CITIES SUPPORT PROGRAM
TOWNSHIP ECONOMIC DEVELOPMENT PROJECT

THEMBISA
CITY OF EKURHULENI

SITUATIONAL ANALYSIS REPORT
DRAFT VERSION 2.5.
APRIL 2021

Prepared by the Sustainable Livelihoods Foundation TED Project Team
Cities Support Programme
Township Economy Development Project
Situation Analysis Report
Project Site: Thembisa, City of Ekurhuleni

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I. Executive Summary

The Cities Support Programme (CSP) of National Treasury (NT) has entered into an agreement with Ekurhuleni Metropolitan Municipality (City of Ekurhuleni - CoE) to provide technical support for a township economy development (TED) strategy. This three-year project will strengthen the capacity of the City of Ekurhuleni to strategize, plan, fund, implement and monitor TED projects within the township of Thembisa.

The CSP appointed the Sustainable Livelihoods Foundation NPC (SLF) with a professional technical assistance team (TAT) comprising a team leader; small-business development, social scientist, spatial planning, public transport, housing, infrastructure development, environmental advisors and community liaison persons. The TAT partner will collaborate with CoE to align the strategy to existing and emerging development frameworks, strategies and projects and advance implementation of a township economy development strategy through specific projects derived from the unique socio-economic challenges and opportunities within the site.

In formulating projects and implementation plans, the TAT will facilitate processes of participatory engagement and transversal planning to advance projects with spatial impact, whilst synergising resources and ensuring alignment with sector plans. These strategies will provide the CoE with a replicable area-based development approach. The project will leverage institutional impacts through knowledge sharing, strengthening City strategies and policies, and through facilitating transversal planning processes. It will benefit the City through the building of new partnerships and arrangements for the implementation of economic development projects, the sourcing of funding, and gaining access to specialist knowledge and expertise. This Situation Analysis identifies aspects and components of the Thembisa township economy that could benefit from project interventions within an overarching strategic alignment.

Theory of Change (ToC)

Building on prior CSP work, the ToC recognises townships as requiring a spatially and systems-oriented development approach, influenced by 1) provision (and quality) of public goods and services, 2) the regulatory environment, 3) the organisation of society, and 4) the character and orientation of economic and business activities. Furthermore, there is a requirement for a context specific understanding of the
physical, social and psychological needs of township communities; to understand the range of shocks that exacerbate economic vulnerability; and actions to strengthen accountability and governance.

**Partners**

The CSP has entered partnerships with the European Union supported Ecosystem Development for Small Enterprise (EDSE) programme, the World Bank Group (South Africa) (WBG), and the Aspen Network of Development Entrepreneurs (ANDE) to amplify the TED project. The EDSE partnership will support the TED project to facilitate alignment with the Department of Small Business Development (DSBD), Small Enterprise Development Agency (SEDA) and the Small Enterprise Finance Agency (SEFA). In addition, the CSP TED project will work synergistically with the Neighbourhood Development Partnership Programme (NDPP) of National Treasury.

**Methods**

The TAT undertook a series of seven simultaneous steps in preparing the situation analysis:

1. Establishing a transversal team of sector specialists.
2. Desk-top identification of all relevant municipal planning documents, and feasibility studies for economic projects. In all, 117 official publications, academic publications and unpublished reports were accessed.
3. Participatory engagement – because of COVID-19, the engage was primarily undertaken through on-line engagements via the Thembisa Virtual Imbiz **o** page on Facebook.
4. Spatial information - obtained data from open sources and the CoE including land use (zoning schemes), cadastral boundaries, social and community infrastructure, water and sewerage systems, electricity networks, telecommunications, natural features and roads and transport infrastructure. In addition, the TAT undertook a spatial analysis of identified high streets, business nodes and development precincts.
5. Ecosystem survey – a team of field researchers used a survey instrument to collect data within the field, focussing on economic high streets, business precincts, retail hub and identified nodes / precincts. Field research was undertaken in October 2020. In Thembisa, the researchers completed 586 interviews, which included surveys of 447 township micro-enterprise businesses.
6. Site field research and engagement to qualitatively understand the socio-economic characteristics of business and urban dynamics.
7. Sector specific investigations into essential aspects of the township economy.
To mitigate the challenge of the relative scarcity of area-based data, the TAT team accessed unusual data sources, including private sector datasets and qualitative data.

**Institutional ecosystem**

The TAT assessed government strategies at national, provincial and metro levels to support businesses within the township economy. National government programmes such as those driven by the DSBD and its associated agencies of SEDA and SEFA include:

- New incentives (with the Medium-Term Expenditure Framework (MTEF) period),
- The Small Business and Innovation Fund (R3,2b),
- Black Business Supplier Development Programme (R906m),
- National Informal Business Upliftment Scheme (R248m),
- Enterprise Incubation Programme (R186m),
- Craft Sector Programme (R36m),
- SheTrades,
- Township Entrepreneurship Fund,
- Township and Rural Entrepreneurship Fund (TREP)

**Gauteng Province Programmes**

The Gauteng Provincial Government (GPG) has prioritised the Township Revitalisation Strategy (TRS) to create strategic accessibility and connectivity to markets to transform township economies. Growing Gauteng Together (GGT) 2030 aims for ‘building sustainable development for all’, creating jobs and opportunities, with a focus on the Gauteng City Region (GCR) and ten high-growth sectors. Furthermore, the GGT has a strong emphasis on water and energy security and a focus on promoting renewable energy. Within the GGT the Township Revitalisation Action Plan seeks to change how townships are regulated and governed; allow township firms to be formally recognised; revise state procurement rules and programmatic support; de-risk lending to township firms of all sizes by financial service providers; turn taxi ranks into micro-CBDs and support the taxi economy to use its scale to grow supporting value chains and industries, and convert areas with high commercial densities into township high streets. These interventions underpin the proposed Township Economic Development Bill which aims to direct government procurement spend, enhance access to finance, assists registering SMES, enable high street development and redress municipal by-law barriers to enterprise formalisation. Lastly, the Gauteng City Region (GCR) Economic Development Plan (2015-2020) intends to drive economic growth through strategic targeting of priority sectors. Based on the current economic structure of Gauteng Province, the
GCR EDP is biased towards the service sectors, especially community services, finance and transport although purports that the manufacturing sector should be at the centre of economic growth and development. The EDP recognises a need to invest skills in various sub-sectors of the economy and address the high barriers of entry in many of these industries – in particular those with high growth potential such as agro-processing and steel. Within the context of these overarching provincial strategies, the CoE has developed its own series of guiding policies and programmes.

**Ekurhuleni Programmes**

The Ekurhuleni Growth and Development Strategy 2025 forms the basis of medium and short-term planning and guides the policy budget as the City seeks to implement its mandate, to make CoE ‘a better place in which to live, work and play’ and recognises Thembisa as one of the four major concentrations of historically disadvantaged communities. The Ekurhuleni Integrated Development Plan (IDP) is mainly focused on the overall development challenges facing CoE, with township revitalisation is one of nine Flagship Projects for the City. The Economic Development Department which lead, facilitates and promote economic transformation, inclusive growth and socio-economic development in the City.

**Enterprise activity - The Micro-Enterprise Ecosystem**

Ecosystem surveys were conducted in Thembisa in October 2020 to record a ‘snapshot’ of: i) business activities, ii) institutional facilities and iii) business hotspots and spatial opportunities. The research team surveyed 517 businesses (micro-enterprises, SMEs and corporates), recorded 27 business hotspots and 30 institutional services. Of these businesses, 4% (23) were Corporates, 9% (47) were SMEs, and 86% (447) micro-enterprises. All corporates and 94% (44) of SMEs were formal whilst 86% (385) of micro-enterprises were reported as informal businesses. Of these 447 micro-enterprises, 83% (369) of businesses were open and full interviews were recorded. The research identified clusters of trading sites, the prominence of street traders and a wide diversity of economic activities, including SME. The most numerous informal business activity surveyed was that of (second-hand) clothes retailing (44 / 10%) – mostly conducted as a street trading activity. Food businesses were commonplace, including retailing of fruit and vegetables (44 / 10%), cooked food (40 / 9%) and snacks & cigarettes (39 / 9%). The service-related business of hair salons (35 / 8%) were commonplace. Appliance repair businesses operated from a variety of outlets - from street trading to private homes to dedicated shopfront premises (including shipping containers) – focusing on television, kitchen appliance and cell phone repairs.
Of the 369 micro-enterprises interviewed, 41% (152) are run by South Africans. Of the 58% of non-South Africans in the survey, the majority are immigrants from Mozambique (27% of total sample) and Zimbabwe (14% of total sample); many of whom were street traders. These informal businesses were reasonable providers of work opportunities with 34% (124 people) reporting as employees. This economy is predominated by men (64% - 237) most commonly in the age group of 30-40 years, with more than half of all women (132) in their 30s (45) and 40s (32). The average age of local businesses is relatively short with 39% (147) who have been operating 1-4 years. Some 24% (36) have been operating for one year; 31% (46) for two years; and 28% (41) for three years.

The majority of micro-enterprises operated (60% - 222) from a trading stand / street table / vacant ground, with 20% (73) from a private residential house, and 7% (27) from repurposed shipping containers. Few traders paid rent. Similarly, among those operating from dedicated premises, few business operators owned the property from which they operated – only 14 individuals were owners. The balance of 31% of respondents paid rent for the premises on which they operated ranging from R50 (access to a street pavement adjacent to a private dwelling) to R8,000 (for a dedicated building structure on the high street) per month. A quarter of businesses had formal access to water and electricity, and 36% (131) had informal access (commonly accessed on a commercial basis from adjacent private dwellings). Some 40% (147) had no access to these services at all and commonly operated from a trading stand or table.

Micro-enterprises face numerous challenges. For those that did, the most common is crime (74) followed by trading location (55), lack of storage for goods [especially for street traders] (52), and competition (45). Interestingly, 26 respondents noted that weather conditions as a key challenge in trading. Finances were also considered an important business constraint reflecting both the desire for operational capital and the need for enhancing financial inclusion for microenterprise. We note that around one third of the respondents (116) reported on challenge to operating their business in Thembisa.

**SMES and Corporates**

Corporate businesses are mainly situated in shopping malls, of which there were two major malls within the study site. Of the 23 corporates, clothes and grocery retail were the most prominent. The big brands operating in Thembisa are dominated by essential services (food, fuel, and clothes) and include BP service stations, Pick n Pay Express, Chicken Licken, Roman’s Pizza, Debonairs and Pep.
A considerable variety of SMEs operate in Thembisa. In our survey, 23% (11) of them were health services, followed by 14% (9) liquor sales. A variety of other SMEs were found spread throughout the site, including funeral services, bakeries, car repairs, legal services – all of which require specialised skills and / or equipment to operate. These businesses provide a qualitatively different level of BDS to street based micro-enterprises.

**Business Hotspots**

The survey recorded 27 business hotspots: these were localised sites with much business activity and clusters of microenterprises. In these sites of strategic importance, 81% (21) had no access to WiFi, and 62% (16) had no access to waste disposal. The types of hotspots varied, made up of 27% retail nodes, 19% marketplaces and 15% high street sites. These hotspots have proven themselves to be incubators and organic attractors of micro-enterprises. The survey revealed that some 435 businesses operated from these hotspots with 174 from marketplaces, 88 in retail nodes, and 51 on high streets. An important form of hotspot were open trading spaces. Fear of crime appeared to be the largest disincentive for new businesses to occupy the available spaces within hotspots, with 46% of total hotspot business sample considering it to be the main barrier to undertaking business.

