



**REPORT TO: THE EXECUTIVE MAYOR AND MEMBERS OF THE MAYORAL COMMITTEE [MAYCO]
AND FUTURE PLANNING AND RESILIENCE SECTION 79 COMMITTEE**

1. ITEM NUMBER

2. SUBJECT

**FEEDBACK ON THE INTERNATIONAL/OUTSIDE THE BORDERS OF THE
RSA TRIP UNDERTAKEN FROM 12 TO 25 JANUARY 2024 ON AN
OFFICIAL MISSION TO WASHINGTON, D.C. AND NEW YORK CITY IN
THE UNITED STATES OF AMERICA (USA) AND LONDON IN THE UNITED
KINGDOM (UK)**

ONDERWERP

**TERUGVOERING OOR DIE INTERNASIONELE REIS WAT ONDERNEEM
IS OP 'N AMPTELIKE SENDING NA WASHINGTON D.C. EN NEW YORK IN
DIE VERENIGDE STATE VAN AMERIKA (VSA) EN LONDEN IN DIE
VERENIGDE KONINKRYK (VK) VAN 12 TOT 25 JANUARIE 2024**

ISIHLOKO

**INGXELO ENGOHAMBO OLUYA PHESHEYA/NGAPHAYA KWEEBHODA
ZOMZANTSI AFRIKA OLUTHATYATHWE UKUSUSELA NGOWE12
UKUYA KOWAMA25 KWEYOMQUNGU 2024 EJOLISE KUHAMBO
OLUSESIKWENI OLUYA EWASHINGTON, D.C. NAKWISIXEKO SASENEW
YORK E-UNITED STATES OF AMERICA (USA) NASELONDON E-UNITED
KINGDOM (UK)**

Q2547

3. EVENT SUMMARY

EVENT DETAILS	
CONFERENCE/SEMINAR	N/A
OTHER	<i>Official Mayoral Mission to engage with numerous stakeholders in the USA and the UK, coupled with delivering a public lecture at the London School of Economics and Political Science (LSE)</i>
DATE	12-25 January 2024
VENUES	Various
TOTAL COST TO THE CITY	R297 532.24
CITIES	Washington, D.C., New York, and London
COUNTRIES	USA AND UK

ATTENDEE DETAILS	
NAME AND SURNAME	DESIGNATION
Ald. Geordin Hill-Lewis	EXECUTIVE MAYOR
PROVIDE SUMMARY OF HOST ORGANISATION / CITY	
<ul style="list-style-type: none"> • Washington, D.C., formally known as the District of Columbia and commonly called Washington or D.C., is the capital city and the federal district of the USA. Some of its most important economic sectors include, but are not limited to Technology and Innovation, and Hospitality and tourism, as well as Higher Education and Healthcare. • The home of the United Nations' Headquarters and situated in the State of New York, New York City has just over eight million residents. PricewaterhouseCoopers estimates that New York City will have the second biggest GDP, only behind Tokyo, of all global cities by 2025. In the recent past, the city was ranked first on The Economist's Global City Competitiveness Index, second on the UN's City Prosperity Index and first on the Global Financial Centres Index. It is also ranked as one of top ten fastest growing megacities in the world. • London is the capital and most populous city of England and the United Kingdom. The current Mayor is Mr Sadiq Khan, the first Muslim mayor of a major Western capital. With an estimated Gross Domestic Product (GDP) of more than USD800-billion, PricewaterhouseCoopers estimates that by 2025, London will be ranked within the top 25 cities in terms of having the largest GDP. In addition, The Economist ranks London as one of the world's so-called economic hotspots with a sound financial service industry. Furthermore, Forbes lists the city as one of the major centres of for both Job Growth and Education in Europe. • The London School of Economics and Political Science (LSE) is a prestigious academic institution that has been ranked as the top university in London in the Complete University Guide 2024. This is the twelfth consecutive year in which the guide has rated LSE as the best university in the capital. The School also comes out third overall in the UK out of 130 universities assessed nationally. 	

