market facilities, a golf estate with 2600 homes and a private 18-hole golf course; a second, public golf course; a retirement village; more than 700,000 square metres

allocated to offices and at least 150,000 square meters of retail shopping, a hotel, health clinic and schools; a service yard for Gautrain; and Africa's largest cemetery, with 500,000 grave sites.

The project will provide employment in the short term during construction wherein 5000 people will be directly employed, SMME opportunities encouraged and BEE transactions promoted.

4.3 Zonkizizwe Shopping Resort and Mo Afrika Retail and Leisure Centre

The following projects have been identified in the Midrand area and will serve as an anchor and catalyst:

At least four new hotels, theme parks, shopping centers, museums, botanical gardens, zoos, wilderness parks, a casino, residential schemes and office complexes are being planned and establish Midrand as a CBD and central town of choice between Johannesburg and Pretoria.

The most upmarket project is the R3-billion Zonk'Izizwe shopping resort on an area of 65ha. Backed by Old Mutual, it will be Africa's largest shopping centre.

Also planned for the area is the R2-billion Mo Afrika retail and leisure centre east of the Samrand development, to be built by Randjesfontein Race Course Investments and Woolworths.

4.4 Casino Developments

Sun International is planning to build a R600 million leisure complex called Snow City, which will incorporate a casino on a 100ha site near Kyalami.

Johnnic seeks to build a five-star hotel with the Hilton group, plus an entertainment and shopping complex on 21ha property adjoining Gallagher Estate – subject to it being successful in its casino application. The project is estimated to be worth about R1 billion.

4.5 Bambanani Industrial Node

Bambanani is a less developed industrial node that is sandwiched between Ebony Park and Ivory Park. The development character of the Bambanani Industrial Node mirrors the overall development context of Ivory Park – which could be summarised as being a previously disadvantaged area with limited social and infrastructural investment; limited vibrant economic activity with a strong presence of informal economy; comprised of about 9 000 families residing in informal settlements, and an area requiring functional spatial and economic integration into the regional economy.

The existing economic development activities at Bambanani Industrial Node include Transport (trucking) services, cement manufacturing, brick making, automotive services: panel beating, scrap yards, radiator repairs, and mechanical work, dilapidated Ivory Park wholesale, and funeral undertakers. Given these dynamics, it becomes increasingly important to develop an industrial node that will anchor and nurture these less developed and unstructured internal economic activities at Bambanani.

The Vision for Bambanani is a robust industrial development node that mobilizes and grows the existing SMMES in and from around Ivory Park mainly through developing and strengthening links with established businesses and services providers. Its intended end outcomes is an integrated, multi-purpose industrial node, with accessible economic infrastructure & business support services, a regional business link and economic hub, with a combination of developmental and commercial approach to public policy objectives.

The following are the potential clusters that will be promoted and encouraged at Bambanani Industrial Node:

- ❑ Automotive: Motor Repairs/ Servicing/ Transportation;
- ❑ Construction: cement & brick manufacturing;
- ❑ Services: undertakers; security, cleaning;
- ❑ Property development and management; and
- ❑ Wholesale & retail: the existing run-down infrastructure.

Such an industrial investment initiative will assist in encouraging organic economic transformation within Ivory Park and allow for better-organised industrial enterprises within the sub-region.

4.5 Ivory Park and Diepsloot Economic Activity Nodes

An economic need has been identified for the development of economic activity nodes or smaller Central Business Districts at Diepsloot and Ivory Park. Critical emphasis will be placed on:

- ❑ Commercial development
- ❑ Informal trading facilities such as the Swazi Inn development initiative
- ❑ Taxi rank developments and expansions
- ❑ Ancillary support facilities such as government services, and
- ❑ Economic support infrastructure

In the case of Diepsloot, there will also be the Northern Farm Redevelopment, a mixed income development that will integrate Diepsloot into the Greater Johannesburg. The project size is 180ha and will include residential (360 000 meter squared and commercial

(40 000 meter squared) development, and the projects' expected investment is R1.5 billion.

4.6 Lanseria Corporate Estate

The Estate is situated north-west of Johannesburg, adjacent to Lanseria Airport and covers 90ha, and 169 industrial stands, ranging from 3 500 to 7 300 square metres. It is Gauteng's first environment-friendly and eco-sensitively planned light industrial development.

Lanseria Corporate Estate is ideally situated on the R512, 3.5 kilometres from the N14 (Pretoria-Krugersdorp) highway, making it a convenient location for business owners, employees and prospective customers from Randburg, Centurion, Midrand, Krugersdorp, Fourways and Sandton.

There are also plans to increase the R512 from single to a dual-carriage in both directions from Cosmo City to Lanseria Airport. The current upgrade of Lanseria Airport, the landmark residential developments including the Blair Atholl Golf Estate and Monaghan Country Estate, are positive indicators of the expected growth in the area.