**Institutional services**

There were 30 institutional services sites recorded in the survey, 50% (15) of which are financial services including 12 (80%) ATMS from all major banks and 1 (7%) micro-finance organisation. The micro-finance organisation was Mukhuru, a money transfer business. Those institutional services recorded as ‘Other’ were a health service, private consultant and an art centre. Apart from financial services, most of the institutional services were open during the fieldwork process. These services were predominantly operated by the CoE (10) and included the FabLab and business incubators.

**Important Sectors**

Whilst the microenterprise form and function in Thembisa is fairly consistent with South African township economies, there are some important local sectors that stand out as having potential for investment. These sectors have particular area advantages such as the clustering of relevant skills types or markets., being geographically close to important South African business sectors, or due to other socio-economic circumstances that align to create competitive advantages.
• 4IR opportunities, such as Kandua which links technical specialists to customers.
• The township automotive sector – especially subsectors of mechanics, tyre fitment and car detailing / washing are important contributors to economic opportunities and job creation.
• Local intra-township transport.
• Financial inclusion for township SMMEs that can more effectively give them access to capital, insurance and other financial products.
• The formal status of local houses presents a valuable opportunity for homeowners to reinvest in their houses – such as upgrading gates, fences, doors and windows. These activities could bolster demands for a local micro-manufacturing economy and repair, maintenance and installation services.
• Thembisa has a growing number of residential dwellings being built for the rental market. An opportunity lies in this context to reformulate the policy and investment environment that can respond and guide urban residential densification.
• Creative economy and activities, including photography, musing making, performing arts, design and production. Linkages to various government programmes and BDS could unlock opportunities for persons in this sector.

Land use

The TAT reviewed key planning documents to gain an understanding of the statutory and policy environment for Thembisa including the Municipal Spatial Development Framework (MSDF), the Regional Spatial Development Framework (RSDF), Built Environment Performance Plan (BEPP), and the Municipal Planning By-Law and Town Planning Scheme. Thembisa civic node is categorised as a developing node. Priority is given to the mobility route between Kempton Park and Thembisa for minibus taxis and the Bus Rapid Transit (BRT) System. Infill development to promote greater density within the civic node and transport infrastructure is encouraged. Economic development priorities indicated in the MSDF include prioritising retail development. The Olifantsfontein and Clayville industrial areas to the North of Thembisa are sites of heavy industrial activity.

The RSDF details plans for secondary nodal areas in Tembisa. Key secondary nodes are: Winnie Mandela Node, Thembisa Plaza (aligned to the Leralla station node indicated in this report), Swazi inn, and the Thembisa station. The Thembisa civic node, situated at the Corner of Andrew Mapheto Street and George Nyanga Street (civic node), is characterised as a hub. In these secondary nodes, the RSDF indicates a range of supported land uses that include medium density residential; high density
residential; retail; office; entertainment; hospitality uses; service industry; taverns; and municipal and government facilities. Leralla station, Limindlela station and Thembisa station have been identified as Transit-Oriented Development (TOD) Nodes.

The BEPP categorizes Thembisa as a ‘marginalised peripheral township’. The township is classified as being at moderate risk. The BEPP identifies dangerous electricity connections and air pollution as possible sources of vulnerability (2020).

The land-use system in Thembisa follows a rather typical township arrangement of predominant residential zoning with social/public zoning scattered throughout and limited land parcels designated for commercial / business uses. Commercial land is evident in the civic node, but otherwise does not noticeably feature in other more obvious situations: like transport interchanges, along high streets or at train stations. Most of the area is zoned Single Residential 2. Business zoning is evident along Andrew Mapheto Drive. The study site includes areas zoned Open Space, which are in varying degrees of maintenance and use.

Various precinct development plans have been formulated, such as the Tembisa Hub Plan (2016) developed as part of National Treasury’s NDPP to provide a mixed-use environment that is better connected to the surrounding neighbourhoods. The hub is made up of seven sub-precincts, which are envisioned to change over time. The aims for the short-term are as follows: the Tembisa and Limindlela Station Precincts are to support a mix of business and medium to high density residential uses. The Thembisa Makhulong Community Precinct (2019) involves upgrades to the site incorporating the Makhulong Stadium, Zion Church of Christ, Moses Molelekwa Arts and Computer Centre, YES4Youth and hydroponics facility, informal businesses, and a soccer field. The plan is to formalize the soccer field and motor repairs, expand the YES4Youth Hub and provide more intensive housing opportunities and public interface opportunities.

**Prioritised and high potential nodes**

To inform any TED opportunities, the TAT developed a cohesive spatial overview using data from the City, including reports and plans. Reviewing the microenterprise landscape and land use plans the team was able to consider a range of priority nodes. These nodes are located on existing transport corridors with a reasonable level of internodal synergy, where there is formal and operational basic infrastructure and signs of increased residential private densification, especially around areas that have high amenity or connectivity.
• Thembisa Civic Node - vibrant and active street life off a main transport corridor,
• Makhulong Community Precinct - social, sports and recreational node,
• Limindlela Station Precinct - close proximity to railway, civic node and north-south mobility corridor,
• Leralla Station Node – with significant existing assets for leveraging for growth and diversification, especially the street traders market.
• Thembisa Station Precinct - defined by the (vulnerable) Thembisa Station.

Housing

There is growing demand for low-cost and affordable housing in Thembisa. The township is a long-established, vibrant and sought-after place in the East Rand, relatively well-located in good proximity to employment opportunities and public transport routes. The areas of Endayini, Emkatini and Ibazelo have the highest average property values in the township. There is a noticeable class of middle-income households with higher purchasing power and a growing class of young professionals, who are seeking higher quality housing, including rental accommodation. Homeowners in middle income strata have made considerable investment into their properties, renovating, expanding the original building and investing in place-making. Thembisa has a mix of formal and informal housing stock, whereas the number of informal dwellings appear to be growing faster than formally delivered houses.

Few housing developments have taken place in recent years. A human settlements project is currently being implemented in Extension 25 to cater for shack dwellers living in Winnie Mandela informal settlement. However, in light of the latest announcements by the Department of Human Settlements, indicating that free BNG housing delivery will be drastically reduced and replaced by sites and services schemes, government investments in formal housing might be reduced. In this context it is especially important to explore opportunities within innovative public-private partnerships to deliver higher-density affordable housing.

Informal housing has largely absorbed the growing population in Thembisa. More specifically, informal dwellings in the backyard of RDP/BNG houses have mushroomed across the settlement. In addition to the low-cost shacks and ‘wendy’ houses, there has been a noticeable rise in solid single or double-storey micro-flats. The diversification of backyard rental accommodation illustrates the existence of different rental sub-markets catering for different income groups. Both the private and public sector have recognised the growth and potential of the backyard real estate market.
High level discussions are taking place between the GPG, CoE and CSP of the National Treasury about how to promote a precinct-based approach to backyarding in Thembisa. As financing is one of the main challenges for homeowners to transform their low-cost structures into higher-quality, mixed used backyard real estate, a precinct-based approach that ensures necessary scale could unlock large-scale private sector funding from banks that is channelled via intermediaries to individual homeowners for investment in these improvements. Linked with the right regulatory and administrative support, this approach could contribute to the development of successful high streets. In addition, existing and future informal settlements on well-located sites could be incrementally upgraded and vertically densified to free up public spaces, install basic services and connect them to the rest of the township.

The low percentage of properties utilised for businesses along high streets and business hotspots signals an opportunity for redevelopments in these sites, promoting more mixed-use buildings. The ecosystem survey indicated a demand for commercial space in properties in those areas, as more than 80% of businesses rented the space compared to 8% who owned and 10% who did not declare their tenure status.

**Transport**

Thembisa, for the most part, has the infrastructure that is required to transform and ignite the public transport systems, however the infrastructure is either poorly connected, unused, neglected or damaged. Notable challenges are the Thembisa, Limindlela and Leralla train stations which are not operational and heavily vandalized. Sidewalks are available to support non-motorised transport, however there is theft of the paving blocks taking place. Sidewalks and road furniture such as lighting are also commonly damaged and stolen within the site.

There is potential to achieve good connectivity between different modes of transport, though currently the integration and connectivity is poor. Thembisa Station and Limindlela Station are spatially disconnected from areas of high economic activity (retail nodes; malls), with some walking required when commuters switch between transport modes. It should be noted that the terrain does allow for relatively easy walking. In addition to the taxi rank available within the site, taxis pick up and drop off passengers at several points along key main roads. The mini-bus taxi system operates in isolation from the emerging BRT system. The Leralla station precinct has the potential of being an intermodal interchange point as there are taxis that stop at that point, the Leralla station is nearby and there is the construction of the BRT nearby with a pedestrian foot bridge to assist with accessibility across Andrew Mapheto Drive.
There are 3 train stations and one major mini-bus rank within the study site. The train stations are only partially operational. Despite the challenges facing rail passenger transport, the CoE has identified rail as the backbone of its transport plan with the BRT system to be the main mode of public transport in the north-south directions. Furthermore, the City recognises the need for Non-Motorised Transport (NMT) infrastructure. Despite NMT gaining popularity in South Africa and worldwide it is important to ‘normalise’ its use to encourage adoption. NMT needs to be more visible, culturally acceptable and safe.

Infrastructure

Public infrastructure has an important role in TED as there are various ways that infrastructure facilitates the movement of resources between the wider economy to townships, and how it distributes resources to households and individuals. An important aspect of these resource flows is access to the internet and therefore the digital economy. The WiFi Connectivity National Grant has established 6 local WiFi hotspots in public service facilities and there are numerous private suppliers including thinkwifi, Screamer Telecoms, and ekeja.

Access to electricity is a major challenge, with many illegal power connections. Stormwater management systems in Thembisa require upgrading as various challenges have surfaced due to the poor and deteriorating quality of the infrastructure; the City is struggling to maintain and replace aging infrastructure. The natural water systems in Ekurhuleni are heavily polluted by sewerage run-off. In addition, as urbanisation has intensified, surface water run-off has increased exponentially. Wastewater is a particular challenge in informal settlements where sanitation systems include pit latrines and chemical toilets. There is no spare reservoir capacity available meaning that the water supply in this area is under pressure. The sewers in Thembisa experience regular blockages and spillages. There is evidence of sewer overflow at manholes, with flow loggings confirming that overflows are due to insufficient capacity of the sewer, aging infrastructure, high sedimentation rates, and vandalism of existing outfalls. Despite refuse removal services being available, informal and illegal refuse dumping occurs throughout the site.

Environment

Cities are now mainstreaming ‘green economy’ considerations to enhance sustainability. The view that an inclusive green economy should explicitly recognise and integrate the informal economy is gaining
traction. There are various green economy opportunities in Thembisa, that include urban, green infrastructure including open space and parks, and recycling which has attracted BDS.

**Urban conditions and management**

Thembisa has an extensive legacy of social and community infrastructure, including recreational parks, sport fields, government service centres, educational facilities, and public transport infrastructure. The Thembisa civic node comprises a clustering of government services, including City regional offices, a public library, high school and police station. Yet the urban environment is under-considerable strain with challenges that include; dumping of domestic waste and building rubble on public sites, inappropriately designed and incomplete walk-ways / thoroughfares without lighting and security monitoring, removal of street paving, vandalism, decaying infrastructure, incomplete road and public transport systems.

Unusually for a township, Thembisa has a five-hole municipal golf course (Ebuhleni Golf Course). The course is in poor condition and portions of the area along the adjacent green belt (possibly once part of the course) has been lost for recreational use through the encroachment of informal settlements. The sports stadium is a key variable in the development of the Makhulong precinct but has no home club since the sale and relocation of Highlands Park (as of September 2020).