4. OBJECTIVE

The objective of the mission was to strengthen ties with the City of Cape Town's technical assistance / grant funding partners and to benchmark with key stakeholders in terms of trade and investment, coupled with rail, energy, and crime prevention as examples of devolution. Furthermore, to deliver a lecture at the prestigious LSE.

5. OUTCOME

Successful engagements with number of stakeholders with the promise of fruitful future collaboration (also see Actions required below).

6. ACTIONS REQUIRED

- 6.1 Liaise with the World Bank and SA National Treasury regarding Bank requirement for sovereign guarantee (Responsible: Policy and Strategy Department and Treasury Department).
- 6.2 Liaise with the World Bank about the possibility of enclave loans (Responsible: Technical Partnerships Unit and Treasury Department).
- 6.3 Share the City's Energy Strategy with the World Bank (Responsible: Director: Policy and Strategy).
- 6.4 Liaise with the World Bank about the "Cities and Climate Event" they are planning to host in Cape Town (Responsible: Policy and Strategy and Resilience Departments).
- 6.5 Liaise with Mr Munier at the Water Office of the International Finance Cooperation as related to the City's Water Reuse Plant (Responsible: Technical Partnerships Unit).
- 6.6 Share the City's Infrastructure Report with the IFC's PPP, and Cities Teams, as well as the attendees of the UK Department of Business and Trade Meeting (Responsible: Policy and Strategy Department).
- 6.7 Meet IFC's Pretoria Office to discuss offer of support from IFC on PPPs (Responsible: Technical Partnerships Unit).
- 6.8 Share the City's Ease of Doing Business Document with the members of the Corporate Council on Africa (Responsible: Enterprise and Investment Department).
- 6.9 Obtain the Cape Town Testimonial as shared by a Roche representative during the Corporate Council on Africa engagement (Responsible: International Relations Unit).
- 6.10 Share the Financial Times article with the Woodrow Wilson Center, Corporate Council of Africa, the US Chamber of Commerce, and the Business Council for International Understanding, as well as the UK Department of Business and Trade (Responsible: Director for Policy and Strategy).

- 6.11 Prepare and share Cape Town investment prospectus with the Woodrow Wilson Center, Corporate Council on Africa, and the US Chamber of Commerce (Responsible: Executive Mayor, Chief of Staff and Director for Policy and Strategy).
- 6.12 Invite the US Chamber of Commerce to embark on an investment drive to Cape Town (Responsible: Executive Mayor and International Relations Unit).
- 6.13 Convene virtual meeting between the Executive Mayor and the US Chamber of Commerce (Responsible: International Relations Unit).
- 6.14 Connect with the Johannesburg Office of Prosper Africa (Responsible: Enterprise and Investment Department).
- 6.15 Convene an in person engagement with Mr Hill from the BCIU during his attendance of the Mining Indaba (Responsible: Chief of Staff and International Relations Unit).
- 6.16 Link BCIU with Wesgro to plan an investment mission by BCIU Members to Cape Town (Responsible: International Relations Unit and Wesgro).
- 6.17 Liaise with the Office of the Mayor of New York City in preparation for a possible visit by him to Cape Town (Responsible: International Relations Unit).
- 6.18 Consider sending a City delegation to attend the UK Department of Business and Trade's Annual Investment Summit in London in May 2024 (Responsible: Executive Mayor and International Relations Unit).
- 6.19 Liaise with the housing department of the Greater London Authority to obtain best practices regarding their social housing programme (Responsible: Human Settlements Directorate).
- 6.20 Liaise with the Office of Mayor Khan to link the City with banks who provide financing to cities to operate their bus fleets (Responsible: Treasury Department).
- 6.21 Liaise with the Office of Mayor Khan about the possibility of him leading a delegation in the nearby future on a visit to Cape Town (Responsible: International Relations Unit).
- 6.22 Explore the possibilities for getting the Greater London Authority (GLA) Infrastructure team to visit Cape Town or exchange lessons/experience with us via an online meeting (Responsible: Director: Policy and Strategy).

