



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

UNITED NATIONS GLOBAL COMPACT

COMMUNICATION ON ENGAGEMENT REPORT (CoE) 2018

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1 BACKGROUND & OVERVIEW

Since joining the United Nations Global Compact (UNGC) in June 2014, the City of Cape Town (hereinafter "the City") has been a proud non-business participant member. As per its initial obligations as a member, Cape submitted its City Scan Survey in 2016 wherein it reported on 22 topical areas broken down further into 157 issues or challenges. The Survey identified critical issues facing Cape Town and offered an overview of the strategies and initiatives implemented to address them. In addition, it provided a platform to identify touch points and focus areas for engaging with the UNGC, its Cities Programme and City-led initiatives to, for instance, improve Cape Town's environmental and social approaches. Three main categories of municipal activity were identified at the time and included City Development, City Sustainability and City Governance.

The already mentioned submission in 2016 demonstrated Cape Town's efforts and consequent alignment to the UNGC's ten principles in a broad and all-encompassing manner. In this regard, it is important to note that the City has progressively developed strategies and plans that are aligned to the UNGC's ten principles and where applicable Sustainable Development Goals (SDGs).

Keeping all the above in mind, the purpose of this Communication on Engagement (CoE) submission is to further underline how Cape Town, since its last submission in 2016, has engaged with the UNGC and its networks. Coupled with the former, this CoE stresses how Cape Town's programmes and strategies aim to highlight the dynamics and importance of the UNGC principles and how Cape Town endeavours to make these principles practical.

2 COMMUNICATION ON ENGAGEMENT: REPORT

The Report provides an overview of practical actions that the City of Cape Town has initiated since its submission in 2016. In doing so, relevant strategies, policies and frameworks aligned to the UNGC principles and SDGs will be covered. In addition, an innovative initiative will be highlighted, followed by how tools and methodologies developed by the Cities Programme have been used in City Government initiatives. The Report concludes with an overview and measurement of relevant outcomes aligned to the UNGC principles and SDGs.

As prescribed in the guidelines, the elements discussed above will be structured as follows:

- i. Statement of Support by the Executive Mayor;
- ii. Description of Actions, and;
- iii. Measurement of Outcomes.

2.1 STATEMENT OF SUPPORT BY THE EXECUTIVE MAYOR

Executive Mayor of the City of Cape Town

Ms Patricia de Lille



It gives me great pleasure to submit the City of Cape Town's CoE Report (2018) to the Global Compact Cities Programme. The Report provides an opportunity for cities worldwide to demonstrate practical actions that align to the Principles promoted by the Global Compact every two years.

Since the first submission in 2016, a new City Council has been elected with a new Term of Office five-year Strategic Plan (2017-2022) called the Integrated Development Plan (IDP). Through the submission of this report, Cape Town demonstrates the latest strategies, policies and initiatives which are aligned to the Global Compact principles and SDGs, within the framework of the IDP.

Critical focus areas are identified for the City of Cape Town that encompass development planning, environmental, climate change and resilience related factors, which we aim to progressively measure over-time. To this end, we provide an overview and outline the IDP 2017-2022, Municipal Spatial Development Framework (MSDF), Environmental Strategy, Climate Change Policy and how the City is adopting Resilience thinking and practices.

Although Cape Town is a top-performing city, it faces challenges, like all cities, in moving toward holistic and sustainable development practices. With this in mind, we provide an overview of the above, to showcase how Cape Town is adopting and mainstreaming these practices.

I am therefore confident that Cape Town's submission contributes to the growing body of holistic and sustainable development practices and approaches of Cities party to the Global Compact.

Yours sincerely,

Patricia de Lille

2.2 DESCRIPTION OF ACTIONS

The City has embarked on actions and interventions that align to the requirements for demonstrating progress and alignment to the UNGC strategies and plans. This section provides an overview of:

- The City's strategic frameworks for sustainability and where applicable, holistic plans which have broader considerations, and,
- How assessment tools, methodologies and opportunities developed by the Global Compact Cities Programme have been utilised by the City in both a domestic and international context.

2.2.1 CITY OF CAPE TOWN STRATEGIC FRAMEWORKS

The City of Cape Town has a number of strategic frameworks guiding the work of the metropolitan municipality. Some of the important frameworks as they relate to sustainability are reflected here, namely:

(i) Integrated Development Plan (2017-2022)

The IDP is a five-year plan required by national legislation. It is the principal strategic planning instrument that guides and informs all planning, development and decisions in the municipality. The new term of office IDP (2017-2022) is guided by the following principles: resilience, sustainability, transformation of the built environment through transit-oriented development (TOD), governance reform, customer-centricity, and a transversal approach.