**Potential Project Opportunities**

Based on the extensive fieldwork evidence as contained in this report and consultation with City specialists, the TAT have identified a range of potential project interventions / or opportunities. These have been considered in view of the socio-economic, institutional and spatial situation. In highlighted the below opportunities, the TAT have been guided by the following variables:

I. Alignment with City / Metro programmes and development priorities,
II. The availability of funding within City / Metro budgets,
III. The identification of project implementing lead departments and units within the City / Metro,
IV. The potential for accessing external funding and partnerships,
V. The role of the TAT in providing technical assistance and adding value to project implementation,
VI. The potential for projects to have strong economic multipliers and result in a catalytic impact on development,
The potential for projects to leverage productivity enhancement,

The potential for projects to strengthen social cohesion and enhance community well-being, including considerations of safety and security,

The potential of project to contribute towards environmental sustainability and reduce the risks from climate change,

The reach of projects and targeting of specific beneficiaries, including women, youth, informal micro-enterprises and established SMEs,

The timeframe for project implementation, recognising the need for immediate, short-term and medium-term projects with varying levels of complexity,

And the potential for projects to be replicable in other township localities.

The scope of potential projects is wide; the proposed opportunities allow for discussion of the merits or otherwise of each intervention before final selection.

The identified opportunities have been categorised within 7 headings: A) Policy and Strategy; B) Enterprise Development; C) Nodal Development; D) Spatial Integration; E) Housing and Property; F) Social and Community Infrastructure and G) Urban Management. The range of identified opportunities within these categories are:

Table 1: Project Opportunities in Thembisa

<table>
<thead>
<tr>
<th>Opportunity</th>
<th>Notes</th>
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<tbody>
<tr>
<td>Home based businesses formalised, enabling growth and reducing business externalities.</td>
<td>The City to revise and develop policies on enterprise formalisation (in respect to food retailing businesses and home-based businesses), with reference to Gauteng Prov. Gov. and National policies, supporting business owners to meet compliance.</td>
</tr>
<tr>
<td>Revenue collection from rates improved.</td>
<td>The City to develop a strategy and plan to generate rates revenue from commercial businesses, including home-based enterprises and businesses operating in retail nodes.</td>
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<tr>
<td>Commercial high streets activated in strategic sites / roads.</td>
<td>The City to identify sites with high potential for commercial development and implement measures to</td>
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stimulate investment, including land-use, parking and infrastructure.

Shopping malls foster and enable opportunities for micro-enterprises.

The City to engage shopping mall owners to agree on strategies to integrate micro-enterprises into the mall precinct, through adherence to development planning agreements and proactive measures to support micro-enterprises.

TED evidence utilised in area-base strategic plans.

The City to incorporate the evidence from the TED situation analysis into strategic plans, including the IDP, SDF, and BEPP.

Regulated business sectors are formalised and able to access state-subsidies / industry programmes.

The City to facilitate transversal engagement and cooperation with the Gauteng Prov. Govt and National Government to address constraints on ECDC, taverns / restaurants, undertakers and other regulated sectors from attaining compliance with business licencing.

B. Enterprise Development

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<tbody>
<tr>
<td>Opportunities in the creative and leisure economies provide youth a pathway to transition into jobs and livelihoods.</td>
<td>The City to conceptualise a strategy to promote creative activities focusing on youth interests, including hobbies, via social enterprises and community-based programmes, use of City facilities, the staging of events, and linkages to BDS services.</td>
</tr>
<tr>
<td>Micro-enterprises have improved access to business development support services.</td>
<td>The City to promote the DSBD district information management system as part of its enterprise development support services, facilitating partnerships between the City and BDS providers (including SEDA /SEFA) to benefit Thembisa businesses.</td>
</tr>
<tr>
<td>Street signage / advertising extensively utilised to promote local businesses.</td>
<td>The City to develop and implement, via partnerships, a project to provide street signage / advertising boards to promote local enterprises.</td>
</tr>
<tr>
<td>Mechanics / panel beaters and associated businesses in the after-sales automotive sector have access to business development support services to grow and professionalise.</td>
<td>The City to facilitate partnership with private sector companies, the Gauteng Prov. Gov. and the DSBD to provide equipment / skills training / supply agreements / finance to township entrepreneurs.</td>
</tr>
<tr>
<td>Micro-enterprises have improved access to digital services to participate in the digital economy &amp; 4IR technologies.</td>
<td>The City to facilitate partnerships, including SEDA and Gauteng Prov. Gov., to improve digital access in Thembisa, through (inter alia) digital hubs, free wi-fi, broadband roll-out and the promotion of marketing Apps.</td>
</tr>
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</table>
An annual trade marketing event to be held in Thembisa to link the community producers and marketeers to business opportunities.

The City to conceptualise and facilitate a trade promotion event in Thembisa to stimulate opportunities for direct marketing, supplier agreements and digital services. The event will aim to connect home-based traders & producers to companies / markets.

The income and productivity of township recyclers improved.

The City to facilitating partnerships and strengthen cooperates to enable township waste recyclers to more effectively obtain and package waste material and improve access to markets.

Urban agriculture productivity enhanced.

The City to broaden extension services for urban producers and foster partnership with marketing platforms (including digital platforms such as Khula - https://khula.co.za/) and outlets.

Businesses have greater financial literacy and have access to services and technologies, including digital platforms.

The City to facilitate partnerships, including Gauteng Prov. Gov. & Finmark Trust, to provide businesses with financial literacy training and improve access to services and technologies.

### C. Nodal Development

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<tr>
<td>A precinct management plan instituted, and upgrades completed for Leralla trader market.</td>
<td>The City to conceptualise and implement a plan with projects for the revitalisation of the Leralla trader market and institutionalisation of a precinct management.</td>
</tr>
<tr>
<td>Thembisa civic hub transformed into a business and service hub.</td>
<td>The City, in partnership with the NDPP and private investors, to advance projects and mobilise investment into the Thembisa hub precinct.</td>
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<tr>
<td>A street trader plan implemented within the Thembisa civic node.</td>
<td>The City to plan and implementing a street trader plan within the civic hub, identifying and implementing projects to improve the trading environment.</td>
</tr>
<tr>
<td>A financially sustainable business model formulated to develop and operationalise taxi ranks as business hubs.</td>
<td>The City, in partnership with the Gauteng Prov. Gov. and taxi associations, to conceptualise a PPP business model to develop the Esangweni Taxi Rank.</td>
</tr>
<tr>
<td>A precinct management and development plan for Swazi Inn approved.</td>
<td>In partnership with the City of Johannesburg, the City to undertake a study to propose a precinct management approach and projects for Swazi Inn to enhance opportunities for business, reduce urban management challenges and improve safety and security.</td>
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### D. Spatial Integration

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<tbody>
<tr>
<td>Train station nodes revitalised for mixed-use.</td>
<td>The City to identify opportunities for revitalising the station nodes (Tembisa, Limindlela, and Leralla) and conceptualise a development strategy.</td>
</tr>
<tr>
<td>A network of NMT and pedestrian lanes developed.</td>
<td>The City to conceptualise and implement projects to build a network of NMT lanes / routes, prioritising linkages to the civic hub.</td>
</tr>
<tr>
<td>An integrated public transport system achieved.</td>
<td>The City to develop a strategy and partnerships, including the Gauteng Prov. Gov., to improve integration between minibus taxis, train, BRT and bus systems, including the introduction of a single payment system.</td>
</tr>
<tr>
<td>Public transport networks and facilities are operational.</td>
<td>The City to execute planned projects, including BRT stations (including civic hub) and road upgrades. The City to engage National Government and PRASA to fast-track repairs to the railway line.</td>
</tr>
<tr>
<td>Motor cycle usage is expanded to provide township residents with more affordable transport and self-employment opportunities.</td>
<td>The City partners with private sector to increase access to motorcycle transport, through training schemes, marketing campaigns and working with local champions.</td>
</tr>
<tr>
<td>Infrastructure developed to provide and enable universal access to public transport.</td>
<td>The City to embrace and implement designs for universal access to ensure that people living with disabilities / mobility requirements have access to public transport infrastructure.</td>
</tr>
<tr>
<td>Purposeful cart &amp; trolley designs utilised by traders and waste collectors.</td>
<td>The City to facilitate a design studio, with participation of technical training colleagues, traders and artisans, to design, develop and manufacture protypes of appropriate trollies to enhance access to markets.</td>
</tr>
</tbody>
</table>

### E. Housing and Property

<table>
<thead>
<tr>
<th>Opportunity</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Encourage private/household investment in backyard rental housing units, and support a gradual process of upgrading and formalisation.</td>
<td>The City will develop an enabling framework, simplified regulations and active support mechanisms to upgrade and formalize backyard rental housing units, advancing a precinct-based approach.</td>
</tr>
<tr>
<td>Strengthen the capabilities of the local construction industry and improve the functioning of the housing market.</td>
<td>The City will establish a local housing support centre to encourage more investment in the housing stock, provide advice on title deeds and property transfers, and</td>
</tr>
</tbody>
</table>
facilitate the growth of local builders, property developers, real estate agents and other housing-related enterprises.

Encourage housing investments by the public and private sectors in strategic sites to raise population densities, encourage mixed land uses and stimulate additional economic activity.
The City will introduce procedures to fast track higher density housing investments, including PPPs, in strategic sites, including within the civic hub.

**F. Social and Community Infrastructure**

<table>
<thead>
<tr>
<th>Opportunity</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Thembisa golf course is re-habilitated as a recreational facility, social space and conserved green belt.</td>
<td>The City to devise a plan with projects for the improvement of the Thembisa golf course as a strategic ecosystem resource, including the establishment of partnerships for implementation and management.</td>
</tr>
</tbody>
</table>

**G. Urban Management**

<table>
<thead>
<tr>
<th>Opportunity</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilities upgraded and precinct management instituted in public spaces (including parks).</td>
<td>The City to identify and implement projects to upgrade facilities and to develop and implement precinct management strategies for the upkeep of parks, including Thami Mnyele Cultural Park and Imbazelo Park.</td>
</tr>
<tr>
<td>Public Employment Programmes introduced and utilised to address urban management challenges, including the maintenance of recreational and ecosystem resources.</td>
<td>The City to repurpose PEP to improve urban management challenges, including dumping, through identifying partnerships and new approaches.</td>
</tr>
<tr>
<td>Public safety enhanced through the application of crime prevention through environmental design and precinct management.</td>
<td>The City to adopt CPTED strategies and precinct management to revitalise public spaces and support diverse social, economic and recreational functions across multiple users.</td>
</tr>
</tbody>
</table>

In the Second Phase of the TED Project, the TAT will support the CoE to conduct an evaluation of the merits of these opportunities. This process will require high-level transversal engagement with all affected line departments and units. An evaluation matrix tool will be utilised to record the outcome of
this engagement process. The results of the evaluation will guide the project steering team to re-assess the identified opportunities to be incorporated in the TAT supported township economy development strategy for Thembisa.

The section of the 8 projects will be determined in consideration of the following criteria AND weighting (minimum number of projects) to ensure that the range of project interventions address economic, socio-spatial and institutional change. The TAT will provide a high-level indication of the ‘value-add’ from technical assistance in respect to the selected projects to address the necessity for a range of project interventions.