7. IMPLICATIONS

- | | | |
|---|--|------------------------------|
| 7.1 Constitutional and Policy Implications | No <input checked="" type="checkbox"/> | Yes <input type="checkbox"/> |
| 7.2 Environmental implications | No <input checked="" type="checkbox"/> | Yes <input type="checkbox"/> |

7.3 Financial Implications No ☒ Yes ☐

7.4 Legal Implications No ☒ Yes ☐

7.5 Staff Implications No ☒ Yes ☐

7.6 Risk Implications No ☒ Yes ☐

7.7 POPIA Compliance

☒ It is confirmed that this report has been checked and considered for POPIA Compliance.

NOTE: POPIA Section MUST be completed otherwise the report will be returned to the author for revision.

Contact your Directorate POPIA Stewards should you require assistance.

The City has a contract in place with XL Embassy Travel for the safe-keeping of Traveller's personal information as required by the POPI Act.

8. **RECOMMENDATION**

It is recommended that the feedback report on the official mission to the USA and the UK undertaken by Alderman Geordin Hill-Lewis (Executive Mayor) from 12 to 25 January 2024 **be considered and noted.**

AANBEVELING

Daar word aanbeveel dat die terugvoerverslag oor die amptelike sending na die VSA en die VK wat deur raadsheer Geordin Hill-Lewis (uitvoerende burgemeester) van 12 tot 25 Januarie 2024 onderneem is, oorweeg word en daarvan kennis geneem word.

IZINDULULO

Kundululwe ukuba makuthathelwe ingqalelo kwaye kuqwalaselwe ingxelo engohambo olusesikweni oluya eUSA naseUK oluthatyathwe nguCebakhulu Geordin Hill-Lewis (uSodolophu weSigqeba) ngowe12 ukuya kowama25 kweyoMqungu 2024.

9. **GENERAL DISCUSSION**

In terms of clause 10.2 of the Travel Management Policy, a post travel report is to be submitted to the Delegated Authority for providing feedback on the travel and evidence of the benefit to the City.

9.1 Washington, D.C.:

(a) Voice of America Television Interview:

Voice of America's Vincent Makori interviewed the Executive Mayor on Straight Talk Africa. The interview focused on geopolitical matters, and more specific how it ultimately affects Cape Town and its citizens. Coupled with the former, what is unique about Cape Town, and what it could bring to the table to improve the lives of its citizens? The Mayor also utilised the interview to (i) highlight his Mayoral Priority Programmes; (ii) pitch Cape Town as an ideal location to invest, work, visit, and study in, and; (iii) emphasise how Cape Town is, compared to the rest of South African cities, a model of better (albeit not perfect) service delivery. Herewith the link to a shortened version of the interview: <https://www.voaafrica.com/a/cape-town-mayor-talks-fight-gang-activity-creating-opportunities-for-locals/7458887.html>

(b) Meeting with the African Regional Directors of the World Bank:

The delegation met the regional directors for southern Africa for infrastructure and urban development to discuss possible financing options for City infrastructure projects. It was emphasised that Cape Town is preparing for a city of ten million people, and in response to the City's infrastructure portfolio presentation, a discussion ensued. Widespread political instability in other metros is one of the contributing factors for the high migration pattern towards Cape Town. The City's is responding to this with its infrastructure programme.

Concerning financing options for capital portfolio, Miguel from the World Bank noted that they liaised with National Treasury, and they are still not in position to lend without a federal sovereign guarantee. This though, is an ongoing discussion. He mentioned enclave loans as another option. Tom (World Bank) added that direct lending to subnational entities is unusual, although it has been done in Brazil, and that they are investigating new ways to assist subnational entities such as the City of Cape Town. In similar vein, Thomas (World Bank) echoed that they are in constant conversation with National Treasury since the framework does allow for exceptions; however, it has never been put into practice.

The Executive Mayor indicated that the 2024/25 National Budget might include provisions for local government to borrow directly from multinational entities, and this will signal a significant moment for local government financing options and modelling. Wendy (World Bank) raised her interest in the City's energy plans, and the Mayor then provided an overview. In conclusion, Peter (World Bank) mentioned that they are planning a "Cities and Climate Event" where up to 30 African cities will attend.