4.7 An Airport City / Air City

Airports in the Twenty First Century no longer serve only passengers and cargo. Future industrial environment requires enterprises to be located near an airport. Therefore airports are nowadays much more than aviation infrastructures. They have become multimodal, multifunctional enterprises generating considerable commercial developments within and well beyond their boundaries. In essence, all the functions of a modern metropolitan centre are evolving on and immediately around major airport sites – hence the Airport City.

Given the fact that Lanseria International Airport has considerable expanses of vacant land around it and the fact that there is a scope for it to be more competitive in the regional airlines markets than currently is the case, there is a strong investment opportunity for developing and building an Airport City (Aerotropolis) around Lanseria. Such a new and 21st Century City can be structured around the following facilities:

- ❑ A Special Economic Zone (Free Trade Zone);
- ❑ A Logistics Hub;
- ❑ A World Class International Convention Centre;
- ❑ An Entertainment Hotel and Leisure Hub;
- ❑ An Airport;
- ❑ A Financial Centre;
- ❑ A High Tech Industrial Complex;
- ❑ Office and Retail Complex, and
- ❑ Residential Complex.

Given the fact that the Department of Economic Development is considering the best instrument for maximizing the efficiencies of existing airports across the City, an airport city development initiative could possibly be one such important investment through which the airport infrastructure rationalization process is undertaken. A bold step was undertaken with Gautrain – so too is a possibility with an Airport City.

4.8 Other Investments Moving into the Region

The following are some of the foreign companies setting up offices in the region, facilitated by the Gauteng Economic Development Agency:

Huawei Technologies: is a leader in providing next generation telecommunications network solutions for operators around the world. It is China's largest telecom equipment maker, and will be setting up offices in Woodmead, investing a total of R3,3 billion.

Cedar Park Project: is a R600 million project that seeks to set up an adventure park in Northern Johannesburg (Fourways) that will feature the largest waterpark in Africa and the world's largest hedge maze. Cedar Park will become a hub for leisure, activities and tourism, boasting dozens of unique attractions.

Priortex clean: is a manufacturer of disposable clothing used in surgical wards services. The company is looking to set up in Midrand with a total investment of R40 million.

Krones: is a manufacturing company that designs, develops, manufactures and installs both machines and complete filling and packaging lines. Its principal customers are breweries and beverage producers, the food industry, and the chemical, pharmaceutical and cosmetics industries. It's seeking to set up offices in Fourways, with a total investment of R16 million.

Galencia Investments: is a property development and construction company, seeking to set up offices in Midrand.

SECTION FIVE: THE IMPLEMENTATION PROGRAMME

In the implementation of the Region A Economic Development Plan, a number of role-players or actors, both within the public sector and the private sector, will be expected to play a critical role. It is impossible to implement all projects at once. Therefore, it is critical that an objective process is followed in prioritising the projects for implementation. In deciding on the project time frames, recognition is made of making a distinction between those that can be implemented immediately (those that can really create quick wins) and those that will take long to implement due to their complexity and other factors (long-term projects). In this section, a funding and financial framework that will enhance sourcing financial resources for implementation is also proposed. Furthermore, in implementing the Plan, there has to be strategic level oversight. This is necessary in order to ensure that the process of implementation is well managed and that various actors in the implementation process are accountable.

Furthermore, an Action Plan for the Implementation of the Region A Economic Development Plan is also presented in this section. The Action Plan identifies priority actions and steps that need to be undertaken in order to achieve the objective of each Pillar of the Plan.

5.1 IMPLEMENTATION ACTORS

The implementation of the Region A Economic Development Plan should be driven through a partnership paradigm in which all institutional actors play their respective roles in ensuring that efforts of developing the economy of Region A do achieve desired results.

Different role players who will play a key role in the implementation of the Region A Economic Development Plan largely fall into the following categories:

- The City of Joburg Departments (such as Economic Development, Planning, Finance and Housing)
- The City of Joburg Agencies (such as Johannesburg Development Agency, Johannesburg Property Company, Johannesburg Tourism Company, Metro Trading Company, and others)
- Private regional business institutions such as Midrand Chamber of Commerce & Industry, Midrand Tourism Association, Diepsloot Development Forum and Ivory Park Development Forum, and others, and
- The neighbouring municipalities since Region A is adjacent to strategic areas such as City of Tshwane, Ekurhuleni and Mogale City.