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Minimum # of Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>aligns with identified City programme and project priorities.</td>
<td>4</td>
</tr>
<tr>
<td>can be funded by the City.</td>
<td>4</td>
</tr>
<tr>
<td>has an identified lead department / unit for implementation.</td>
<td>4</td>
</tr>
<tr>
<td>can unlock new partnerships via the CSP and non-state actors.</td>
<td>2</td>
</tr>
<tr>
<td>will benefit from CSP technical assistance.</td>
<td>4</td>
</tr>
<tr>
<td>can enhance productivity and stimulate economic multipliers.</td>
<td>4</td>
</tr>
<tr>
<td>will benefit emerging entrepreneurs and marginalised groups.</td>
<td>4</td>
</tr>
<tr>
<td>will enhance social cohesion, improve safety, and contribute to environmental sustainability.</td>
<td>1</td>
</tr>
<tr>
<td>will strengthen spatial integration.</td>
<td>1</td>
</tr>
<tr>
<td>will enhance the availability of decent housing and accommodation.</td>
<td>2</td>
</tr>
<tr>
<td>will enable immediate wins (within a 24-month timeframe).</td>
<td>4</td>
</tr>
<tr>
<td>will improve the township business environment and ecosystem services.</td>
<td>2</td>
</tr>
<tr>
<td>is replicable in other townships.</td>
<td>4</td>
</tr>
</tbody>
</table>

The TAT support may include:

- Partnership facilitation,
- Strategic and policy advice,
- Project conceptualisation and design,
- Business case development,
- Research support and knowledge sharing,
- Project monitoring & evaluation and impact assessment,
- Project submission within City and NT budgeting process,
- Project spatial and architectural design.
- Quick-win implementation.
- Support in the preparation of calls for proposals or tenders.

At the conclusion of the assessment process, and agreement on the ranking and weighting of the identified opportunities, the TAT will then support the CoE advance 8 projects within the framework of an overarching township development strategy.
II. Abbreviations and Acronyms

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<th>Full Form</th>
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<tr>
<td>ANDE</td>
<td>Aspen Network of Development Entrepreneurs</td>
</tr>
<tr>
<td>BBBEE</td>
<td>Broad-Based Black Economic Empowerment</td>
</tr>
<tr>
<td>BBSDP</td>
<td>Black Business Development Programme</td>
</tr>
<tr>
<td>BDS</td>
<td>Business Development Support</td>
</tr>
<tr>
<td>BEPP</td>
<td>Built Environment Performance Plan</td>
</tr>
<tr>
<td>BRT</td>
<td>Bus Rapid Transit</td>
</tr>
<tr>
<td>CAHF</td>
<td>Centre for Affordable Housing Finance</td>
</tr>
<tr>
<td>CIS</td>
<td>Co-operatives Incentives Scheme</td>
</tr>
<tr>
<td>COGTA</td>
<td>Cooperative Governance and Traditional Affairs</td>
</tr>
<tr>
<td>CSP</td>
<td>Cities Support Programme</td>
</tr>
<tr>
<td>DALRRD</td>
<td>Department of Agriculture, Land Report and Rural Development</td>
</tr>
<tr>
<td>DSBD</td>
<td>Department of Small Business Development</td>
</tr>
<tr>
<td>DIMS</td>
<td>District Information Management System</td>
</tr>
<tr>
<td>ED</td>
<td>Economic Development</td>
</tr>
<tr>
<td>EDP</td>
<td>Gauteng City Regional Economic Development Plan</td>
</tr>
<tr>
<td>EDSE</td>
<td>Ecosystem Development for Small Enterprise programme</td>
</tr>
<tr>
<td>CoE</td>
<td>City of Ekurhuleni</td>
</tr>
<tr>
<td>GCR</td>
<td>Gauteng City Region</td>
</tr>
<tr>
<td>GGT</td>
<td>Gauteng Growing Together</td>
</tr>
<tr>
<td>GIS</td>
<td>Geographic Information System</td>
</tr>
<tr>
<td>GPG</td>
<td>Gauteng Provincial Government</td>
</tr>
<tr>
<td>IMEDP</td>
<td>Informal Micro-Enterprise Development Programme</td>
</tr>
<tr>
<td>IRPTN</td>
<td>Integrated Rapid Public Transport Network</td>
</tr>
<tr>
<td>IZ1</td>
<td>Integration Zone 1</td>
</tr>
<tr>
<td>LAP</td>
<td>Local Area Plan</td>
</tr>
<tr>
<td>MPV</td>
<td>Multi-Purpose Vehicles</td>
</tr>
<tr>
<td>MSDF</td>
<td>Municipal Spatial Development Framework</td>
</tr>
<tr>
<td>MTEF</td>
<td>Medium-Term Expenditure Framework</td>
</tr>
<tr>
<td>NMT</td>
<td>Non-Motorised Transport</td>
</tr>
<tr>
<td>NT</td>
<td>National Treasury</td>
</tr>
<tr>
<td>NYDA</td>
<td>National Youth Development Agency</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Description</td>
</tr>
<tr>
<td>--------------</td>
<td>-------------</td>
</tr>
<tr>
<td>PPE</td>
<td>Personal Protection Equipment</td>
</tr>
<tr>
<td>PSL</td>
<td>Premier Soccer League</td>
</tr>
<tr>
<td>RMDSF</td>
<td>Regional Municipal Spatial Development Framework</td>
</tr>
<tr>
<td>SEDA</td>
<td>Small Enterprise Development Agency</td>
</tr>
<tr>
<td>SEFA</td>
<td>Small Enterprise Finance Agency</td>
</tr>
<tr>
<td>SLF</td>
<td>Sustainable Livelihoods Foundation</td>
</tr>
<tr>
<td>SME</td>
<td>Small and medium enterprises</td>
</tr>
<tr>
<td>SMME</td>
<td>Small, Medium and Micro-Enterprises</td>
</tr>
<tr>
<td>SPLUMA</td>
<td>Spatial Development and Land Use Planning Act, 2013</td>
</tr>
<tr>
<td>StatsSA</td>
<td>Statistics South Africa</td>
</tr>
<tr>
<td>TAT</td>
<td>Technical Assistance Team</td>
</tr>
<tr>
<td>TED</td>
<td>Township Economic Development Project</td>
</tr>
<tr>
<td>TEDB</td>
<td>Township Economic Development Bill</td>
</tr>
<tr>
<td>ToC</td>
<td>Theory of Change</td>
</tr>
<tr>
<td>ToD</td>
<td>Transit-oriented development</td>
</tr>
<tr>
<td>TPS</td>
<td>Town Planning Scheme</td>
</tr>
<tr>
<td>TREP</td>
<td>Township and Rural Entrepreneurship Programme</td>
</tr>
<tr>
<td>TRS</td>
<td>Township Revitalisation Strategy</td>
</tr>
<tr>
<td>WGB</td>
<td>World Bank Group (South Africa)</td>
</tr>
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1. **Situational Analysis Aims**

The Cities Support Programme (CSP) of National Treasury (NT) has entered into an agreement with the City of Ekurhuleni (CoE) to provide the City with technical support for formulating and resourcing a township economy development (TED) strategy. The TED project of the CSP is a three-year intervention to strengthen the capacities of the beneficiary metros to strategize, plan, fund, implement and monitor TED projects within specific townships to achieve a meaningful economic development impact. In the City of Ekurhuleni the selected site is Thembisa.

The Situation Analysis of Thembisa is an important output towards the process of developing a TED development strategy. The aim of the situation analysis is to identify aspects and components of the township economy that could benefit from project interventions within an overarching strategic alignment. The purpose of the analysis is not to delineate or define projects, but to indicate opportunities where projects could meaningfully contribute towards a TED outcome. The opportunities we have identified in this report will, in subsequent steps in the project cycle, be further investigated and refined into 8 implementable projects. The development process will include participatory engagement with members from the community of potential beneficiaries and consultations with city and other specialists. In addition, the opportunities will be further assessed to understand the project risks and identify measures that could enhance sustainability and align to support structures within the metro and wider business development service ecosystem.

The Situation Analysis provides a status report on crucial aspects of the township economy in Thembisa. The analysis focuses on: i) the business ecosystem, ii) township micro-enterprises, iii) the land use systems and characteristics that influences the spaces and places in which businesses are undertaken, iv) strategic spatial nodes, including precincts, v) housing, vi) public transport, vii) physical infrastructure, and viii) the environment.

The draft report has been circulated to stakeholders in the relevant line departments, as identified through a transversal planning process. The TED technical assistance team has engaged with representatives from these departments with the purpose to stress test the data contained in the report, obtain additional information and data, and consider alternative perspectives on the findings. These inputs have been incorporated into a second draft. The current draft, version 2, provides an evidence platform to inform the identification of projects and development of the TED strategy. Furthermore, the
situational analysis provides metrics to evaluate the proposed opportunities against capacity and funding criteria, including alignment to City programmes, the identification of project leads, project prioritisation, availability of funding within City budgets, access to external partnerships and consideration of the value-add from CSP technical support and the TAT.

2. Cities Support Programme Overview

The Cities Support Programme is a multi-year demand-driven umbrella programme within the National Treasury that aims to support the development of productive, well-governed, inclusive and sustainable cities (http://csp.treasury.gov.za). The CSP operates within South Africa’s eight metros focused on the following thematic components: Governance and Fiscal Sustainability, Climate Resilience, Economic Development, Human Settlements and Public Transport. The CSP focuses on strengthening metro capabilities through three core focus areas: one, city leadership and governance, two, integrated planning and delivery within city spaces, and three, building an enabling environment for cities through appropriate financial, fiscal frameworks and instruments and the refinement of sectoral policies, regulations and support capabilities.

The economic development (ED) component of the CSP programme supports projects across all three focus areas. Projects to support city partnerships for inclusive growth and regional economic development collaboration are focused on building city economic development leadership and governance capabilities. The Industrial Park Revitalisation, Sub-National Doing Business (a project that enables cities to become more competitive in business processes related to small firms registering property, receiving construction permits and getting electricity), and Township Economic Development projects aim to strengthen integrated planning and delivery within metros. Finally, there are three projects that intend to strengthen the enabling environment for metros, namely: Spatialised City Economic Data; Economic Development Data Strategy; and City Incentives Review and Policy.
3. Township Economy Development Project Overview

3.1. Project Aims

The Township Economic Development Project is a 3-year project with technical support in the form of a multi-disciplinary professional team. The project commenced in February 2020 and will conclude in February 2023. The CSP has entered a memorandum of understanding with the City of Ekurhuleni (CoH) to implement the project in one township community.

The CSP appointed the Sustainable Livelihoods Foundation (SLF) NPC (www.livelihoods.org.za) to provide technical assistance. The professional technical assistance team (TAT) of consultants comprises a team leader; a small-business development advisor, a social scientist, a spatial planner, a public transport expert, a housing specialist, an infrastructure development advisor, an environmental expert and community liaison persons.

The SLF TAT partner is mandated to work with CoE to conceptualise an overarching TED strategy for the selected township. The strategy will comprise a development vision, the delineation of specific project (up to 8 projects), and a programme for implementation. The TAT partner will collaborate with CoE to align the strategy to existing and emerging development frameworks, strategies and projects. The TAT will advance the implementation of the strategy through specific projects. These projects will derive from the unique development challenges and opportunities within each the site and hence respond to, inter-alia, city enterprise policy and strategy requirements; the building of partnerships for project implementation; the need for business infrastructure in high potential precincts or nodes; the improvement in the delivery of enterprise development support services; transversal alignment within the city and strengthened linkages across government; market development; and investment in infrastructure.

In formulating projects and implementation plans, the TAT will facilitate a process of participatory engagement at the township level to ensure that projects are responsive to the needs, capabilities, and priorities of the beneficiaries. Within the City, the TAT will facilitate a transversal planning process with the aim to advance projects with spatial impact, whilst synergising resources and ensuring alignment with sector plans. The intention is to support a range of projects that impact directly through business support services and indirectly through measures that improve the business environment and urban condition.
It is anticipated that the TED strategies will provide the City with a replicable area-based development approach. As a technical assistance support intervention, the project plans to leverage institutional impacts through knowledge sharing, strengthening city strategies and policies, and through facilitating transversal planning processes. The TED project, furthermore, aims to benefit the city through the building of new partnerships and arrangements for the implementation of economic development projects, the sourcing of funding, and gaining access to specialist knowledge and expertise.