(c) Meeting with the International Finance Cooperation's (IFC) PPP Team:

During his presentation of the City's Infrastructure Pipeline Programme, the Executive Mayor emphasised that the City intends to pursue Public Private Partnerships (PPP) to realise some elements of the afore-mentioned Programme. For example, the City is pursuing a PPP for its major Water Reuse Plant. Emmanuel (IFC) responded that they do have the capacity and interest to work with cities such as Cape Town on PPP projects. He made examples of how they are assisting in Brazil with roads and LED street lighting and in Colombia with 5G rollout PPP projects. Cautioned that cost escalation is often the risk of PPP, and one should ideally plan for this.

(d) Meeting with the IFC's Cities Team:

The focus of the meeting was concessional financing. The IFC's model is to provide financing and advisory support. Performance loans as a possible financing option was discussed. The IFC did this in Brazil where they had to reduce their water leakage rate, and in Turkey where they had to include more women in their projects. The IFC can work with the City to establish what their goals should be. A conversation with the City's Treasury Department is required to discuss performance-based goals bearing in mind what is possible within the framework of the MFMA.

(e) Panel Discussion at the Woodrow Wilson Center

The Executive Mayor was invited to talk about urbanisation in Africa as it relates to Cape Town at the Woodrow Wilson Center. He provided an overview of Cape Town's endeavour to be a City of Hope highlighting some of the most important projects the City is either currently undertaking or planning in the near future. A discussion followed where attendees posed questions covering a range of topical areas, including, but not limited to infrastructure, South Africa's upcoming general election, energy, transport, human settlements, and so forth. Herewith the link to the Panel Discussion: <https://www.wilsoncenter.org/event/africas-growing-cities-challenges-and-opportunities>

(f) Member Briefing at the Corporate Council on Africa:

The Executive Mayor was invited to brief members of the Corporate Council on Africa. During the briefing, the Executive Mayor offered an overview of the latest developments in Cape Town, including successes in attracting leading companies to invest in a range of sectors including tourism, high tech manufacturing, ICT, agribusiness, medical technology and film production, as well as business processing outsourcing. The interaction also served as an opportunity to explore future relations between the US and Cape Town. The discussion also touched on Cape Town's efforts to become a City of Hope, its infrastructure programme, policing, energy, rail, and so forth.

(g) US Chamber of Commerce:

The Executive Mayor provided an overview of Cape Town, emphasising that it wants to be on the radar of US businesses as an ideal (investment) location. Cape Town is experiencing growth despite the rest of South Africa not growing. Kendra (US Chamber) referred to Prosper Africa, which is a Presidential initiative. She stressed that Kenya is South Africa's biggest competition, especially in the tech, agriculture, and renewable energy sectors. It is therefore vital for cities such as Cape Town to continue showcasing itself through missions such as the one the Executive Mayor embarked on.

9.2 New York City:

(a) Meeting with Mr Michael Bloomberg:

Michael Bloomberg is an entrepreneur and former three-term Mayor of New York City. The discussion started with a general overview of Cape Town and its economy, the Mayoral Priority Programmes, and the Infrastructure Programme. Matters as related to data analytics were also mentioned.

Police powers (e.g., New York City has its own 35 000 strong police department with a wide range of powers, including investigating and prosecuting); education (e.g., New York City is responsible for education in the city whereas education is not a

local government mandate in South Africa with the City only involved in a limited way with ECD) and homelessness. Concerning the latter, Mr Bloomberg referred to his efforts as a mayor to address homelessness in New York City. He went so far as to create shelters in prisons and on buses. He also managed to reunite most of the homeless with their families during his tenure. In response, it was mentioned that Cape Town is also serious about addressing the challenge of homelessness by spending billions on revamping and/or assisting established shelters, and creating new ones. Cape Town is leading in this regard, if compared to other South African cities.

Affordable social housing was also discussed. Cape Town's approach to collaborate with private investors to build rental units were highlighted. Mr Bloomberg provided the mayor with key insights into governing a complex city with many moving parts.

(b) Roundtable Discussion at the Business Council for International Understanding:

The BCIU invited the Executive Mayor to a Roundtable Discussion. The discussion focused on investment opportunities in Cape Town, coupled with how US companies can successfully invest in South Africa cities. In addition to investment opportunities in Cape Town, the discussion also touched on healthcare, energy (load shedding), renewables, safety and security, and the upcoming South African elections.

