



Smart City Strategy: Public Private Partnership Conference

*Making Private Partnerships
work for the Poor*





Programme:

- **Welcome** - Mayor Nomaindia Mfeketo
- **Opening Address** - Deputy Mayor Pierre Uys
- **Cape Town's Smart City Strategy** - Nirvesh Sooful, CIO
- **Smart Cape Access Project** - Mymoena Ismail, Project Manager
- **Tea/ Coffee Break**
- **A Case Study** - Lynette Chen, HP
- **How to Participate** - Raven Naidoo
- **Questions and Answer Session** - Jane Hudson, Director: Transformation
- **Closure and Prize Draw**
- **Closing video** - courtesy of SAP
- **Lunch**





Welcome



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Opening Address



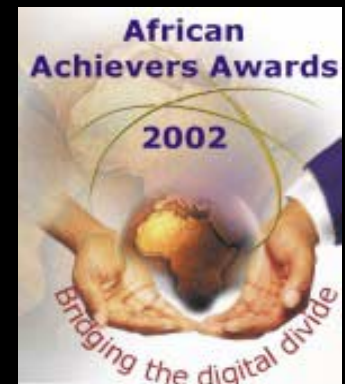
Cape Town

Africa's Smart City

Transforming local government with an IT enabled strategy - Cape Town's 'smart city' strategy

Nirvesh Sooful
Chief Information Officer (CIO)

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Agenda/ Key issues

- City of Cape Town in context
- Elements of the Smart City Strategy
- Outline of some of the city's initiatives aimed at achieving the strategy
- Brief discussion of some specific initiatives:
 - Project Ukuntinga (SAP ERP)
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- Conclusion

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On December 5th 2000 a single
Unicity Council (the **City of
Cape Town**) which amalgamated
the seven separate Councils in
the Cape Metropolitan Area was
created.