The TED project will be undertaken in 7 Steps. The first step (step 1) requires a detailed situation analysis of the socio-spatial, infrastructural and economic characteristics of the target township. The current document contributes towards this output.

3.2. CSP TED Theory of Change

The TED project adopts an area-based approach to concentrate development within a specific geographic site to address the pressing needs for local economic development and to reduce the apartheid spatial and social legacies. The CSP has proposed a project Theory of Change (ToC) that situates people and their communities at the heart of the development process. The foundation analysis to this ToC is contained in the Township Economies Series #5: A framework for the development of metro-strategies produced during the first phase of the CSP. In accordance with this ToC, townships are recognised as spatially distinct areas that are structurally disconnected from the wider economy and therefore require a spatially and systems-oriented development approach. The CSP framework identified four central influences on TED development:

- the provision (and quality) of public goods and services,
- the regulatory environment that enables and constrains opportunities for business development (and social enterprises),
- the organisation of society through informal institutions (rules, customs, constraining behaviours etc.) and organizational forms (groups, associations, stokvels, neighbourhood watches etc.),
- and the character and orientation of economic activities in general and businesses in particular.

As a foundational principal, the CSP ToC holds that spatial factors have a strong influence on both social organisation and economic activities within townships. Hence TED must address spatial obstacles,
including land-use systems, and enhance spatial opportunities for inclusion in local economic activities as well as the wider economy. At the project commencement, the TAT team have highlighted a further set of components within the development processes. These include:

- The requirement for a context specific understanding of the physical, social and psychological needs of township communities,
- The need to understand the range of shocks that enhance economic vulnerability and, at same time, the human responses, including coping mechanisms, that enhance social resilience.
- The importance of actions to strengthen accountability and governance, within the metro and down to benefiting communities.

In supporting CoE to develop TED strategies, the TAT support will clarify the methodological approaches to identifying and prioritizing TED interventions. The strategies will detail the logical relationships between actors, resources, activities and outcomes in the development, specifying indications against which the TED strategies can be evaluated and assessed. The TED strategy for the CoE will provide a crucial opportunity for learning and knowledge sharing, as well as reflection on the validity of an area-based and spatialized approach to township economic development.

3.3. Project Partners

The CSP has entered partnerships to amplify the TED project. These include partnerships with the European Union supported Ecosystem Development for Small Enterprise programme (EDSE), the World Bank Group (South Africa) (WBG), and the Aspen Network of Development Entrepreneurs (ANDE).

The EDSE programme is an innovative, five-year programme designed to effect change across South Africa’s SMME ecosystem. The programme aims to improve:

- The competitiveness of SMMEs and their ability to meet procurement requirements of large multinational / local corporations and state-owned enterprises,
- Access to finance for SMMEs who have limited, or no, access to finance,
- The regulatory and administrative environment for SMMEs.

The EDSE partnership aligns the TED project with an extensive range of technical and financial support to the Department of Small Business Development (DSBD) and the Department of Agriculture, Land Reform and Rural Development (DALRRD). This partnership will enable the TED project to facilitate city and project access to development support opportunities within a broader ecosystem centred on the
DSBD, which includes the Small Enterprise Development Agency (SEDA) and the Small Enterprise Finance Agency (SEFA). The EDSE programme provides opportunities and leverage to advance the institutionalisation of SEDA’s new approach to servicing SMMES via the District Ecosystem Facilitation model.

The World Bank Group offers technical and financial leverage to support the TED project development process in accordance with a partnership agreement that is in place with National Treasury. This support includes providing opportunities to metros to utilise the CSP’s Economic Strategies Support Facility within the World Bank to access global expertise for advice on complex challenges. Furthermore, through the WBG’s support to metros and local organisations focused on strengthening and improving efficiencies within the township housing market, the WBG provides an opportunity for alignment of technical expertise, as well as funding to pilot an intervention to develop the township accommodation rental market segment. The WBG has highlighted its’ capabilities to assist metros address urban management challenges, including safety and security in public sites including trading places and recreational parks. The ANDE partnership offers further opportunities for technical co-operation and knowledge sharing.

The CSP TED project will work synergistically with the Neighbourhood Development Partnership Programme (NDPP) of National Treasury. The NDPP provides financial and technical investment towards the development of nodes and precincts that strengthen the township economy in accordance with strategic plans to densify cities in key integration zones and nodes. The TED project has drawn on and sought to advance the situational report and design proposals for identified NDPP sites of strategic importance in the benefiting township. The TED project will aim to enhance these investments through, inter alia, strategizing an enterprise-led approach to strengthening precinct management and identifying projects to support business opportunities.
4. Approach and Methods

The TAT undertook a series of steps in preparing the situation analysis. The seven steps that we highlight below were undertaken simultaneously.

4.1. Establishment of transversal team

The project was institutionally landed in an initial series of high-level engagements, which commended in 2019. In this project introductory phase, the TAT team was introduced to the metro departments of economic development and CSP metro co-ordinator. The metro leadership team appointed a dedicated project lead whose roles included the establishment of a transversal planning team and support to the TAT in accessing data and conducting sector engagements.

4.2. Desk-top analysis

The TAT team identified all relevant municipal planning documents. These included the Built Environment Performance Plans (BEPP); spatial development frameworks (SDF); district development plans (DDP), local area plans (LAP) and plans for specific nodes; and integrated public transport network (IPTN) plans. In addition, the TAT accessed feasibility studies for economic projects. Through examining these documents, we were able to comprehend CoE spatial and economic development priorities in Thembisa. The subsequence ecosystem survey and field research investigation focused on the identified nodes, precincts and high streets. The consulted plans and literature are listed in Annexure A. We identified a total of 117 sources, comprising official publications, academic publications and unpublished reports.

To understand the history, structural nature of the benefiting township economies and sociological characteristics of Thembisa, the TAT undertook a survey of professional (grey) and academic literature on the subject of economic development, spatial planning and township enterprise. In addition, we investigated the 'urban everyday' through scanning newspaper articles and social media postings. The academic and social media information would shape our approach to participant engagement via the virtual imbizo platform.
The desk-top analysis enabled the TAT to identify aspects of Thembisa township economy that has undergone transition or recently emerged in response to changing business opportunities and market conditions. Finally, the literature review gave the TAT an insight into the social relationships that underpin business practices and shape the environment in which micro-enterprises operate, including the role of informality.

4.3. Participatory engagement

In the context of Covid-19, the TAT instituted on-line engagements. This was achieved through the establishment of a Thembisa Virtual Imbizo page on Facebook. To initiate support for the page, the TAT ran a series of advertisements and promotional campaigns which offered air-time vouchers as prizes for the ‘best’ contribution posted on the page via images or text. As a support base was established, the TAT utilised the Virtual Imbizo to investigate socio-economic conditions and business developments in Thembisa. These interventions included campaigns to understand innovative forms of non-motorised transport; to investigate the scope of activities within the creative sector; and understand peoples’ leisure time activities. Through the virtual imbizo page, the TAT was able to recruit local field research to support the TAT undertake the ecosystem surveys late in 2020.

The Virtual Imbizo has also been used to advertise local businesses identified through field work and action research interventions. This platform has also been used to post relevant business and job opportunities. Engagement has also been fostered by disseminating the ecosystem survey results, through a series of infographics and polls about which interventions people believe are priorities in key locations in the study area.

As of April 2021, the Thembisa Virtual Imbizo had achieved the following level of support:

- Likes: 954
- Follows: 972

The Virtual Imbizo page recognises the multi-stakeholder composition of the TED development process, including the City, project partners and the CSP. The TAT team will manage the page for the duration of the project (until 2023).
Figure 1: Examples of content shared through the Thembisa Virtual Imbizo
4.4. Spatial information

To analyse the spatial dynamic of the site, the TAT obtained geospatial data from open sources and the City. The goal was to obtain data on land use (zoning schemes), cadastral boundaries, social and community infrastructure, water and sewerage systems, electricity networks, telecommunications, natural features and roads and transport infrastructure. In some instances, the information we sought to obtain was unavailable; these knowledge gaps are indicated in subsequent sections that address land-use, physical infrastructure, transport systems and the environment.

From open sources (including Google Maps), the TAT identified businesses operating within the project site and immediate surrounds.

All geospatial data has been compiled into a data portal. The portal has been utilised to examine the development opportunities / limitations within Thembisa, from the area-wide perspective to the micro-context of streets, nodes and precincts. Further, the data portal permits an analysis of the relationship between the identified business activities (from open sources and the survey) across the scope of the site and the physical relationship between businesses and the built and natural environments and public infrastructure. The data portal comprises an important output of the situational analysis process. The datasets have been compiled within a single PDF file, within which the document contains a series of spatial layers that include the aerial imagery, site boundaries, land use, public infrastructure and economic data. The PDF tool permits users to enable or disenabel the GIS layers and hence focus on specific issues and data relationships.
The TAT undertook a spatial analysis of high streets, business nodes and development precincts, as identified in planning documents. The precise area of these spaces are illustrated in our analysis of their economic potential. The site layout, cadastral units and land-use zones have been extracted from the geospatial portal and represented within accompanying diagrams. Within each of these micro-context analyses, we have sought to indicate the proposed building footprint of developments. Furthermore, we have utilised annotated photographs and field research notes / observations to comment on the economic potential of these spaces.

4.5. Ecosystem survey

The TAT developed an ecosystem survey instrument to collect data within the field. The research approach was to obtain information on the total ecosystem of businesses and institutional services within the site. The research focussed on economic high streets, business precincts, retail hubs and identified nodes / precincts. Using a multi-component questionnaire, the research instrument comprised: i) a business survey; ii) a survey of places at which business is conducted (‘hot spot’ analysis); iii) a survey of institutions (including financial institutions); and iv) a stakeholder survey.
The data gathering process was undertaken by a team of field researchers. The TAT team recruited, via the Virtual Imbizo platforms, and trained local researchers for this purpose. In the field, information was recorded on hand-held tablets, with the questionnaire built within the CommCare app. The tablets permitted the researchers to capture photographic and geospatial data, whilst the app enabled the data to be safely stored in the cloud.

Field research was undertaken from August to November 2020. The local field researchers were supported by experienced SLF researchers as well as collaborators from the EDSE programme. The 7 local field researchers were selected from 200 applications. Measures were instituted to ensure that the field research team adhered to recommended guidelines to minimise exposure to COVID-19.

In Thembisa the researchers undertook 586 interviews, which included surveys of 447 township micro-enterprise businesses. We recorded 47 small and medium enterprises (SME) (including large, non-corporate businesses), 23 corporates, 27 business ‘hotspots’ and 30 institutional services (including financial services). During the field research, the team undertook interviews with 12 local stakeholders, who included representatives of trader organisations and business forums. Further interviews will be undertaken in Project Step 2.
Figure 3: Ecosystem Survey Instrument in the CommCare App
Figure 4: Field work team in Thembisa
Description of figures 1 -4:

Fieldworker team training in Thembisa.

Daily health screenings were conducted as part of Covid-19 infection control.

The field work team in Thembisa.

Interviews were conducted in-situ.

4.6. Site field research and engagement

The TA Tundertook an immersed field research process to understand the socio-economic characteristics of business and urban dynamics. The research methods were largely qualitative. These included: ethnographic observations and note taking; capturing photographs of sites and aspects of the township economy including the use of space; conducting interviews with key persons, business operators and representatives of trader / business associations. To obtain data, the TAT walked across transects within the site. We specifically inspected sites that contribute towards ‘place making’ and social cohesion. These included:

- The Thembisa civic hub,
- The Makhulong precinct,
- Reverend R.T. Namande Drive,
- George Nyanga Drive,
- Benjamin Ntlanthe Drive,
- Thembisa station,
- Limindlela station,
- Leralla station,
- Leralla traders market,
- Ebuhleni Golf Course,
- Imbazelo Park,
- Thami Mnyele Cultural Park.