The City opted to retain, as developed and adopted in 2012, its five strategic focus areas and will continue to apply these as the foundation for ongoing service delivery in the City's attempts to achieve its goals and objectives. These strategic focus areas include the:

- ✓ Opportunity City
- ✓ Safe City
- ✓ Caring City
- ✓ Inclusive City
- ✓ Well-run City

The City further identified the following 11 priorities to inform its operational work over the 2017-2022 period, namely:

- ✓ Positioning Cape Town as a forward-looking, globally competitive business city;
- ✓ Leveraging technology for progress;
- ✓ Economic inclusion;
- ✓ Resource efficiency and security;
- ✓ Safe communities;
- ✓ Excellence in basic service delivery;
- ✓ Mainstreaming basic service delivery to informal settlements and backyard dwellers;
- ✓ Dense and transit-oriented urban growth and development;
- ✓ An efficient, integrated transport system;
- ✓ Building integrated communities, and;
- ✓ Operational sustainability.

(ii) Municipal Spatial Development Framework

Cape Town's new five year Municipal Spatial Development Framework (MSDF) – informed by national legislation and strategy to advance urban spatial transformation – was approved in terms of a full Council resolution in April 2018. The MSDF sets out the spatial vision and development priorities to

achieve a reconfigured, inclusive spatial form (of development and progress) for Cape Town. In addition, the MSDF provides policy certainty to private and public developers, and prioritises public expenditure on an Urban Inner Core. It further seeks to curb urban sprawl by focusing on inward growth and transit orientated development accompanied by higher densities and land-use diversification. The overarching intention is to transform Cape Town's spatial form by bringing people closer to employment opportunities and vice versa. Three strategies – informed by the IDP – guide the spatial direction within the MSDF, including:

- ✓ Building an inclusive, integrated, vibrant city;
- ✓ Managing urban growth, and create a balance between urban development and environmental protection, and;
- ✓ Planning for employment, and improve access to economic opportunities.

Finally, the MSDF sets out development directives based on environmental, risk and social factors. These factors are likely to impact on the development potential of sites and may trigger additional legislative processes.

(iii) Environmental Strategy, Climate Change Policy and related projects

Cape Town is home to a unique natural environment which provides a number of irreplaceable ecosystem goods and services. These have associated economic and social benefits to its people. Moreover, this is a common asset that belongs to all citizens, which must remain accessible and deliver benefits to current and future generations.

However, socio-economic challenges that stem from Cape Town's historical and current socio-economic inequalities hinder the ability for all citizens to access the natural environment and benefit from it. Some of the challenges associated to this include, but are not limited to, rapid urbanisation, pressure on finite resources, capacity to manage scarce resources, pollution, and exposure to the risk of natural hazards.

In 2017, the City of Cape Town adopted a comprehensive Environmental Strategy to address environmental and socio-economic challenges mentioned above in a holistic way. The Strategy was implemented to promote an integrated approach to sustainability which applies to all directorates and departments within the City. The Strategy's vision is to enhance, protect and manage Cape Town's natural and cultural resources for long-term prosperity in a manner that optimises economic opportunities and promotes access as well as social well-being. The Strategy promotes the following principles, namely:

- ✓ Long-term approach;
- ✓ Equity and accessibility;
- ✓ Economic and social benefits;
- ✓ Resilience;
- ✓ Ecosystem approach;
- ✓ Preventing, minimising and mitigating environmental impacts;
- ✓ Resource efficiency;
- ✓ Environmentally sensitive and low impact urban design;
- ✓ Educated and empowered citizens, and;
- ✓ Protected natural heritage.

In addition to the Environmental Strategy, the City also adopted its Climate Change Policy in 2017. This marked the first time that a specific stand-alone policy approach to climate change was approved for Cape Town. The Policy has a dual focus on adaptation and mitigation with two key action plans, namely the (i) Climate Change Adaptation Action Plan and a (ii) Climate Change Mitigation Action Plan.

The vision of the Policy is for Cape Town to become climate resilient, resource efficient and lower carbon, with the ultimate rationale to enable sustainable and inclusive economic and social development as well as environmental sustainability. Five core principles underpin the Policy, including:

- ✓ Factoring in long-term and cross-sectoral impacts and benefits in planning and decision-making;
- ✓ Improving resilience and reducing vulnerability;
- ✓ Supporting well-functioning ecosystems that enable service delivery and reduce risk;
- ✓ Promoting socio-economic benefits and their equitable distribution, and;
- ✓ Ensure climate compatible urban design, infrastructure development and maintenance.