Population: +/- 3 million

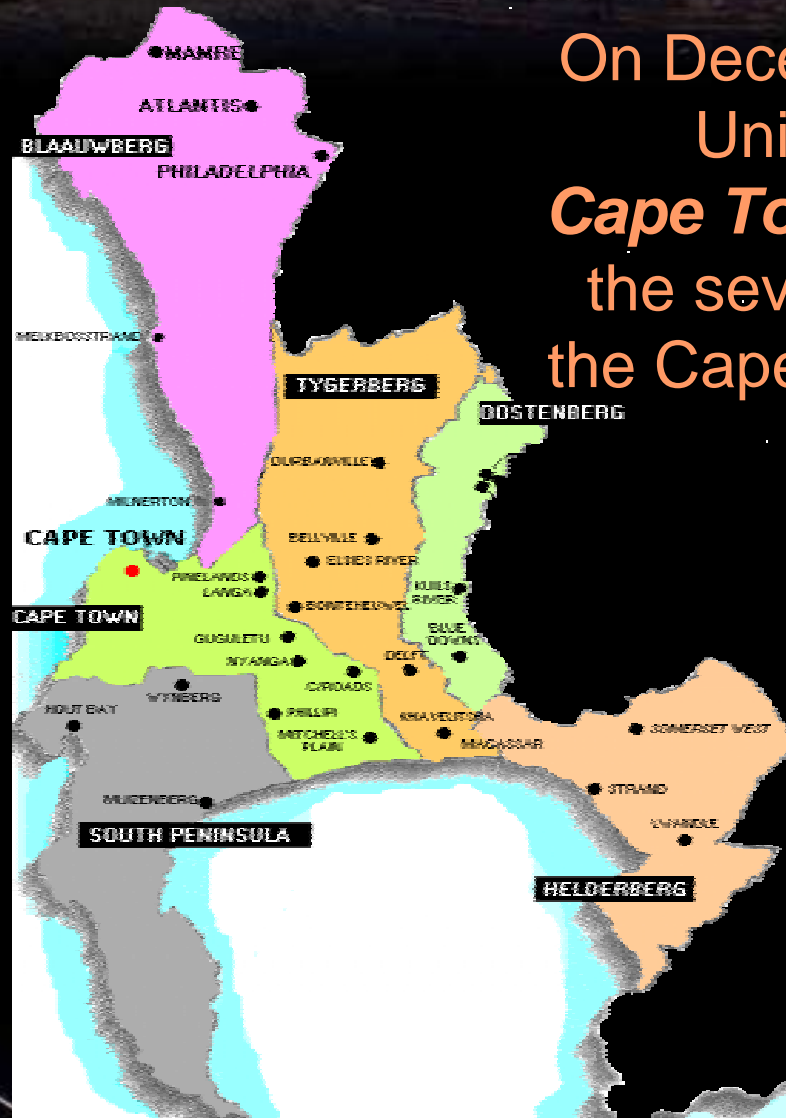
Budget: +/- R 9 Billion

Staff: +/- 27 000

Size: +/- 215 900 ha

Share of national GDP:
10.5% (1998)

Share of provincial GDP:
75% (1998)



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Cape Town in context: Our city has many strengths...

- Diversified and growing economy
- High concentration of tertiary educational institutions
- Beautiful and unique natural and built environment
- Vibrant cultural mix that can serve as bridges between communities and people and lead to novel fusions
- Great potential in the new knowledge economy growth sectors
- Widespread civil society membership, activism and volunteerism
- Resilience in the face of persistent hardship
- Good infrastructure and manageable backlogs in terms of basic needs
- Widespread and significant levels of managerial skills in both the public sector and private sector
- Modern technological infrastructure (hardware and software)

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However it also has many challenges - Salient Trends shaping the city

- Unemployment likely to increase in medium term (3-10 years) as regional economy repositions
- Poverty will deepen and spread amongst a larger section of the population as economic restructuring kicks in (note: 53% of Coloured community just above PDL)
- Income inequality likely to increase as job growth is restricted to highly skilled areas
- Aids/HIV infection rate to increase in tenfold in just 8 years affecting largely poor households and especially black women
- Limited prospects for job creation and social integration amongst the youth will reinforce and further entrench vicious cycles of violence and criminality
- Spatial divisions will continue to undermine optimal economic productivity and prospects for social integration

Exacerbates social division & community disintegration

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What is the smart city strategy?

- Strategy borne out of a sober understanding of the trends facing the city.
- It is a strategic framework that aims to reposition Cape Town as a leading player in the new global knowledge economy.
- It is not only focused on transforming the way that local government works and delivers its services, but transforming the the way that the entire society operates.
- However, its primary interventions are based on what local government can enable and how local government can 'lead by example' by changing the way that it interacts with citizens, businesses, other government departments and other stakeholders
- It is not an IT strategy or the "property" of the IT Directorate, but is instead something that cuts across all City departments and strategies.

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Encompasses these 5 questions

1. What leadership is necessary to establish competitive advantage in a digital economy and society (**smart city leadership**)?
2. What must be done to ensure that our **policy and regulatory environment** supports the development of a smart city?
3. How will information technology lay the foundation for the building of a new flexible and responsive organization and enable the organisation to continually improve in its efficiency and effectiveness in delivering its programmes and services? (**administrative/ e-government strategy**)?
4. How do we use IT as an instrument to foster the economic and social development of the city (**development strategy**)?
5. How can IT be used to ensure/ enhance good governance (**digital democracy**)?

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The strategy encompasses many projects that drive the city to the smart city

Some of the smart city projects currently underway

PC's for Councilors

Internal Smart City Work Group

External Smart City Steering Committee

Partnership Strategy (Government, NGO, Private, community)

E-Government Centre of Excellence

Leadership

Digital signatures

Legislation Review

Open Democracy Project

E-Transactions Bill

Policy & Regulatory Environment

Project Ukuntinga – SAP ERP

Architecture, standardisation and consolidation Projects

DSP

Electronic agendas and registry

IT service provider strategy

Training strategy

e-Government



Learnerhips/co-operative training

Bursaries

Innovative BEE

Tourism e-Business project

Bandwidth Barn

Cape On Line

e-City

City/People Development

Interactive and transaction enabled web infrastructure

Council Agenda's and reports online

Content Management

Intranet and Portal development

Cape On Line

e-Governance

e-Project Suite

Internal Project

External Projects

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Project Ukuntinga: Implementing SAP ERP in record time