The enterprise surveys were largely undertaken within the civic hub; along George Nyanga Drive to the intersection with Reverend R.T. Namande and southwards along Reverend R.T. Namande Drive to Andrew Mapheto Drive. The researchers undertook extensive surveys within the Leralla station precinct, including the informal traders market. A series of meetings was undertaken with representatives of the traders to secure authorisation to conduct research in the market. The spatial specialists and transport
specialists inspected the three train stations and the Esangweni taxi rank. The EDSE team undertook stakeholder interviews with the Yes4Youth Hub, the Ekurhuleni Industrial Hive and Computer Centre, the Ekurhuleni Fab-Lab and the Gauteng Enterprise Propellor.

4.7. Sector specific investigations

In accordance with the CSP theory of change, the TAT undertook a series of sector specific studies into essential aspects of the township economy. This research sought to characterise the state of knowledge and identify both opportunities and constraints for leveraging economic growth and business development. An important component of this research was our engagement with city specialists. In some instances, the TAT has struggled to obtain internal reports / information and to secure meetings with counterparts outside the Department of Economic Development. In revising the draft and formulating the second draft, the TA will endeavour to schedule further meetings to address knowledge gaps and obtain missing data. These gaps have been highlighted within the relevant sector status reports.

A notable challenge in undertaking the sector specific studies was the relatively scarcity of area-based data. To mitigate this challenge, the TAT sought to access unusual data sources, including private sector datasets and qualitative data. Through the CSP partners and collaborators, the TAT has sought to obtain insights and data on specific aspects of the township economy. In this respect, the CSP’s spatialised city economic data project has provided anonymised tax-return information on a limited range of data variables, derived from the tax returns of the businesses operating within the geographic area of the site. From the Centre for Affordable Housing Finance Africa (CAHF), the TAT have obtained data on formal market property transactions. Since the TAT has considerable experience in township research, the team has obtained SLF datasets and qualitative evidence to address knowledge gaps. We report on the analysis of these datasets in the relevant sections.
5. Limitations

The Situation Analysis is a rapid research output, developed through consulting existing reports, utilising available dataset, engaging with stakeholders and conducting brief field research, including primary data collection. The TED development approach has an action-research orientation, rather than purely research orientation, an approach that does not permit the TAT to undertake extensive surveys and consultation.

The area-based focus on a single township is a novel approach to TED planning. Yet it should be noted that the project site does not neatly fit into the geographical area / units used in statistical enumeration, in particular the Sub-Place and Main Place boundaries as defined by Statistics South Africa (StatsSA). Nor does the sites align with ward boundaries (which are re-assessed and realigned after local government elections), but instead the site includes multiple wards.

The complexities in characterising the site is reflected in the general shortage of site specific data. Metros do not, as a matter of routine, collect and update geospatial data on township business activities, whilst informal businesses or micro-enterprises operate in spatially fluid patterns and tend to resist statistical enumeration. Open-source data, whilst providing an additional data source, also does not reflect the frequent changes in the micro-enterprise environment. The data we obtained from these open sources potentially includes businesses that are no longer in operation.

Shortly after the commencement of the project, the Covid-19 pandemic necessitated strict control measures (lockdown) which then limited opportunities for in-person engagements and field-based activities. Online engagements were instituted and proved to be a partially effective substitution for in-person meetings and consultations. Whilst these engagements would permit organisational efficiency, they did not enhance the process of building repour with the project steering team and nor were more thorough day-long workshop possible. The TAT was only able to commence field research after the introduction of level 3 restrictions, from August 2020. Despite our efforts to facilitate transversal planning processes, the TAT was not able to consult with all relevant City stakeholders, nor were we able to to access all the necessary GIS information.

The ecosystem enterprise survey method was intended to provide a broad-brush insight of business activities within Thembisa. The approach was to conduct the survey on the high street and within specific nodes. It was not possible to survey all contexts and situations, and thus we intentionally excluded residential sites and transport operators. Since participation in the survey was voluntary, several business
operators did not participate for various reasons including their desire to avoid enumeration and fear of state interference in their business practice (in other words, enabling formalisation).
6. Project Site

Thembisa is a large township (in both spatial and population terms) situated in Region B. It covers an area of 32 km². Region B comprises the north-western portion of CoE. The township is approximately 15 kilometres from Kempton Park. It is bordered by the R21 on the eastern side of the site. Thembisa lies adjacent to Ivory Park which falls under the City of Johannesburg.

The project site comprises a core area within the broader township. The core area was identified in relationship to the main mobility spine (Andrew Mapheto Drive) and the railway line that bisects the township. The prioritisation of neighbourhoods within the spatial corridor (and core area) of these two transportation systems aligns with the CoE priorities to support transit-oriented development (ToD). The core sub-places (StatsSA) are: Ibazelo, Emkatini, Lifateng, Tamong, Teanong, Seotloana, Kopanong, Mashimong, Tembisa Ext 26, Isithame, Unfuyaneni, Moteong, Entshonalanga, Umnonjaneni, Khatamping, Motsu, Leboeng, Umthambeka, Endulweni, Igqagqa, Umfuyaneni, Esangweni, Thiteng, Lekaneng, Mpho, Emkatini, Moedi, Tsenulong, Maokeng, Tlamatlama, Tsepo, Makulong, Welomlambo, Isivana, Ethafeni, Jiyana, Inixeni and Esiziba.

The area is shown in Map 1.
Map 2: Thembisa in the context of the City of Ekurhuleni
7. **Institutional ecosystem**

Townships are spatially distinct areas, structurally disconnected (in large extent) from the wider city economy. The nature of society within these geographically marginalized spaces is in turn, shaped by four framework influences:

- the provision (and quality) of public goods and services,
- the regulatory environment which enables and constrains opportunities for business development (and social enterprises),
- the organisation of society through informal institutions (rules, customs, constraining behaviors etc.) and organizational forms (groups, associations, stokvels, neighbourhood watches etc.) and,
- the character and orientation of economic activities and businesses.

Government strategies and programmes at national, provincial and metro levels have been evolved to support the reshaping of the above influences and enhancement of economic opportunities within township economies.

7.1. **National government programmes**

The Department for Small Business Development (DSBD) is the national government agency responsible, with its associated agencies, for enabling enterprise support. DSBD is mandated to operate the Small Enterprise Development Agency (SEDA) and the Small Enterprise Finance Agency (SEFA). Government programmes at a national level of relevance to township economic development include the following:

- New incentives (with the Medium-Term Expenditure Framework (MTEF) period),
- The Small Business and Innovation Fund (R3,2b),
- Black Business Supplier Development Programme (R906m),
- National Informal Business Upliftment Scheme (R248m),
- Enterprise Incubation Programme (R186m),
- Craft Sector Programme (R36m),
- SheTrades,
- Township Entrepreneurship Fund,
- Township and Rural Entrepreneurship Fund (TREP).
Outside of the DSBD, other national government initiatives include those by Cooperative Governance and Traditional Affairs (COGTA), and the National Youth Development Agency (NYDA), in particular:

- The Integrated Township Economic Development Programme (COGTA),
- The NYDA Grant Programme.

The DSBD also directly manages the Black Business Development Programme (BBSDP), Co-operatives Incentive Scheme (CIS), Shared Economic Infrastructure Facility (SEIF) and the Informal Micro Enterprise Development Programme (IMEDP). Some of the key partners and programmes under the DSBD mandate are discussed below.

7.1.1. Small Enterprise Development Agency

SEDA is an agency of the DSBD with a mission to develop, support and promote small enterprises throughout the country through non-financial business support. By 2019, SEDA had a network of 53 branches, 17 information kiosks, 74 outreach offices where SEDA shared with other ecosystem partners and 76 incubation centres. In 2019, SEDA reported that 6,957 new jobs were created and 19,064 jobs sustained by supported clients.

An ecosystem appraisal undertaken as part of the inception of the EDSE Small-Medium and Micro-Enterprise (SMME) support programme observed that although Seda was designed to be the premier hub for the delivery of Business Development Services (BDS), it is only one player among a large number of institutions that fund and support SMMEs, without a key role in coordinating the market for BDS. Though SEDA has attempted to act as a coordinator, notably in the incubator space, these efforts have not been reaching SMMEs in large numbers.

The EU Inception Report noted that whilst South Africa has a highly developed BDS market, it is insufficiently accessible for different types of SMMEs with inconsistencies in the quality of the services. SEDA, however, has not had sufficient capacity to resolve these issues. SMMEs face challenges in accessing supply chains and would benefit from support to identify opportunities and facilitate programmes (BDS, financial services) that could enable access to these markets.

More recently, SEDA has shifted strategy to focus on becoming an effective facilitator of the BDS market in South Africa rather than a direct provider, focused on strengthening the SMME support ecosystem. As part of this role as an ecosystem facilitator, SEDA is developing minimum standards and a registration
platform for BDS providers, as well as mapping and coordinating public and private incubators. It is also actively transitioning to delivery based on the government’s new District Model initiated for development implementation in 2019.

7.1.2. Small Enterprise Finance Agency

Since 2017, SEFA has facilitated funding to 2,946 township-based/owned enterprises amounting to R199 million. The focus on supporting township-based/owned businesses was in line with the call from government to develop rural and township economies into more economically and socially sustainable communities. SEFA’s disbursement to township-owned enterprises makes up just 1% of the total SEFA investment into the South African economy of R6.8 billion. This funding was disbursed through SEFA’s different loan programmes as follows: direct lending (R108 million), wholesale lending to SMEs (R52 million); Khula Credit Guarantee (R13 million), microfinance (R22 million) and co-operative lending (R3 million). A Township Entrepreneur Fund has recently been announced.

7.1.3. Black Business Supplier Development Programme

The BBSDP was introduced in 2002 to address the limitations associated with the participation of black owned small enterprises in the mainstream economy. The BBSDP is a cost-sharing grant offered to black-owned small enterprises to assist them to enhance their competitiveness and sustainability to facilitate their integration into the mainstream economy. It provides grants to a maximum of R800 000 for tools, machinery and equipment and R200 000 for business development and training interventions per eligible enterprise to improve corporate governance, management, marketing, productivity and use of modern technology.

The BBSDP provides funds to black owned township enterprises. The support to township enterprises has decreased from 123 (R56.2 million) to 77 (R37.9 million) from 2016-2019. The budget for the current medium term expenditure framework (MTEF) is R906m.

7.1.4. Co-operative Incentive Scheme

The CIS is a 100% grant for registered primary co-operatives. The objective of the CIS is to improve the viability and competitiveness of co-operative enterprises by lowering their cost of doing business through an incentive that supports Broad-Based Black Economic Empowerment (B-BBEE). The number of co-operatives supported through CIS has decreased from 58 to15 from 2015-2019. The amount
disbursed has decreased from R11.6 million to R2.7 million from 2015-2019. Of this, 6.7% was to co-operatives based in townships.

7.1.5. Shared Economic Infrastructure Facility

SEIF intends to leverage public sector investment that would provide necessary shared infrastructure by creating an enabling environment for businesses to crowd in investment, mostly in townships, rural areas and the inner city where there is clear business activity taking place. This instrument is designed to cover the funding of common infrastructure that is either new, upgraded or maintained and is shared by a certain number of informal businesses, SMMEs and co-operatives. It is a 50/50 contribution with the municipality, province and any other partners that seeks to contribute towards this partnership. The DSBD contribution to the facility is up to R5 million per project. R55.4 million has been disbursed from November 2017 up to August 2019 covering 15 shared infrastructure facilities in the Eastern Cape, Limpopo, Western Cape, North West and Kwa-Zulu Natal from which 454 enterprises benefitted.