5.1.1 The Role of City of Joburg Departments

The City Departments that have impact on economic development in Region A must support economic development by:

- Facilitating development of the Region A economy through their planning instruments. This is critical since developments in the Region seem to be largely private sector driven and have been occurring with little attention being paid to broader development imperatives.
- Making provision for adequate budget resources to support identification and implementation of economic development opportunities, especially in the deprived areas of Diepsloot, Rabie Ridge and Ivory Park. These deprived areas have really lagged behind in economic development initiatives that have been witnessed in the Region in recent years.

- Supporting entrepreneurs by continuously monitoring environmental constraints that inhibit business operations in Region A. Again the bias must be in favour of the disadvantaged areas in the Region, which without the City's direct intervention, would always lag behind and remain in a dire situation for many years to come.
- Identifying and encouraging collaborative efforts among various institutions, which have a stake in the economic development of Region A. The Plan proposes a Regional Economic Development Coalition and the City, through the Regional Office, must take a lead in this effort.
- The City should utilise its budget resources as a key lever to promote economic development in Region A by ensuring that its procurement policy is biased in favour of enterprises based in Region A for projects implemented in Region A. The emerging businesses in the deprived areas could stand a better chance of success in their business ventures if the City really gives them a break into business.

The Department of Economic Development, in particular, should play a leading role in co-ordinating the implementation of the Economic Development Plan in Region A. Moreover, this Department has to ensure that Economic Development capacity is augmented in the Region so that Region A entrepreneurs and Regional institutions have technical support and expertise that they can tap on in their efforts to drive economic development of the Region.

5.1.2 The Role of City of Joburg Agencies

The City Agencies are in essence implementing agencies on behalf of the City. In the context of promoting economic development, the role of Agencies should in general, among other things, be to:

- Identify and facilitate implementation of economic development projects that fulfil the City of Joburg's developmental objective, especially in line with the City's Growth and Development Principles.

- ❑ Promote and facilitate participation of SMMEs and new entrepreneurs in economic development projects.
- ❑ Liaise with various institutions in the Region regarding planned economic projects and the projects currently implemented.
- ❑ Support City Departments by availing financial resources required in the implementation of projects prioritised for implementation as well as in directing financial resources to the current deprived areas in the Region.

5.1.3 The Role of Private Local Business Institutions

The Economic Development Plan presents many opportunities for the entrepreneurs of Region A. Local entrepreneurs stand to benefit in the implementation of economic development projects. While the Midrand JCCI exists, it exists in isolation from other business formations in the Region, especially those in the areas of Diepsloot and Ivory Park. It is incumbent upon the Business Organisations in the Region, working together, to perform the following functions (list is not exhaustive):

- ❑ Mobilising entrepreneurs in Region A to be active in looking for and participating in investment opportunities identified in the Region A Economic Development Plan.
- ❑ Facilitate identification of constraints inhibiting business operations in Region A and support the City in finding solutions to the identified constraints.
- ❑ Take active steps in identifying and forming business linkages between Region A businesses and businesses outside the Region so as to strengthen the Regional economy.
- ❑ Participate in forums established by the City to address economic development challenges of Region A—especially the proposed Regional Economic Development Coalition.

- Mobilise SMMEs and potential entrepreneurs as well as labour to participate in skills development programmes if Region A is really to be appropriately dubbed a “Skilled Workforce Region.”

5.2 A PROJECT PRIORITISATION MECHANISM

The process of prioritising projects for implementation in the Economic Development Plan needs to take into account a number of factors that all taken together, enhance the implementation of the Plan. Prioritised projects should as a general rule be aligned with the Pillars that underpin the Region A Economic Development Plan.

The following criteria constitute the project prioritization process:

- a) **Potential to create strong linkages within the regional economy as well as external economies, especially with adjacent municipalities of Tshwane, Mogale and Ekurhuleni:** Projects that are targeted at the currently deprived areas and that exhibit a strong linkage with the regional economy must be prioritised as this is an indicator of better prospects for their success. The strategic location and functional linkages with the adjacent key metropolitan municipalities must also be considered as a further cap on these projects.
- b) **Potential to develop and promote SMMEs or Co-operatives:** The Plan puts emphasis on enterprise development. Therefore, projects that have a potential to enhance participation of SMMEs and Co-operatives in the mainstream economy need to be given attention and priority in order to address the current marginalisation of the entrepreneurs located in the depressed areas of Diepsloot, Ivory Park and Rabie Ridge.

- c) **Potential to generate new employment opportunities:** There is strong evidence pointing to a dire unemployment situation in the depressed areas. Therefore, projects that have a better chance to create job opportunities that can absorb the unemployed in the Region in general and the depressed areas in particular need to be attended to as a matter of priority.

- d) **Potential to improve income of the marginalised entrepreneurs:** Projects that promise to significantly improve incomes of the currently marginalised entrepreneurs in the region must receive urgent attention, especially those in the deprived areas.