The City of Cape Town is the first local authority in South Africa to perform a large scale SAP implementation

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Project Ukuntinga: Implementing SAP in record time

- 18 month implementation of mySAP.com including HR and Payroll, Financial Accounting, Management Accounting, Asset Management (FI/CO), Materials Management and Procurement, Real Estate, Plant Maintenance, Revenue Management and Billing (SAP ISU-CCS).
- Cost: R300 Million +
- Number of SAP users: 6000
- First Release: 10 months (HR and Payroll, Financial Accounting, Management Accounting, Asset Management (FI/CO), Materials Management and Procurement)



This must rank as one of the largest Local Government initiatives in the world - I have been unable to identify any other project at a Local Government level anywhere in the world to match this programme in size

Donovan Muller – Accenture Partner

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Innovative Black Economic Empowerment (BEE)

Building real skills in ICT amongst previously disadvantaged individuals, communities and companies



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Various initiatives

- Individuals
 - Co-operative training with Technicons
 - Learnership programmes (currently fed from co-operative training)
 - External and Internal Bursaries
- Companies/ Organisations
 - Procurement supports the ideals that we are trying to achieve. Focuses on real skills transfer and real empowerment on the ground – even in large, complex projects (will be discussed in more detail)
 - Also work with local SMMEs to build their capacity in a way that benefits the city, the SMME and the individual resource. Aimed at creating strong sustainable black ICT companies in Cape Town. Aim is to build skills and companies – **not enrich Directors. Therefore the city sets the rules.**

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For example: On the the ERP project

- Penalties (max 25%) are set and defined as follows:
 - 60% of team to be PDI – 5%
 - 50% of team to be Black – 5%
 - 50% of team to be Women – 5%
 - 25% of team to be African – 5%
 - 25% of team to be sourced from SMME's – 5%
- Over and above this, trainees were brought into the project. Most of whom have now found employment

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Conclusions

- The City of Cape Town has a solid strategy and a plan to become a 'smart city'
- This is a 5 year strategy with various projects and deliverables that build upon one another
- Integration and alignment is critical
- The key differentiator in the city is that we have started on the path to implementation.

Our analysis of Cape Town's ICT strategies suggests that the city has a high strategic level of thinking and acting.

Furthermore, ICT strategies are very well embedded in other City strategies. The I-visions and strategies of both Cape Town and the Province reflect a comprehensive approach, harnessing ICT both in policy goals (social, economic) and processes (re-organising the municipality and the province to make them more effective and efficient).

Euricur (European Institute for Comparative Urban Research)



Public Private Partnership Conference

28 March 2003

Outline of presentation

- An Overview: *The Pilot Project*
- Evaluation
 - Approach
 - Findings
 - Problems
 - Benefits
- The Challenge

The Pilot: An Overview

Project goals



Objective: to ensure that all citizens of Cape Town have access to basic information and communication technologies.

- Public access model that allows computing facilities to be provided cost effectively, using open source software and piggybacking on existing infrastructure and resources.
 - Word processing and other applications
 - Connected to the Internet
 - Web sites
 - E-mail
- Enabler of other social and economic development initiatives by the City.

Public access: a model

- The critical role of ICT in economic development and personal empowerment has long been recognised.
 - However, not all of the initiatives have been successful.
- Key success factors for public access:
 - Internet and e-mail should be at no cost to the user;
 - Physical facilities should be where people already go for information;
 - Facilities should have immediate personal benefits (e.g., being able to send and receive e-mail); and
 - The technology solutions utilized should allow technical management – including maintenance – as far as possible to be performed remotely, and require no technical input from the facility staff. Also Low cost of hardware and software – for sustainability
- Became clear that such a model needed to be first successfully demonstrated in practice before users, other City Administration departments, and potential donors and partners would fully understand its potential impact and socio-economic value.