7.1.6. Informal and Micro Enterprises Development Programme

IMEDP is a 100% grant offered to informal and micro-enterprises from the minimum grant amount of R500 up to the maximum of R10000 to assist them in improving their competitiveness and sustainability. IMEDP distributed R 25.5 million to 2007 beneficiaries from November 2018 - March 2019.

The objectives of the IMEDP are:

- To provide developmental support to informal and micro-businesses that are operating in urban centres (preferably townships) and rural areas and owned by historically disadvantaged individuals.
- To strengthen the capacity of credible informal and micro-enterprises to be sustainable through the provision of access to information, business development support services and business infrastructure (machinery, tools, equipment).

7.1.7. The Small Business Innovation Fund

The SBIF was announced in 2019 and provides a mixture of grants and loans through a new blended finance model fund that aims to finance 100 000 young entrepreneurs. The grant portion will be up to a maximum of R2.5-million per enterprise. The fund is run jointly by the DSBD and the Department of
Science and Technology; the grant is administered by SEFA. It is targets black-owned businesses in townships and rural areas.

According to Minister Ntshavheni (Parliamentary Briefing, 10 July 2019), applicants must have the potential to create at least 10 jobs to be eligible for funding. The National Treasury’s 2019 Budget Review notes that R3.2-billion has been set aside over the next three years for the fund, which it will lend to small business intermediaries, including fund managers and incubators. It is these intermediaries will fund and support ideation and start-up companies, and small businesses focusing on innovation.

7.1.8. Township and Rural Entrepreneurship Programme

The DSBD, as part of its response to COVID19, initiated TREP to channel support to the township and rural enterprises in the listed sectors, with the allocated budget support:

- Auto body repairers & mechanics: R225 million
- Bakeries & confectioneries: R100 million
- Clothing, textile and leather: R105 million
- Tshisanyama (braai restaurants): R 50 million
- Spaza shops support programme: R138.5 million
- Personal care services: R90 million

Current priorities within the programme include:

- **Small-scale bakeries** – the assistance comes in the form of a financial package, through SEFA, structured to cover the cost for equipment and working capital. It also proposes an off-take agreement with Spaza’s for distribution of goods.

- **Informal and small-scale clothing/textile producers** – this support is aimed at the funding of small clothing or textile makers, including PPE (Personal Protection Equipment) manufacturing. The improvement in quality manufacturing of garments is also taken into consideration that will enhance competitiveness.

- **Automotive Aftermarkets Support** – is aimed at independent automotive aftermarkets businesses or enterprises located in townships and villages. The programme also prioritizes informal fitment centres, qualified motor mechanics to operate an authorized repair centres, qualified auto motor body repairers, and distributors of aftermarket auto parts.
7.1.9. SheTrade

The SheTrade digital platform is a programme for female entrepreneurs, jointly supported by DSBD and SEDA. SheTrade aims to enhance support to women by connecting beneficiaries to potential investors, business support organisations, and potential buyers. Through SheTrade platform, female entrepreneurs will be exposed to a global market by connecting nationally, and regionally with other female entrepreneurs and networks. The goal is to have 250 000 women-owned or led businesses connect to markets by 2023.

7.1.10. District Information Management System

An ongoing challenge faced by the different levels of government, department agencies and programmes is the poor coordination of BDS services. As a result, the SMME development landscape is fragmented, whilst consolidated data cannot be produced as data is being held across multiple platforms. The newly initiated DIMS will more effectively track BDS interventions and the impact of these interventions, offer quality assurance and improved enterprise supplier development, and enable shared information on the BDS ecosystem. A key benefit of the DIMS is alignment with the existing datasets of the DSBD and agencies in a "single version of the truth". The DIMS is to be managed by SEDA, but will be accessible to the BDS ecosystem as a whole.

7.1.11. The Integrated Township Economic Development Programme

The Integrated Township Economic Development Programme is designed to respond to the need to position townships as the foremost intervention of government, in developing thriving local economies. Specific programmes will be designed to complement the needs of townships and these packaged interventions. The programme is anchored in the following strategic pillars:

- Mapping and profiling of townships
- Ecosystems for township economies
- Economic Infrastructure and technology development
- Exemption incentives for township economies
- Investment strategies of township economies
- Spatial Transformation of township economies
- Image enhancement of township economies
7.1.12. **Small Business Economic Development Portal**

The Small Business Economic Development Portal – an initiative by the Department of Small Business Development, SEFA and SEDA, has been established to draw in and register SMMEs for support from the Department – in particular linked to the economic downturn caused by the COFID-19 pandemic. The portal is coordinated through the website [www.smmesa.gov.za](http://www.smmesa.gov.za) and a hotline. The portal and initiative includes:

- SMME finance relief scheme soft loan facility for COVID-19 relief,
- Business growth and resilience facility – linked to health care product suppliers in the fight against COVID-19,
- Restructuring of SEFA funded loans – payment holidays for SEFA loan beneficiaries to reduce burden of obligations during the COVID-19 pandemic,
- Informal sector – programmes for business owners, spaza shops and the self employed.

7.1.13. **NYDA – Grant Programme**

The NYDA Grant Programme is designed to provide young entrepreneurs with an opportunity to access both financial and non-financial BDS to establish or grow their businesses. The target audience is youth beneficiaries. The BDS includes cooperative development programme, business management training, mentorship, and business consultancy services. The programme will provide funding for individuals or enterprises, with certain sectors eligible for up to R250 000 in partial, co-funding or towards loan deposits. Young entrepreneurs can access a voucher programme that allows for them to get business support from a NYDA approved BDS service provider. The vouchers range from R6 600 – R19 800.

7.2. **Gauteng Province Programmes**

The Gauteng Provincial Government (GPG) has prioritised township economic development, with the first phase of its Township Revitalisation Strategy (TRS) covering the period 2014 – 2019, and a second phase currently being finalised. Within the TRS framework it has been recognised that strategic accessibility and connectivity to markets is required to transform township economies – rather than a model in which every facility and support institution is replicated in every township.

7.2.1. **Growing Gauteng Together 2030**
Growing Gauteng Together (GGT) 2030 was launched at the 2020 State of the Province Address (SOPA) by the Premier, David Makhura. GGT aims for ‘building sustainable development for all’, creating jobs and opportunities, with a focus on the Gauteng City Region (GCR). In its economic policy, GGT aims to develop social compacts with the private sector, labour and communities in relation to the following ten high-growth sectors:

- Energy, with a focus on new technologies and a diverse energy mix,
- Transportation and Logistics,
- ICT, Media and Digital Services – the digital economy,
- Tourism and Hospitality,
- Agri-food and Agribusiness, focusing on value chains,
- Construction and Infrastructure,
- Automotive, Aerospace and Defence,
- Financial Services,
- Cultural and Creative Industries,
- Industrialisation of Cannabis.

The GPG aims to establish innovation systems linked to each high growth sector. According to the Premier, by 2025, the GCR will have three fully operating Special Economic Zones, in Ekurhuleni, Tshwane and Sedibeng. In addition, there will be fifteen revitalised industrial parks, twelve agri-parks and five agro-processing facilities across the five corridors. This will be a single industrial ecosystem that supports the 10 high-growth sectors and township SMMEs.

In terms of public services, the GGT has a strong emphasis on water and energy security and a focus on promoting renewable energy. The GPG is engaging with the private sector on how to collaborate and share resources in the rollout of affordable broadband connectivity and free Wi-Fi to poor households.

7.2.2. The Township Economic Revitalisation Action Plan

While part of the wider GGT strategy, the GPG has also paid particular attention to township economic development.

The policy approach being taken by GPG has been developed and incorporates the following elements:
• Change how townships are regulated and governed so that the assumption is that any business which can be legal, is legal, subject to certain conditions so that businesses can be recognised and funded.

• Change how businesses in townships are legally recognised to allow firms to be formally recognised by the government and BDS programmes designed to help them.

• Revise state procurement rules and programmatic support which allow government and its main contractors to buy from large groups of township-based firms, with systems linking them so they can supply if they were one large firm. This will build the capacity to supply the private sector and open private sector markets to township firms by enabling discovery of suppliers, de-risking the supply relationship and targeting programmatic support so that it enables delivery. The same will be done with NGO funding to drive the care economy.

• Use the data from government procurement systems and other digital systems run by partners to de-risk lending to township firms of all sizes by financial service providers.

• Turn taxi ranks into micro-CBD's and support the taxi economy to use its scale to grow supporting value chains and industries.

• Use a backyard real estate development model to convert areas with high commercial densities into township high streets.

This analysis underpins the proposed Township Economic Development Bill.

7.2.3. The Township Economic Development Bill

The GPG Legislature introduced the Township Economic Development Bill (TEDB) in the June 2020. Its finalisation requires further refinement and delegation of tasks with respect to the functional areas of Provincial and Municipal legislative competence as well as executive authority and administrative control. The intention of the TEDB is to designate areas as townships and to ‘greenline’ these for certain forms of regulatory reform. The Bill introduces the notion of a Standard By-Law for Developmental Township Governance that reflects the regulatory principles of the Bill, with municipalities within Gauteng expected either to adopt the recommended Standard By-Law or demonstrate how their regulations comply with the regulatory principles in the Bill.

The TEDB outlines the following additional BDS measure:

• **Procurement spend:**

  GPG aims to spend R4 billion per annum in buying goods and services from 2,000 township enterprises. The aim is also to ensure increased value for money, with a recognition that in some
instances, procurement from township enterprises simply meant government was paying an added mark-up on goods sourced from suppliers outside the township.

- **Access to finance:**
  The GPG is partnering with selected banks to provide guarantees linked to purchase orders for provincial procurement contracts. This strategy will unlock access to finance for entrepreneurs who might not otherwise have the cashflow to service larger-scale contracts, enabling business growth.

- **The SME Clearing House:**
  GPG has set up a platform for the registration of SMEs, that includes geo-location, with the intention of using this platform as the basis for state procurement from SMEs. The SME Clearing House currently has over 20,000 SMEs registered on it, with these mapped on an on-line map at [https://www.gpgsmmes.co.za/](https://www.gpgsmmes.co.za/).

- **A focus on High Streets:**
  GPG proposes to work with the taxi industry and municipalities to rezone and develop taxi ranks into retail and commercial hubs that will create markets for local mechanics, panel-beaters, retailers, food sellers and manufacturers.

### 7.3. Other Enterprise Development Support

A comprehensive enterprise eco-system appraisal of Gauteng was undertaken by Aspen Network of Development Entrepreneurs in 2018. The ANDE report highlights that Gauteng is the most developed province in South Africa but suffers from disparities of support between wealthier and poorer suburbs, with a gap in the market for ecosystem players that are interested in investing in infrastructure improvements in underserved areas, such as shared workspaces, internet access, and incubation hubs.

The ANDE report argues that more early-stage risk capital should be made available to aspiring entrepreneurs in the ideation phase to develop their business ideas into commercially viable products. This will encourage more innovative and opportunity driven entrepreneurship. It would also ensure a more inclusive environment for entrepreneurs from more vulnerable populations, including women and youth.
7.3.1. Gauteng City Region Development Plan (2015-2020)

The GCR Economic Development Plan (EDP) (2015-2020) intends to drive economic growth through strategic targeting of priority sectors. Based on the current economic structure of Gauteng Province, the GCR EDP is biased towards the service sectors, especially community services, finance and transport. These sectors tend to employ less people than those such as manufacturing, transport and construction (although these more productive sectors are experiencing a decline as a process of de-industrialisation unfolds in the province). The GCR EDP purports that the manufacturing sector should be at the centre of economic growth and development, and there is a need to invest skills in various sub-sectors of the economy whilst simultaneously addressing the high barriers of entry characterised by many of these industries – in particular those with high growth potential such as agro-processing and steel. Such an approach would have high multiplier effects in terms of inclusion. The township economy could potentially benefit from investments in the following sectors:

- Food and beverages
- Furniture and timber
- Clothing footwear textile and leather
- Pharmaceuticals, plastics and chemicals
- Machinery and equipment
- Construction, building material and real estate
- Automotive and components
- Mining and mineral beneficiation
- Finance and retail
- ICT
- Tourism and creative industry.