- e) **Potential to source or leverage funding or raise finance:** Money is critical in the process of implementation of economic projects—right from feasibility up to the actual investment on the ground. Accordingly, projects that have a better likelihood or relative ease of raising funds or finance need to be prioritised in order to accelerate investments in projects identified in the Plan.

- f) **Potential to promote Black Economic Empowerment:** BEE is one of the important policy imperatives to redress the imbalances of the past apartheid policy. Clearly, it is of utmost importance that projects complying with BEE policy as currently implemented through Broad Based Black Economic Empowerment and Codes of Good Practice are also prioritised.

Projects meeting most of these criteria should receive immediate attention as they are likely to quickly lead to the achievement of the Region A Economic Development Plan objectives.

5.3 FUNDING AND FINANCIAL FRAMEWORK

The identification of projects and programmes is a necessary, but insufficient condition for economic development. Financial resources are one of the critical factors that enable implementation of economic development projects. Therefore, a framework to raise financial resources to implement the plan needs to be in place.

The framework takes into cognisance the fact that there are various sources of funding, and each source of funds has its own specific funding criteria and goals for funding/financing economic development projects. The challenge is to understand funding or financing motivation and criteria of each funder or financier in order to enhance the prospects of obtaining project implementation funds.

In sourcing funds for project implementation, cognisance should be taken of the following potential sources of funds/finance:

Sources of funds/finance	Motivation / Comments
Government	Government in all spheres sets aside a budget for grant funding in order to address economic development needs and in accordance with government development priorities. Such funding is accessed through line function departments.
Development Finance Institutions (DFIs)	DFIs are set up by government and in the South African context are largely solely owned by government. Each DFI has a specific mandate and they are established to address market failures in making finance available for the development needs related to its mandate. They all need a business plan to consider financing a project.
Private Sector investors, including Venture Capitalists	These will invest in viable and feasible economic projects which are likely to offer a return on investment. Long term profitability of a business venture is critical in the investment decision. Venture capital funds normally provide not only loan finance but also take equity in the investment and take more active participation in running of a business venture.

Commercial financial institutions	These are in business of providing loan finance for investment in economic development projects and will charge an interest (cost of capital) on loan capital. They need a business plan to consider before taking a financing decision.
Donors (include official development assistance— ODA—and private foundations, Corporate Social Investment (CSI) and Business Trust	Official donors such as the European Union make funding available for development needs of targeted communities Private donors/foundations also target certain sectors that are in line with their prioritised areas of participation / activity. CSIs has flourished as a result of private sector firms wanting to comply with the triple bottom line (a call made in the King Code of Governance). CSIs may provide finance for economic development projects in some instances where there is a fit between projects and company objectives.
City of Joburg: SMME Equity Fund	The City plans to roll-out the SMME Equity Fund in 2008/09 to assist SMMEs
City of Joburg: Community Bank	The City Plans to pilot Community Bank in 2008/09 to targeted communities and SMMEs

In implementing projects identified in the Plan and the Investment Atlas, it will be necessary to examine various sources of funding or finance so that the value proposition for funding or financing is submitted in the required format (normally a business plan / proposal) to each targeted source of finance.

In the process of implementing economic development projects, funding will be required for the following activities:

- ❑ Undertaking project pre-feasibility and/or feasibility studies
- ❑ Formulation of Business Plans
- ❑ Investment in new projects
- ❑ Investment in existing projects/businesses (e.g. for business expansion)
- ❑ Working capital, and so on.
- ❑ Skills development

It is therefore important to clearly understand the status of each project in order to be clear about its funding needs. This will enable targeting the most appropriate potential sources of funding. Many black entrepreneurs do not have necessary skills to put together a business plan to source funding. It is therefore strongly recommended that the City of Johannesburg establishes a strong partnership with institutions that support entrepreneurs especially at formative stages (venture creation) in order to equip these entrepreneurs with business skills right from business plan formulation to business management. Gauteng Enterprise Propeller should in terms of its mandate play a key role in this regard.

5.4. STRATEGIC LEVEL OVERSIGHT, MANAGEMENT AND ACCOUNTABILITY (ECONOMIC DEVELOPMENT MANAGEMENT AND GOVERNANCE)

There is certainly a need to augment capacity in Region A to drive implementation of Region A Economic Development Plan and to provide technical support to the Region A Ward Governance Committee; thereby ensuring that the Committee executes its oversight responsibilities effectively.

To ensure effective Economic Development Management and Governance in the implementation of Region A Economic Development Plan, the following key players are critical:

5.4.1 Economic Development Sub-Committee

This Sub-Committee is also established in terms of the Municipal Structures Act, No. 117 of 1998. This strategic Sub-Committee serves purely the economic development and planning related interest within the City of Joburg's area of jurisdiction.