The pilot project

- Six libraries
 - Grassy Park Library
 - Guguletu Library
 - Hector Peterson Memorial Library, Lwandle
 - Delft Library
 - Brooklyn Library
 - Wesfleur Library, Atlantis
- Six months
- Provide infrastructure, not staff
- Monitor impact, costs
- Simplicity, No technical management required

What's on the computers



- Word processor
- Spreadsheet
- Web browser
- E-mail
- Presentations tool
- ICQ & Internet Relay Chat
- Adobe Acrobat Reader
- ... and others

Using the computers

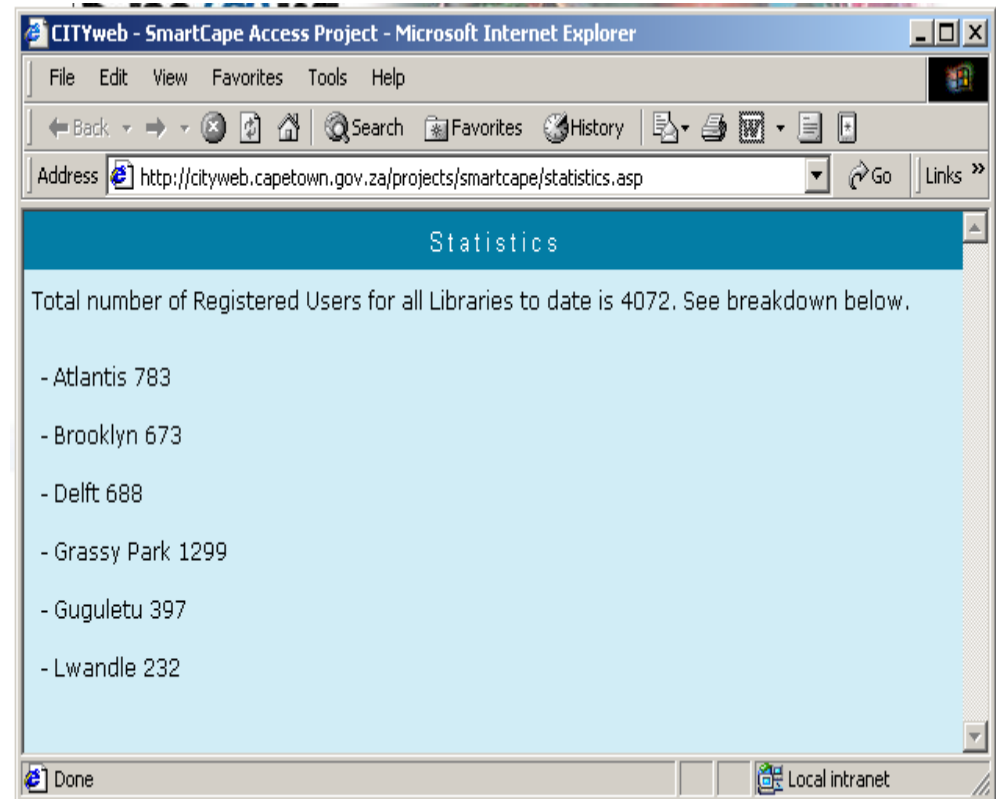


- Library members
- No-cost access
 - but users must have library card
- Time limited
 - 45 minutes per session
 - one session per day
- Pay for printing
- Everyone gets an e-mail address
 - username@smartcape.org.za
- Registration is possible in 3 languages
 - Afrikaans, English and Xhosa
- Facilities are also wheelchair friendly

Current user statistics

- Total Number of Users: 6 086

- Atlantis: 1 193
- Brooklyn: 1 047
- Delft: 903
- Grassy Park: 2 015
- Guguletu: 593
- Lwandle: 335

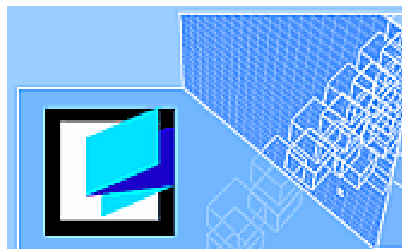


Project costs

- Total budgeted cost of the pilot project was R897,000
- Substantial Savings:
 - Refurbished computers
 - Donations i.e. printers and cabling
 - Opensource software development community
- Actual costs for the six pilot sites was R323 000 compared to a budgeted capital cost of R429,300 (this excludes capital costs associated with the main site and other implementation costs).

Partners

CableCom (PTY) Ltd.