(c) Meeting with the Mayor of New York City:

Both Mayors Adams and Hill-Lewis provided a brief overview of the investment landscapes in their respective cities. They then discussed crime/ policing and housing. Concerning crime, New York City is continuing to deploy high-end technology to improve their efforts to combat crime. Cape Town recently became the first city in South Africa to do the same, albeit on a much smaller scale. New York City, like Cape Town, is doing their utmost best to respond to the constant demand for social housing by collaborating with the private sector. It experiences the same problems, including, but not limited to the high cost of, and demand for maintenance, years of neglect, etc. Another similarity (and challenge) between the two cities is the high rate of migration by people looking for better opportunities, and the pressure this places on their resources.

(d) Meeting with Goldman Sachs:

The discussion focused on investment opportunities in Cape Town, coupled with possible financing options. In addition to these, matters related to the devolution of policing, rail and energy; the City's infrastructure project; energy plans/ strategy, and the upcoming South African elections were discussed.

9.3 London:

(a) Meeting with the South African High Commissioner:

As per protocol, the delegation had a Courtesy Call to the High Commissioner for South Africa in the United Kingdom, i.e. H.E. Mr Jeremiah Nyamane Kingsley Mamabolo. Key discussion points for the engagement included a general overview of the delegation's Itinerary whilst in London; and, exploring how the High Commissioner's Office could assist in showcasing Cape Town and the Western Cape as a whole as an ideal tourism and investment location. The issue of working visas were also discussed with the High Commissioner remarking that they are trying to address the challenges to ultimately improve the process for all concerned.

(b) Meeting with Department of Business and Trade:

After presenting the City's Infrastructure Pipeline Programme, the Executive Mayor noted that Cape Town's financial sustainability is sound, and the City is currently in the market for R8.5-billion to service its capital portfolio. Most of the attendees observed their concern that financing must be in ZAR; a risk that most investors are not prepared to take. For example, the representative of Standard Chartered said that the company simply do not have the appetite for foreign currency financing as they viewed it too risky. They are though prepared to support sustainability projects, e.g., renewable energy and electric vehicles.

A number of attendees, including the representative of Invest Africa, remarked that prospective investors view Cape Town as a demonstration project of good governance that could bode well in attracting investment. They also lauded the Infrastructure Pipeline Project, and requested information as related to timelines and project prioritisation, as well as challenges. The Executive Mayor responded that it is a ten-year project with water, sanitation and public transport being the focus of up to 70% of the project. In addition, it was stressed that the City and its departments (and their accredited contractors) will deliver these infrastructure projects. The City will not be dependent on other spheres of government to deliver.

Questions of whether the PPP Legal Framework allows certain types of financing models also arose. Cape Town delegates responded noting that the Framework is clear what types of financing models are possible, and there are a few South African examples where it has been tested, and it worked. Cape Town's current example is the building of its Water Re-use Plant.

(c) Meeting with Mayor Khan:

London has a police force of 34000 officers funded by both the city and national governments. They use real time data to map/ identify hotspots. In Cape Town, these hotspots are primarily concentrated in poorer areas. The numbers are coming down, but it is still not meeting the City's target.

Cape Town has 57000 social housing units that it owns. Maintenance thereof poses a challenge. The City decided against investing in building more, and is now instead releasing land to private developers to build new units. London experience similar challenges and approaches. For instance, it also struggles with the maintenance of its social housing units, coupled with energy insufficiencies. The Greater London Authority facilitated the building of 116000 new municipal units since Mayor Khan was elected. They collaborate with private developers asking them to make a certain percentage of developments affordable housing. The developers are not allowed to sell these units for 15 years, and beneficiaries can become owners after those 15 years.

Cape Town's MyCiTi is not as profitable as was initially envisaged. London faces similar challenges. Their buses are heavily subsidised, prompting them to turn advertising to generate revenue. They also enter into long-term loan deals with manufacturers. Certain major banks are also willing to offer financing to specifically city governments to operate their bus systems.