The Sub-Committee is composed of MMCs for Finance and Economic Development and Development Planning and Urban Management, Executive Directors within these Departments, and Chief Executive Officers affiliated to the two Departments. Among its functions are the following:

- ❑ Giving input into how economic development issues are dealt with;
- ❑ Contributing to the offering of economic development services that meet business, public and investor needs;
- ❑ Promote a common vision for Joburg as a whole;
- ❑ Provide guidance on the interface between economic development and planning matters, and
- ❑ Providing general strategic guidance.

To provide strategic level oversight on the implementation of the Region A Economic Development Plan, this Sub-Committee needs also liaise closely with the Region A Ward Governance Committee—so that a commonly shared understanding of the strategic direction on economic development is developed and widely shared.

5.4.2 Mayoral Committee

This Committee will ultimately play a key role in providing political oversight and will need to be regularly briefed on the processes and challenges regarding the implementation of the Region A Economic Development Plan. As the supreme decision making structure in Council, executive strategic guidance on economic development matters will regularly need to be secured from the Mayoral Committee and progress updates done regularly so that where necessary sufficient political weight is brought to bear.

5.5. ACTION PLAN FOR THE IMPLEMENTATION OF THE REGION A ECONOMIC DEVELOPMENT PLAN

PILLAR 1: ENHANCE AND MAINTAIN DIVERSIFICATION OF THE REGIONAL ECONOMY

Objective: To ensure that the current diversified Regional economy is maintained for Region A's economic competitiveness

Priority Action 1: Promote Competitiveness of Firms in Key Regional Economic Sectors / Industries

Next Steps:	Key Partners	Timeline	Possible metrics/indicators
1. Facilitating development of industry clusters focused on: <ul style="list-style-type: none"> ❑ Information and communication technologies ❑ Manufacturing industries (electronics, chemicals, pharmaceuticals, cosmetics, automotives and others) ❑ Finance and business services ❑ Retail industries ❑ Freight and logistics ❑ Construction sector 	City of Joburg, Midrand CCI, the DTI, Gauteng Dept of Economic Development, Banking institutions, Relevant sector companies/ organisations	1-5 years	<ul style="list-style-type: none"> • Detailed research processes • feasibility studies and business plans • Investment Plans • Entrepreneurs participating • Finance sourced and invested • businesses operational
2. Exploring the positioning of the Region as a hub for Research & Development supporting industries (cluster support);	City of Joburg, Midrand CCI, the DTI, the Department of Science & Technology, Industry Associations, Universities in the CoJ and possibly in Tshwane	3 years	<ul style="list-style-type: none"> • feasibility studies and business plans • entrepreneurs participating • finance sourced and invested • businesses operational
3. Developing ICT Innovation Hub in Midrand.	City of Joburg, Midrand CCI, Dept of Communications, Industry Association/role players	2 years	<ul style="list-style-type: none"> ▪ Finance sourced and invested in the Hub ▪ ICT Hub operational; ▪ entrepreneurs participating in the Hub.

Priority Action 2: Leverage Strategic Location of Region A to Support Tourism Sector Growth

Next Steps:	Key Partners	Timeline	Possible metrics/indicators
<ol style="list-style-type: none"> 1. Formulate a detailed Region A Tourism Plan 2. Promote Tourism industry transformation 3. Promote the tourism route and set up a tourism information centre 	City of Joburg, JTC, GTA, Midrand Tourism Association and other industry players	1-3 year Ongoing Ongoing	<ul style="list-style-type: none"> • Strategy formulated • New tourism products identified & implemented • Tourist visiting the Region • Participation of previously disadvantaged individuals in the tourism sector • Graded tourist accommodation • Tourism signage in the Region

Priority 3: Identifying Niche Agricultural Opportunities in the Region

Next Steps:	Key Partners	Timeline	Possible metrics/indicators
<ol style="list-style-type: none"> 1. Identify appropriate land closer to deprived areas for organic farming opportunities. 2. Undertake feasibility study for crops that are in high demand in the markets 3. Identify entrepreneurs willing to venture into new organic farming opportunities; 4. Identify skills provision providers to the identified entrepreneurs 	City of Johannesburg, Joburg Property Company, Joburg Fresh Produce Market	1-3 years	<ul style="list-style-type: none"> • Suitable land identified • Feasibility study conducted • Entrepreneurs identified • Skills development programmes implemented

PILLAR 2: MAKING REGION A AN ECONOMICALLY INCLUSIVE REGION

Objective: To identify significant economic development opportunities in the economically deprived areas and enhance linkages with the mainstream regional economy

Priority Action 1: Support productive and vibrant informal economic sector (self-employment)