The Shuttleworth Foundation

THE DOCUMENT COMPANY

XEROX

SOUTH AFRICA



your future starts here

PENINSULA TECHNIKON

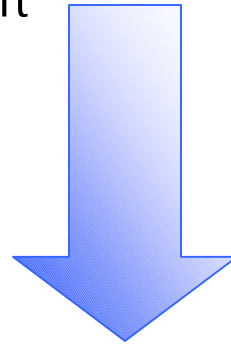
Evaluation: its findings

Approach

- Evaluation conducted by Informics SA (Pty) Ltd
- Methodology
 - Desk research
 - Access point site visits
 - Photographs and video
 - Face to face interviews (total = 484) :
qualitative/quantitative
 - Counsellors (3)
 - Smart Cape Project Team (7)
 - Library Administrators (4)
 - Library staff (19) + volunteers (4)
 - Technical staff (9)
 - Users (362)
 - Non-users (97)
 - Online user survey (about 600) – a first for Smart City!!!!

Focus Areas

- Three Main Areas:
 - Management Assessment
 - User Impact Assessment
 - Technical Evaluation



The pilot project as it stands has successfully delivered computer and Internet access to citizens. ✓

Summary of findings

- The system technology works well, and requires no technical support by library staff.
- Overall library membership and use has increased.
- The facilities complement the establish “Library Business Corners” facilities.
- In most instances strong local community support is evident, with volunteers assisting with user problems.

Problems identified

- Users are predominantly male and under the age of 24 – a better age and gender spread would be desirable.
- There is an expressed need by some for the provision of computer literacy training. Lack of appropriate skills is the biggest barrier to use by current non-users.
- Many regular users express frustration with session availability and have requested that more computers be installed.
- It may be necessary to provide a dedicated e-mail client in addition to the web-based mail system.

User impact assessment

- Users were overwhelmingly positive about the project.
- The facilities were being used close to their full capacity, thus indicating substantial demand for public access among citizens in disadvantaged communities who already have some measure of skill.
- Specific findings include:
 - Of those interviewed, 75% of the total were under 25 and 79% were male.
 - 63% of those interviewed used the facility two or more times a week. 467 (62%) were learners or students and 288 (38%) were unemployed, seeking employment or out of the employment market (e.g. housewives or pensioners).
 - Learning and internet/email are the most common uses of the system, followed by job- and school-related uses.
 - Users feel they have adequate levels of skill for their purposes.
 - Most users have not found the system overly difficult to operate.
 - Current users have expressed little demand for computer training.
 - There is high demand for the service, as evidenced by calls for additional computers.