Some of the notable projects underway stemming from the above is the Green Infrastructure Plan, the Source to Sea Project, and the Mayor's Portfolio of Urban Sustainability. The Green Infrastructure Plan (GIP) is currently being developed in order to identify, protect and enhance the city's natural assets in order to support and enhance ecosystem service provision and benefits, and thus ultimately enhance the functioning and resilience of the City. The GIP will also facilitate appropriate and sustainable urban development within the metropolitan area. The City's GIP is envisaged as comprising different

elements, including a spatial component, tools to support and enhance a green infrastructure approach, as well as implementation actions and projects. Currently a methodology is being developed in order to interrogate and map the ecosystem services of the open spaces in Cape Town. A scientific approach is being undertaken simultaneously, in which available green infrastructure data such as ground water access, rainfall, and soil properties are being mapped. The current work will contribute to the spatial component (map), i.e. a Green Infrastructure Network.

The Source to Sea project is envisaged as a GIP implementation tool. The project focuses on river corridors such as the Diep River and Keysers River connecting the Table Mountain National Park with catchment areas such as Princess Vlei and Zandvlei Estuary. Source to Sea seeks to enhance the quality of life for local communities while maximising recreational opportunities and protecting environmental services. The management of water quality and quantity so as to support maximum biodiversity is an ecological priority but this project also serves to provide strategic and alternative non-motorised transport (NMT) routes as well as become a substantial resource for the Green Economy. While this project has been in a conceptual phase for some time, new steps are being taken to implement this project over the next two years, one such example being the recent restoration of the Roscommon Road walkway.

The Mayor's Portfolio of Urban Sustainability serves as another vehicle for the implementation of the Environmental Strategy. The Portfolio provides a platform to showcase how the City is mainstreaming sustainability thinking into the design, implementation and maintenance of its projects. These showcased projects provide learning and knowledge sharing opportunities, and promote urban sustainability across the City's line functions. Furthermore, the Mayor's Portfolio provides a mechanism for

operationalising the principles and directives in the Environmental Strategy into actions towards urban sustainability. The projects profiled in each edition of the Mayor's Portfolio encompass a collection of inspirational and motivational case studies, and contribute towards a sustainability knowledge hub for project managers. The 2018 edition of the Mayor's Portfolio is currently in the design phase and will be launched towards the end of the year.

2.2.2 INNOVATION: PRELIMINARY RESILIENCE ASSESSMENT FOR CAPE TOWN

Cape Town has been a member of 100 Resilient Cities, pioneered by the Rockefeller Foundation, since 2016. In 2017, the City appointed its first Chief Resilience Officer, which was followed by the establishment of a Resilience Office. The Resilient Cape Town Office began development of the City's first resilience strategy in September 2017. Resilience is defined as the capacity of individuals, communities, institutions, businesses and systems within a city to survive and adapt as well as grow notwithstanding the kind of chronic stresses and acute shocks they may experience. It is concerned with responding to acute shocks, which are sudden sharp events that threaten a city, and overcoming chronic stresses which are factors that weaken a city on a day-to-day or cyclical basis.

The Resilience Strategy is expected to be approved by the Council of the City of Cape Town in February 2019. Thus far a Preliminary Resilience Assessment for Cape Town has been finalised. The Assessment outlines prioritised shocks and stresses that are relevant to Cape Town and sets out approximately 30 pathfinding questions that need to be answered in the Strategy writing process. The Strategy will ultimately include 30 initiatives aimed at strengthening resilience both in the City government and across the whole of Cape Town.

The prioritised **shocks** for Cape Town include Cyber-attack; disease outbreak; drought; fire; financial/economic crises; heat wave; infrastructure failure; nuclear incident; power outage; rainfall flooding; civil protests; and storm surge. In addition, the prioritised **stresses** for Cape Town include Climate change; crime and violence; substance abuse; inadequate public transport systems; informal settlements; lack of affordable housing; lack of social cohesion; rapid urbanisation; poverty; racism; traffic congestion; trauma; unemployment; and food insecurity.

From the above it is clear that the Preliminary Resilience Assessment is a positive first step toward developing a truly holistic plan for Cape Town. In so doing, it fulfils the requirements for a broad initiative that looks at ecological, political, cultural and economic dimensions of the City of Cape Town. Coupled with the Strategy, an initiative which relates to water resilience will be launched in 2018/19. The initiative will be implemented in partnership with the Nature Conservancy - an environmental organisation pursuing pragmatic solutions to conservation challenges - and is called the Greater Cape Town Water Fund. The latter will be a privately administered fund that will attract donations from large corporates in order to clear Cape Town's catchment areas of alien invasive plants. This will positively impact on the water yield into Cape Town dams.