Next Steps:	Key Partners	Timeline	Possible metrics/indicators
<p>1. Undertake Region A Informal Economy Development Strategy – with an objective of identifying sectors that can enhance income generation in the informal economy in the currently depressed areas, and addressing the following issues:</p> <ul style="list-style-type: none"> ▪ Encourage home based businesses that support the mainstream economy as a strategy of business growth ▪ Identify and develop trading areas around Region A that enhance self-employment for people who cannot find jobs. ▪ Provide basic life skills and business skills for informal business operators as a strategy to enhance business development. ▪ Address access to finance (start-up and working capital) for informal economy businesses. ▪ Encourage migration of informal economy players into the formal economy (SMME sector) where appropriate in order to grow their business operations 	<p>City of Johannesburg, Metro Trading Company, Gauteng Enterprise Propeller, Diepsloot Business Forum, Ivory Park Economic Forum, Midrand CCI, South Africa Micro Apex Fund, SETAs,</p>	<p>1-3 years</p>	<ul style="list-style-type: none"> • Policy framework in place • Informal traders trained • Co-operatives registered • Co-operatives trained • Jobs created • Number of informal traders graduating into formal businesses (SMME category, etc)

Priority Action 2: Focus on Township Economic Development

Next Steps:	Key Partners	Timeline	Possible metrics/indicators
<ol style="list-style-type: none"> 1. Supporting economic development interventions at Ivory Park, Diepsloot and Rabi Ridge with a focus on: <ul style="list-style-type: none"> ▪ Economic activity nodes development ▪ Informal trading facilities ▪ Industrial development support 	City of Joburg, JPC, MTC	1-3 years	<ul style="list-style-type: none"> • Economic activity nodes developed • Swazi Inn developed

Priority Action 3: Promoting SMME development opportunities and linking businesses in deprived areas with regional industries

Next Steps:	Key Partners	Timeline	Possible metrics/indicators
<ol style="list-style-type: none"> 1. Identify appropriate land in or next to the depressed areas that can operate as Economic Empowerment Zones to create SMME business opportunities 2. Identify industries or sectors that can be best located in the identified Zones 3. Establish a targeted enterprise development for SMMEs located in the identified Empowerment Zones 4. Facilitate establishment of business linkages (supply chain) between businesses located in the Empowerment Zones and regional businesses 	City of Joburg, JPC, JDA, GEP, Private sector, Business formations in the region, Financial Institutions	1-5 years	<ul style="list-style-type: none"> • Suitable land identified • SMME opportunities in industries/sectors with potential • Targeted enterprise development programme operational • Business linkages established • Entrepreneurs taking up opportunities • Bambanani Industrial Node developed

PILLAR 3: INNER CITY AND NODAL ECONOMIC DEVELOPMENT

Objective: To ensure economic development interventions are focused on the Midrand CBD and others nodes with a strong economic potential

Priority Action 1: Promoting and encouraging transit oriented and nodal economic development in the region

Next Steps:	Key Partners	Timeline	Possible metrics/indicators
<ol style="list-style-type: none"> 1. Supporting transit oriented development at Midrand Gautrain Station – thereby leveraging off the Gautrain Rapid Link Rail initiative; 2. The revitalization and bringing to full productive use the Midrand Central Business District including commercial corridor development; 3. Development of an Art and Entertainment Precinct on the western edge of the Central Business District; 4. Land assembly, packaging and targeted area development along the link back road between New Road and Midrand CBD as well as the expansive land next to the offices of the Development Bank of Southern Africa, and 5. Development of a mixed-use airport city at Lanseria thus maximizing on the economic role of the Lanseria International Airport 	<p>Department of Economic Development, JPC, JTC, Province and National (ACSA, DOT)</p>	<p>2-10 years</p>	<ul style="list-style-type: none"> • CBD revitalization plan • Airport City Master Plan • Midrand Gautrain Station Economic Plan • Vacant land packaged

PILLAR 4: BUILDING ECONOMIC DEVELOPMENT FOUNDATIONS

Objective: To ensure that economic development support fundamentals are in place

Priority Action 1: Facilitating the establishment of a Regional Economic Development Coalition

Next Steps:	Key Partners	Timeline	Possible metrics/indicators
<ol style="list-style-type: none"> 1. Identify all business formations and community organisations in the Region 2. Propose a forum of representatives of all key stakeholders leading to a Memorandum of Understanding that will enable a collaborative effort in addressing economic development challenges within the Region 3. Terms of reference for the Coalition approved by all stakeholders 4. Launch the Coalition in the Region 	City of Joburg, Private Sector formations, Labour and Community Organisations	1 year	<ul style="list-style-type: none"> • Organisations identified • Representatives appointed by respective organisations • Coalition established, launched and operational

Priority Action 2: Ensure Better Economic Management and Governance of Regional Economic Development