(d) Roundtable Discussion with the SA Chamber of Commerce UK:

The Executive Mayor started the Roundtable by providing an overview of why Cape Town is an ideal investment location, and what the City is doing to create a suitable environment for the private sector to come and invest in the city. The discussion that followed focused on a range of topics. These included:

- Loadshedding e.g., Cape Town has the Steenbras Dam that helps the city to be up to two levels below the rest of the country and it is turning towards to Independent Power Producers to assist in alleviating the problem.
- Crime e.g., Cape Town is the only metro where the numbers are coming down, but it is still too high, and that is why the City is fighting for the devolution of police powers to its Metropole.
- The rail system e.g. the City is seeking devolution. Cabinet made a policy decision in March 2023 already, but since then there has been no progress.
- Housing e.g. The City has rental stock that it owns, and it is collaborating with private developers to build more to address the housing shortage.
- City revenue sources, which include property taxes, service fees, green bonds, loans, technical assistance, and the Bulk Infrastructure Grant.
- Unemployment, which at 21% is lower than the 36% nationally, but it is still too high.

(e) Mayoral Public Lecture at the LSE:

At this event, the Executive Mayor shared his lessons from leading this city of five million people. He explored what the Cape Town experience can tell others about how to get South Africa right and what lessons Cape Town can offer to the rapidly growing cities on the rest of the African continent. Following his presentation, the Executive Mayor Hill-Lewis answered questions from those in the room, and online. Herewith the link to the Lecture: <https://www.youtube.com/watch?v=gSdPHcDNwmU>

Every engagement that the City's delegation had in the US as well as in the UK was oversubscribed, meaning there was tremendous interest in the mayor and the City of Cape Town. The meetings were informative and the key goals of the trip were achieved. In person engagements with stakeholders remains key to making progress in difficult areas of government. This was again proven during this trip with several delegates attending meetings expressing their thanks for the mayor's factual presentations and their renewed interest in considering Cape Town as a key investment destination/partner.

(f) Infrastructure Planning team at the Greater London Authority:

Director Cole met with the officials in the GLA responsible for long term planning. It was established that despite the different contexts there is a lot of common ground in terms of approaches and challenges. There is scope for CCT to learn from the street level infrastructure coordination system that GLA have put in place.

(g) Chief Digital Officer at the GLA:

Director Cole met with the Chief Digital Officer for the GLA. There was an exchange of experiences on data strategy implementation and approaches to open data. The CDO gave CCT advice on the first internal data strategy, so he was interested to get an update on progress with Data Strategy implementation in CCT. The CDO and Director Cole agreed to stay in contact.

(h) LSE School of Public Policy:

Director Cole met with academics from the School of Public Policy at the London School of Economics to discuss research collaboration opportunities. Director Cole contributed to a policy in practice seminar and a lecture.

(i) Mr Richard Pope:

Director Cole met with Richard Pope to discuss Data Strategy related matters. Richard Pope was a co-founder of the UK Government Digital Service. Mr Pope is now part of a team providing support to CCT on data strategy implementation (funded by UK Government).

(j) ARUP:

Director Cole met with a team from ARUP to learn more about relevant experience. In particular there was a discussion on Building Information Management (BIM) support due to be provided by ARUP to CCT, funded by the UK Government.

FOR FURTHER DETAILS, CONTACT:

DATE			
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DIRECTORATE	FP&R	FILE REF NO	
SIGNATURE :	Denver Van Schalkwyk	<small>Digitally signed by Denver Van Schalkwyk Date: 2024.02.20 15:12:29 +02'00'</small>	


MAYORAL COMMITTEE MEMBER: FP&R

COMMENT:

ALD. GEORDIN HILL-LEWIS

SIGNATURE:

DATE


21/02/2024

☐ REPORT COMPLIANT WITH THE PROVISIONS OF COUNCIL'S DELEGATIONS, POLICIES, BY-LAWS AND ALL LEGISLATION RELATING TO THE MATTER UNDER CONSIDERATION.

LEGAL COMPLIANCE

☐ NON-COMPLIANT

COMMENT:

NAME

Certified as legally compliant based on the contents of the report.

TEL

DATE