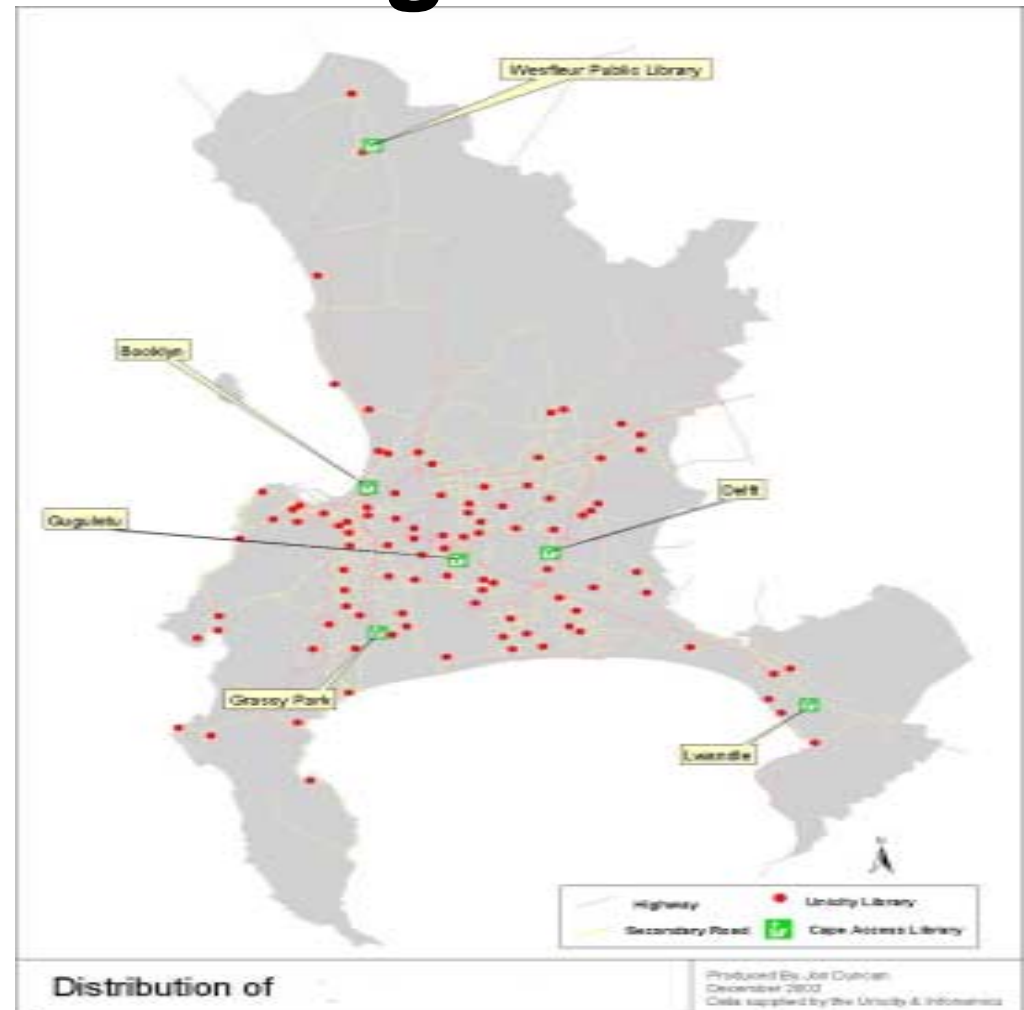
Other findings

- Other benefits of this impact are hard to measure in quantitative terms, but have clearly resulted in:
 - Improved IT Skills (both maintenance of existing skills and development of new skills; of both users and library staff).
 - Improved capability to search for employment opportunities and apply for jobs.
 - Improved access to self-education opportunities.
 - Improved personal communication.
 - Access to on-line government and official information.
 - Access to on-line business support information.
 - Access to services, such as on-line banking.
 - Improved IT awareness and greater appreciation of personal benefits of IT.
 - Greater membership of – and use of – existing public library facilities.
 - Opportunities for volunteerism.
 - Keep's (some) youth “off the streets” (directly quoted by a librarian, reported in the evaluation)

The Challenge

The challenge

- Expansion of the Smart Cape Access project to all 107 libraries;
- Provision of human resources at each local access point to further promote ICT within communities;
- Development of local content;
- Sustainability...



Towards a smart Cape...

- Self-service system where citizens and businesses will be able to:
 - Access local government information
 - Apply for services
 - Query and Pay accounts
 - Access tenders and job opportunities
 - Access local business support for emerging and small businesses



Sm@rt Cape



< s m a r t c a p e a c c e s s p o i n t >

A Smarter Cape Town • 'n Flinker Kaapstad • iKapa Eqavileyo

www.smartcape.org.za

a **Sm@rt City** initiative

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City of Cape Town's Smart City Initiative

- Public Private Participation-

Raven Naidoo
28 March 2003

Why Should organisations Support the Smart City Strategy and Its Projects

- Well thought out strategy supported by all;
- It is an empowerment strategy;
- Uses ICT as an enabler;
- Its about partnerships

What Do We Need to Build a Smart City?

- Partners
- Creativity
- Time
- Energy
- Commitment
- Vision

What Is Needed to Make Smart City Projects Work

- Partnerships
- Resources
- Marketing and Promotional collateral
- Support and maintenance
- Money
- Commitment

Why Support Smart Cape Access

- Leading digital divide project
- Highly successful
- Aligned to the overall Smart City Strategy
- High impact
- Good visibility
- Its working

Why Support Smart Cape Access

- Win-win scenario
- Increase organisational profile
- Get close to leading local government
- Get close to consumers
- Branding + Advertising Opportunities
- Do some good!