Next Steps:	Key Partners	Timeline	Possible metrics/indicators
<ol style="list-style-type: none"> 1. Audit capacity in Region A of the City in order to augment Regional Economic Development Management Capacity. 2. Leverage the City’s Procurement Process to support participation of Region A businesses in all projects funded by the City in Region A. 	City of Joburg All City MOEs and City Departments	3 year	<ul style="list-style-type: none"> • Capacity of Regional Economic Development Unit • Region A based SMMEs participating in CoJ issued tenders

Priority Action 3: Strengthen Accountability in Economic Development Processes in Region A

Next Steps:	Key Partners	Timeline	Possible metrics/indicators
<p>1. Support the work of the Region’s Ward Governance Committee</p> <p>2.Ensure that the Economic Sub-Committee is provided with adequate technical capacity to support and exercise oversight in the implementation of the Region A Economic Development</p>	<p>City of Joburg, Ward Governance Committee, Region A</p> <p>City of Joburg</p>	1-5 years	<ul style="list-style-type: none"> • Capacity of Regional Economic Development Unit to support Region A Ward Governance Committee • Frequency of briefings to the Sub-Committee on the implementation of Region A Economic Development Plan

Priority Action 4: Implement Skills Development programmes for the Current Workforce

Next Steps:	Key Partners	Timeline	Possible metrics/indicators
<p>1. Work with employers in the Region to implement Adult Based Education & Training (ABET) Programmes to develop basic skills training in the work place.</p> <p>2. Increase access to modern apprenticeship and internship opportunities so as to improve the skills of both the young and old people in priority sectors.</p>	<p>City of Joburg, various SETAs, and Private Sector Employers, Department of Labour</p>	3 years	<ul style="list-style-type: none"> • ABET programmes implemented • Number of apprentices / interns

<p>3. Support the development of specific vocational guidance and labour market information to raise awareness of high value employment opportunities.</p> <p>4. Increase the retention of graduates within Region A by offering employment opportunities, widening entrepreneurship support systems so that they engage in productive work.</p>			<ul style="list-style-type: none"> • High value employment opportunities • E-learning opportunities • Graduates employed/in business in Region A
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Priority Action 5: Develop and implement learnership programmes for the unemployed and unemployed graduates in the Region

Next Steps:	Key Partners	Timeline	Possible metrics/indicators
<p>1. Develop collaborative arrangements among regional industries to train the current crop of the unemployed and graduates – for example, through the ICT Innovation Hub and DBSA/Group Five Construction Skills Training Centre.</p>	<p>City of Johannesburg, Parastatals & MOEs, Private Sector across industries</p>	<p>1-3 years</p>	<ul style="list-style-type: none"> • Training Centres / Academies operational • Graduates trained • Resources invested

<ol style="list-style-type: none"> 2. Ensure continuous updating and review of economic information. 3. Monitor usage of economic information by various stakeholders and markets. 			
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Priority Action 8: Engage other City Regions, Adjacent Metros and Provincial Partners (public and private institutions)

Next Steps:	Key Partners	Timeline	Possible metrics/indicators
<ol style="list-style-type: none"> 1. Embark on engagement with various partners in order to garner support for economic development in Region A. 2. Create proposals for joint economic development initiatives that minimize imbalances in economic development in the City and in cross Metro boundaries— especially Ekurhuleni and City of Tshwane 	City of Johannesburg	2 years	<ol style="list-style-type: none"> 1. Regional partnerships on Region A Economic Development Plan initiatives

Priority Action 9: Engage national and international partners: public and private institutions

Next Steps:	Key Partners	Timeline	Possible metrics/indicators
<ol style="list-style-type: none"> 1. Promote Region A as a package for domestic and international tourists and investment 	City of Joburg, Johannesburg Tourism, Gauteng Tourism Association, GEDA, Tourism South Africa,	2 years	<ol style="list-style-type: none"> 1. Number of domestic tourists 2. Number of international tourists 3. Number and Value of investment opportunities realised

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SECTION SIX: THE MONITORING AND EVALUATION PROGRAMME

The Monitoring and Evaluation Plan is a critical component of the Region A Economic Development Plan in that it will enable the City of Joburg to assess and report on how well the implementation of the Economic Development Plan is taking place and in achieving the goals of the Plan. Monitoring and evaluation are essentially two separate processes, though they are interrelated in that they both enable the City to monitor performance of the Plan.

Monitoring involves continuous collection and analysis of information in order to compare how well the Plan and its component thrusts or pillars are performing against expected results.

On the other hand, evaluation is the periodic assessment of project relevance, performance, efficiency, and impact –both expected and unexpected.

The Implementation Plan identified a number of programmes and projects that need to be implemented in order to address economic development challenges of Region A, such as creation of job opportunities, entrepreneurial development and general economic development. Furthermore, the implementation plan also highlighted roles of various role-players in this process.