2.2.3 CITIES PROGRAMME: METHODOLOGIES, TOOLS & TOUCH-POINTS

The UNGC invited Cape Town to take part in its City Partnerships Challenge, which launched at the World Urban Forum in Kuala Lumpur, Malaysia in February 2018. The City Partnerships Challenge consisted of a number of projects to build capacity of local government to implement integrated and transformative urban development investments through cooperative partnerships with private sector and civil society. Projects are designed to attract private sustainability finance.

Unfortunately, due to the immediate threat of the water crisis in Cape Town, it was decided at the time to decline the invitation and rather focus on preventative measures to avert the so-called "Day Zero." To serve as background, since 2015, Cape Town has been faced with the most severe drought in more than a century. Dam levels were below 20 per cent and as a result, the national government declared Cape Town a disaster area. Contingency plans were introduced to avert Day Zero, i.e. the day that the City would have been forced to shut down its water supply to citizens and businesses and initially anticipated in February 2018. Level 6B water restrictions, i.e. the highest level, were introduced and all citizens were only allowed 50 litres of water per person for all their daily activities.

With careful planning, coupled with the water saving efforts of citizens, businesses and even visitors, the City succeeded in averting the dreaded Day Zero and after receiving average rainfall for the first time during the recent winter, the dam levels are now at almost 70 per cent and it is anticipated that the City will relax water restrictions to level 5. It should be highlighted that the City has been recognised for its efforts in water demand management and in May 2018, the International Water Association (IWA) awarded the City a Certificate of Achievement for achieving 55% reduction in water demand between 2015 and 2017 without resorting to intermittent supply.

As a result, Cape Town is therefore in a position to review the decision to not partake in the City challenge, as there are many touch-points and areas which can be leveraged. In addition, the City continues to regularly engage with the Global Compact Cities Programme by receiving updates via the quarterly newsletter. The newsletter is a valuable communication tool and keeps the City of Cape Town abreast of the activities of and its obligations to the Global Compact Cities Programme.

2.3 MEASUREMENT OF OUTCOMES

In an attempt to measure the Cape Town's performance against the UNGC's principles, it is useful to consider indicators as set out in the City's IDP since these are broadly aligned to the vision of the UNGC as well as the UN's SDGs, and more specifically Goal 11: Sustainable cities and communities.

The City's IDP contains a trend watch list of 12 indicators aligned to areas the City wishes to influence over the long-term as a way to measure the impact of its strategies, policies, plans and programmes. Three of these indicators are directly useful for reporting into the Global Compact's principles, particularly as proxy measures to the universal principles of human rights, labour and environment (see Table 1 below).

Human Rights

The City of Cape Town is a (local) sphere of government, whose primary duty –as noted by the Global Compact –is to protect, respect and fulfil human rights. The core business of the City is to ensure the efficient delivery of quality basic services and infrastructure to its residents –as enshrined in the rights-based Constitution of the Republic of South Africa.

The City invests a considerable amount of resources in ensuring residents are provided with quality basic services and infrastructure by constantly seeking to improve its service delivery excellence. As a proxy to determine service excellence, residents' satisfaction with overall services is continually measured. This indicator does not reflect whether the City is delivering or not on services (other indicators are available to measure this –which reflect that the City is doing well in ensuring all residents have access to basic services and infrastructure), but rather reflects resident's experience and expectations

of City service delivery. The results indicate that Cape Town residents are generally satisfied with overall services delivered by the City (table 1).

This indicator is aligned to the Global Compact's Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights and Principle 2: Make sure that they are not complicit in human rights abuses.

Labour

The labour market is the point at which economic production meets human development. Employment creation and unemployment reduction are therefore top priorities for all spheres of government, including the City of Cape Town. Labour market performance is tracked through a variety of indicators (e.g. employment rate and unemployment rate) –the unemployment rate being presented here in table 1 below.

Globally, persistent low growth scenarios have fuelled economic uncertainty and given rise to growing tensions between nations and economic regions as unemployment and income inequality deepens. This global context has impacted the South African economy. That said, Cape Town consistently over the last few years has had the lowest broad unemployment rate of all the metros in South Africa. It also enjoys relatively high rates of labour absorption and labour force participation.

This indicator is well-aligned to the Global Compact's Principle 6: Business should uphold the elimination of discrimination in respect of employment and occupation. Discrimination, according to this principle, can arise in a variety of work-related activities –example access to employment, to particular

occupations, as well as to the terms and conditions of the employment (e.g. recruitment, hours of work, and so forth).