Possible Areas of Opportunities



Smart Cape Access Point

- **Contribute towards the total setup and running costs of an access point for at least one year**
- *Approximate operating cost R36 000 per annum*
- *Capital Cost R85 000 for one access point*

As a partner you will get...

- **Preference to advertise at the local site;**
- **Advertising space in the quarterly Smart City bulletin;**
- **Space for advertising on the default homepage;**
- **Opportunity to promote programmes at a community level;**
- **Participation in the management of the project;**

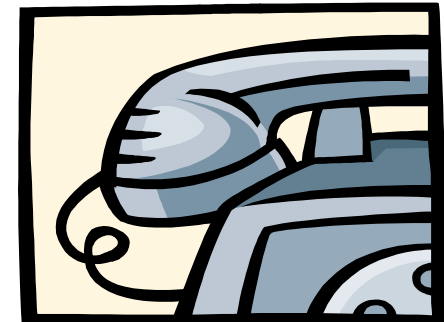


Smart Net

- **Contribute towards the connectivity costs for at least one year**
- *Approximate cost per month R181 900 for all 107 sites, R1 700 monthly cost per site*

As a partner you will get...

- **Space for advertising on the default homepage;**
- **Advertising space in the quarterly Smart City bulletin;**
- **Participation in the maintenance of the homepage.**



Smart Volunteers

- **Contribute towards placing a Volunteer at each site at least one day a month for an entire year. The Volunteer will assist in training and development and mentoring**
- *Cost -Time and Energy*

As a partner you will get...

- Space for advertising on the default homepage;
- Advertising space in the quarterly Smart City bulletin;



Smart Bursary

- **Contribute towards promoting ICT as a career. Suitable candidates are identified to Study ICT**
- *Approximate cost R 15 000 per bursary per year for 3 years*

As a partner you will get...

- **Space for advertising on the default homepage;**
- **Advertising space in the quarterly Smart City bulletin;**
- **Access to new workforce, interns**



Smart Support

- **Contribute towards the maintenance and support costs for at least one year: helpdesk, network management, onsite support, website (6PCs at 107 libraries)**
- *Approximate cost R 60 000 pm market value. R600 pm per site*

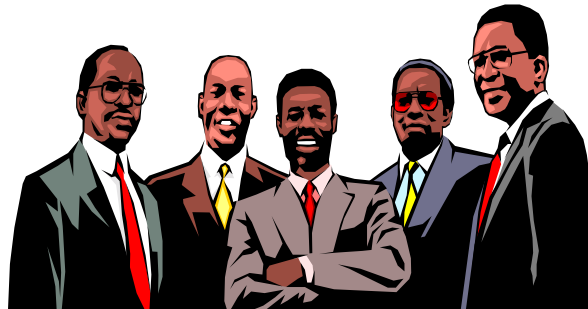
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Smart Business Support

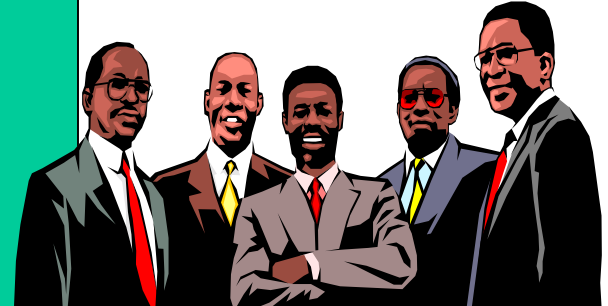
- **Contribute to the setup costs of a digital business centre for emerging and existing SMEs.'**
- *Approximate cost R460 000 setup.*



Smart Business Support

As a partner you will get...

- Preference to advertise at local site
- Access to major City event i.e. Small Business Week, SME Breakfast etc
- Opportunity to “mentor” existing and/or emerging businesses
- Access to new emerging market
- Opportunity to participate in the City’s ICT Sector Support.
- Opportunity to offer affordable services to emerging/existing business.
- Advertise in quarterly Smart City magazine.



Conclusion

- Working Project
- Partnership with City
- Make a Difference



Thank You

**We invite you to partner with
the City of Cape Town with
respect to its smart city
strategy
– *and become a guiding light
in the African continent***