6.1 MONITORING INSTRUMENTS

The following are critical institutions that should provide monitoring oversight over the implementation of the regional economic development plan:

a) The Department of Economic Development and the Region A Economic Development Unit

Once sufficient capacity has been built, the Department and Region A will need to monitor progress in the implementation of the economic development plan. The functional areas of monitoring will relate to:

- ❑ Monitoring the day-to-day progress of implementing the plan;
- ❑ Capture data and analyse information pertaining to all key performance indicators of the plan;
- ❑ Providing quarterly progress reports to the Regional Ward Governance Forum, Economic Development Sub-Committee and the Mayoral Committee;
- ❑ Undertake to do State of the Regional Economy Report – to assess quality changes as a result of the plan, and
- ❑ Provide comprehensive Annual Progress Reports that must serve to direct the Regional Economic Development Plan budget.

b) The Ward Governance Forum and the Mayoral Committee

These important structures will need to undertake the following:

- ❑ Monitor, review and evaluate progress in the implementation of the Regional Economic Development Plan; and in so doing will rely largely on regular reports provided by the Department and the Region;

- Mayoral Committee has also to play an active role in providing a strategic oversight and guidance role with respect to implementation progress; and
- The Mayoral Committee is central to approving any strategic direction that needs to be taken regarding the plan.

All the monitoring processes will be undertaken in line with the implementation programme as contained in this document (Section Five).

c) The Regional Economic Development Coalition

The Region A Economic Development Plan presents a number of opportunities to this sector and thus interaction between the City of Joburg and the business community is essential. Such interaction will to a very great extent enhance monitoring by ensuring flow of information on a number of implementation actions and challenges, which both parties need to address as the implementation process unfolds.

6.2 EVALUATION INSTRUMENTS

The following are the evaluation instruments that will have to be used in assessing the impact and effectiveness of the economic development plan.

a) Independent Mid-Term Review (Three Year Review)

An independent mid-term review, commissioned by the City of Joburg, must take place midway through the third year of this 5-Year Economic Development Plan. The main objective of this mid-term review will be to:

- Examine in detail the degree to which expected Plan's outputs and impacts are being achieved;

- ❑ Examine the extent to which economic factors might have changed (positive or negative) and the extent to which these have a bearing on the plan;
- ❑ Assess the extent to which the plan's strategic pillars remain relevant and to what extent they may have contributed to the quality and effectiveness of investments in the region;
- ❑ Examine the extent to which finance (both public and private) has flown into economic opportunities in the region, and
- ❑ Examine in detail the extent to which the expected outputs are genuinely contributing towards the Plan outcomes and overall objectives.

These different analyses during the mid-term review must make recommendations for the remainder of the lifespan of the plan.

b) Final Five Year Evaluation

At the end of 5 years, a final, comprehensive evaluation must be undertaken to review the outcomes and the impact of plan in terms of the initial key objectives.

This final evaluation must be participatory as to include all key stakeholders in the region such as business sector and the community. It will not only analyse the lessons learnt during implementation of the plan, but will also establish concrete recommendations that the City will need to carry out in the future efforts to promote economic development in the region.

Critical considerations could be placed on the following (not an exhaustive list though)

- ❑ Job opportunities created and quality thereof;
- ❑ Entrepreneurial opportunities (new businesses) created;
- ❑ SMME & BEE development opportunities created;

- ❑ Entrepreneurship skills development;
- ❑ The quality and frequency of interaction between the City and the Regional Economic Development Coalition (the single representative business forum);
- ❑ New private sector investment into the region;
- ❑ Public sector investment directed towards economic development; and
- ❑ Economic activity in the marginalized/ depressed areas.

All in all though, for the economic development plan to make the desired economic impact, it must be fully owned by all the critical stakeholders, monitored over time, and critical adjustments made accordingly so that it remains pertinent to existing economic development circumstances and the intended end outcomes.

SECTION SEVEN: CONCLUSION

Compared to the Regions within the City of Joburg, Region A occupies a strategic economic position: a growing economy, a vibrant private sector, a continuous surge in investments, a stronger business confidence and enormous opportunities for economic expansion.

Nonetheless some pockets within it such as Diepsloot, Ivory Park and Rabi Ridge represent areas of dire economic need - which the City as a developmental state agent must facilitate. It is therefore important that in the execution of this regional economic development plan, significant effort is also brought to bear to lift the poor areas up to a point where they eventually become economically competitive.

It will not be an easy journey though. The economic plan nonetheless represents a first rigorous economic step in that journey – to which all economic development stakeholders must make a collective contribution and commitment so that the vision of Region A as a continuously growing economy offering economic opportunity and prosperity to all its residents is realized.