Environment

The City of Cape Town invests significantly into conserving its natural heritage through a number of strategies, policies, plans and programmes (some discussed earlier). The City is particularly placing emphasis on furthering interest and investment into the Green Economy to ensure a transition to a low-carbon growth path.

A useful proxy indicator to measure this was developed by the City which looks at *Resource use per Gross Value Add (GVA)*. In recent years, Cape Town has seen a decoupling of economic growth from electricity and water consumption (table 1) and signifying a move towards a more service oriented (and greener) economy. This indicator is well-aligned to the Global Compact's Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

Table 1 Proxy Outcome Indicators for the City of Cape Town

Global Compact Principle	IDP Objective Alignment	Trend	Assessment Description	Progress to date and towards the END of June 2018	Status Overview	Data Comments
1. Support and protect human rights; 2. Not be complicit in human rights abuses	Objective 3.1 Excellence in basic service delivery	Residents' satisfaction with overall services	This focuses on residents' perceptions of the general quality of services provided. Over the longer term, residents must believe that their needs are being met.	Average score from the annual residents' survey of residents' satisfaction with CCT's overall services: score of 2.8 Source: City of Cape Town, Community Satisfaction Survey 2017/18; supplied by Research Branch: Decision Support	Overall performance of the City has remained stable at good over the past 4 years.	The measure of average satisfaction of a survey of residents is given against a Likert scale ranging from: 1 being Poor; 2 being Fair; 3 being Good; 4 being Very Good and 5 Excellent. The survey is based on a sample of 3000 residents at a 95% confidence level.
6. Non-discrimination in employment and occupation	Objective 1.3 Economic inclusion	Unemployment rate	This tracks the unemployment rate in the City using the expanded definition of unemployment. The expanded definition includes everyone who wants employment, irrespective of whether or not they have actively tried to obtain employment. The aim is economic inclusion, which is to improve Cape Town residents' quality of life.	Broad unemployment rate: 24.45% (2017) Source: StatsSA, Quarterly Labour Force Survey 2017; supplied by Research Branch: Economic Research Unit	The broad unemployment rate increased between 2015 and 2017 by 1.05%, reflecting the challenging economic context over this period.	The broad unemployment rate (also referred to as expanded unemployment) measures the number of unemployed people in the labour force who are either actively looking for a job or not seeking employment (i.e. non-searching work seekers, which includes discouraged work-seekers and other non-searching work seekers).

Global Compact Principle	IDP Objective Alignment	Trend	Assessment Description	Progress to date and towards the END of June 2018	Status Overview	Data Comments
9. Encourage environmentally friendly technologies	Objective 1.4 Resource efficiency and security	Resource use per gross value added (GVA)	This tracks use of natural key resources (including energy and water) in relation to the contribution of the Cape Town economy. The City has prioritised resource efficiency and security. The measure should give some indication of the long-term impact of maintaining an appropriate balance between economic development and the preservation of the natural environment.	<ul style="list-style-type: none"> - Petrol: 167 (2013) - GVA: 134 (2014) - Water: 104.95 (2014); 112.25 (2015) - Electricity: 101 (2013) - Population: 117 (2014 & 2015) <p>Source: CCT. 2016. <i>State of Cape Town Report 2016</i>. Development Information & GIS Department. Pp 94 - 95</p>	The economy (GVA [Gross Value Add]) has grown faster than the population, which suggests –all things being equal –that the average Capetonian's productivity has risen over the past decade. During the same period, both the economy and the city's population consumed water and electricity more efficiently. However, the steep increase in transport fuel consumption is driven by growth in private passenger transport and road congestion.	<p>This is a proxy indicator.</p> <p>All indicators were normalised using 2005 figures to 100. This enables monitoring of subsequent years from the normalised 100 to determine which resource indicators increased the most against economic growth (GVA).</p> <p>The data is presented in a graph to illustrate resource efficiency against economic growth. This was developed for the State of Cape Town 2016 report using various data inputs.</p>

3 CONCLUSION

As mentioned at the outset, the City of Cape Town is a proud non-business member of the UNGC and continues to prioritise sustainable urban development action. The submission highlighted the latest strategic frameworks, examples of innovation and how the UNGC Cities Programme tools have been used. These were complemented by an overview of how the City of Cape Town is tracking appropriate outcomes, of which a selected few was the focus of this Report. In so doing, the City demonstrated plans and actions that have incorporated holistic and sustainable approaches that ultimately aim to facilitate the sustainable development of Cape Town. Ultimately, the City of Cape Town's CoE Report provided a practical overview of its efforts to align its activities and approaches to the UNGC Principles and where applicable, the SDGs.