7.4. Ekurhuleni Programmes

7.4.1. Ekurhuleni Growth and Development Strategy 2025

The Growth and Development Strategy (GDS) 2025 of the City forms the basis of medium and short-term planning, and guides the policy budget as the Cityo seeks to implement its mandate, to make Ekurhuleni ‘a better place in which to live, work and play’. The GDS 2025 sets out the City’s overall vision, noting the need to integrate townships into the mainstream by means of various programmes including
the promotion of local job opportunities by linking local labour to labour centres, the upgrading or formalisation of informal settlements including the eradication of basic services backlog.

The GDS recognises Thembi sa as one of the four major concentrations of historically disadvantaged communities. The GDS further states that that all these communities are situated on the outskirts of the main urban area and are in the areas furthest removed from where the bulk of job opportunities are situated.

7.4.2. Ekurhuleni Ten (10) Point Economic Plan

The CoE launched the Ten (10) Point Economic Plan in 2018 to provide strategic prioritisation to accelerate the development of industry and manufacturing. The plan aims promote economic development in accordance with the principles of environmentally sustainable approaches, expanding value chains and nurturing the place of small enterprises within these chains, and improving the labour-absorption capacity of industry through targeted skills development. The plan focuses on 10 priority areas:

- Revitalization of the manufacturing sector,
- Acceleration of Industrial Development Zones / Special Economic Zones programme,
- SMME support through public procurement,
- An enabling public transport system,
- Promoting localisation and production,
- Implementing the aerotropolis master-plan,
- Unlocking land for strategic development, including unused erven in the townships,
- Implementing the Township Economic Strategy,
- Undertaking infrastructure investment,
- Skill, capacity development and institutional stabilisation.

The 10 Point Plan builds-upon the GDS and IDP. It supports the densification of real estate development along transport corridors and around economic nodes, which in turn, will enhance employment opportunities for residents via improved public transport and locally availability opportunities for SMMEs.
7.4.3. Integrated Development Plan (IDP) 2018/19

The Ekurhuleni IDP is mainly focused on the overall socio-economic development challenges facing Ekurhuleni with elements of the plan having an indirect bearing on township economic development. The IDP reports:

“Township economy revitalisation refers to the support of all township trading activities undertaken by community-based enterprises aimed at meeting the needs of the township residents. Business activities in the Ekurhuleni townships are robust, diverse and range from retail, industrial activity to construction. The City has successfully implemented innovative programmes to create economic renewal in the townships. These initiatives include business incubation and industrial skills programme targeting entrepreneurs in the townships. In this regard, 262 enterprises participated in the business incubation programme and 2137 youth benefited from the industrial skills programme in 2016/2017.”

Infrastructure development in townships is also flagged within the flagship project on Urban Renewal.

7.4.4. Economic Development Department

The mandate of the Community Enterprise and Economic Development Department is to lead, facilitate and promote economic transformation, inclusive growth and socio-economic development within the metro. The sub-directorate contributes towards this goal through the implementation of the Ekurhuleni Community Enterprise Fund (ECEF). The R300 million ECEF is intended to support the development of community enterprises in the form of individual entrepreneurs, small, micro and medium enterprises, cooperatives, informal traders and formal business. The Enterprise Fund provides financial (R50,000 to R1.5 million) and non-financial (business plan, post investment support) assistance to promote township economy development, industrialisation and human development.

7.4.5. Business Development Services in Thembisa

- **SEDA**

The Seda branch in Ekurhuleni closed in 2016/2017. It re-opened on a much smaller scale in late 2018 and business advisors were appointed in January & February 2020 to increase capacity and a wider reach. These capacity constraints resulted in limited services in many of the townships in Ekurhuleni including Thembisa. Just five businesses received support from SEDS in the last 11 months.
• **GPG Programmes**

As part of their procurement spend on township economies, GPG spent a total of just under R3 million in Thembisa on 33 contracts in Quarter 4 of 2019. Most of the expenditure on educational services was for school nutrition programmes.

The Thembisa eKasiLab is based at the Thembisa Business Park, and is an initiative of the Innovation Hub, under the umbrella of the Gauteng Enterprise Development Propellor. The eKasiLab offers a year’s incubation to youth entrepreneurs at the ideation stage of their business, prioritising SMMEs in ICT, agro-processing, and bio-economy sectors.

• **Metro Business Hubs**

The Community Enterprise Department has established a series of township enterprise hubs to support small businesses. Support is varied and can include providing space, incubation facilities, shared industry production facilities, light manufacturing workshops, business networks platforms and mentorship or handholding sessions. The City established the 36-unit **Thembisa Business Park** in Mncatsa Section. A **Chemical Incubation Hub** is to be established to support manufacturing SMMEs producing chemical detergents, cosmetics, hair care products and perfumes.

• **Youth Employment Service (YES)**

The Youth Employment Service (YES) is a national initiative that aims to enable companies and communities to create one million opportunities over time. Yes4Youth entails a partnerships with government, civil society and labour to tackle South Africa’s youth unemployment.

The first of 100 planned Community Hubs was opened in June 2018 in Thembisa to absorb unemployed youth, ignite local economies and promote local markets. This hub assists small businesses to absorb youth labour. The Yes4Youth programme provides training that positions young township residents to the modern-day economy and for work in small business. The Yes4Youth Community Hub provides much needed business infrastructure in rural and townships as well as seed new nodes of economic activity and growth in disadvantaged Communities.

• **Township Entrepreneur Alliance (TEA)**

The Township Entrepreneur Alliance (TEA) began in Thembisa and brings workshops into Thembisa that focus on business development and mentorship sessions.
8. **Enterprise activity**

8.1. **The Micro-Enterprise Ecosystem**

8.1.1. **Approach**

The ecosystem surveys were conducted in Thembisa in late October 2020. The aim of the ecosystem survey was to record evidence of: i) business activities, ii) institutional facilities and iii) business hotspots and spatial opportunities. It is important to note that the ecosystem survey is designed to provide a snapshot of business activities. A full census would require extensive field research, which is not possible within the scope and aims of the TED project.

The research team surveyed 517 businesses (micro-enterprises, SMEs and corporates), recorded 27 business hotspots and 30 institutional services.

The image below provides an overview of economic activity in Thembisa. Points in green are businesses, points in yellow are institutional services, and points in white are the business hotspots on which the research focused.
Map 3: Businesses, Business Hotspots and Institutions in Thembisa
Of the 517 businesses identified in the survey process, 4% (23) were Corporates, 9% (47) were SMEs, and 86% (447) micro-enterprises. All corporates and 94% (44) of SMEs were formal whilst 86% (385) of micro-enterprises were reported as informal businesses.

Figure 5: Overview of business size and legal status

8.1.2. Scale and Categorisation

Micro-enterprises make up 86% of businesses identified. Of the 447 micro-enterprises, 83% (369) of businesses were open and full interviews were recorded. The range of categories is shown in the figure below. Thembisa site has various clusters of trading sites, comparatively a large number of street traders and diverse economic activities. The most numerous business activity in the site was that of (second-hand) clothes retailing (44 / 10%) – mostly conducted as a street trading activity. Food businesses were also commonplace, including retailing of fruit and vegetables (44 / 10%), cooked food (40 / 9%) and snacks & cigarettes (39 / 9%). In terms of service-related businesses hair salon micro-enterprises (35 / 8%) were again commonplace. One prominent business venture that was quite widely spread throughout Thembisa was that of appliance repairs. These businesses operated from a variety of outlets – from street trading to private homes to dedicated shopfront premises (including shipping containers) and specialised in television, kitchen appliance and cell phone repairs.
Figure 7: Micro-enterprise businesses by enterprise classification

Figure 6: Street trade predominates in much of Thembisa
Figure 8: Building and renovation of houses is an important local economic activity
Map 4: Micro-Enterprises by Classification
Map 5: Survey and Open Source Data on Micro-Enterprise Classification
**Opportunity:** There are many informal microenterprises operating in Thembisa that should be included in regulated sectors (eg shebeens, ECDs, undertakers). Bringing them into the regulatory realm would **support formalisation and compliance** and **enhance their access** to state subsidies and industry programmes.

**Demographics**

The role of foreign nationals in the Thembisa local economy is considerable. Of the 369 microenterprises interviewed, fewer than half or 41% (152) are run by South Africans. Of the 58% of non-South Africans running businesses in the site, the majority are immigrants from Mozambique (27% of total sample) and Zimbabwe (14% of total sample) – many of whom were street traders.

The informal businesses in the site are also a reasonable provider of work opportunities. Whilst some 65% of the respondents interviewed were the business owners or partners (245), the remaining 34% (124 people) reported as employees.
The local informal economy is predominated by men, who comprise 64% (237) of the respondents. Across the sample, business operators were most commonly in the age group of 30-40 years. Some 44% (105) of male informants were in their 30s, whilst more than half of all women (132) were in their 30s (45) and 40s (32). This trend for females may also reflect their balance of economic objectives with child-care commitments whereby many women tend to work from, or in close proximity to home in businesses such as informal foodservice or street trading.

Figure 11: Respondent age and gender
Map 6: Micro-Enterprise Respondent Gender
Business dynamics

The majority of micro-enterprises operated from informal or unregistered trading spaces. These included 60% (222) businesses operating from a trading stand or table in the street or on vacant ground, 20% (73) from a private residential house, and 7% (27) from a repurposed shipping container. Street trading is a particularly prominent modality for operating in Thembisa and represents an important economic livelihood for its business operators.

Figure 12: Business infrastructure
Map 7: Micro-Enterprise Structure Classification
Rent

The majority of micro-enterprises operating in Thembisa reported not paying rent. As most enterprises operated as street traders many have clearly taken advantage of the lack of municipal governance in the site in order to set up business. Very few business operators claimed to own the property from which they operated – only 14 individuals were owners. Collectively 31% of respondents reported the businesses paid rent for the premises on which they operated. A quarter (36) of South Africans paid rent whilst a third (77) of non-South Africans paid rent. Where rents were paid the monthly rental amounts varied, ranging from R50 (access to a street pavement adjacent to a private dwelling) to R8,000 (for a dedicated building structure on the high street). Most common monthly rental amounts were between R1,000 and R2,500 with 15 paying R1,500, 12 paying R2,000, and five paying R2,500.

Figure 13: Occupation model and rent paid in ZAR
Map 8: Micro-Enterprise Site Rental
Access to utilities

Whilst a quarter of businesses had formal access to water and electricity (24% and 25%, respectively), on average 36% (131) had informal access (commonly accessed on a commercial basis from adjacent private dwellings), and 40% (147) had no access to these services at all. Those with no water (36% of total sample) or electricity access (44%) were predominantly operating their business from a trading stand or table (107 and 138, respectively).

*Figure 14: Available utilities*
Map 9: Micro-Enterprise Water Access
**Opportunity:** There is a need for basic services and utilities to service businesses in Thembisa. Service delivery for these aspects should include consideration of strategies to gain important revenues from beneficiaries of Metro services.

**Time in business**

The average age of local businesses is relatively short in Thembisa. Many micro-enterprises have been established in the past few years. Of the 39% (147) who have been operating between one and four years, certain periods stand out: 24% (36) have been operating for one year; 31% (46) for two years; and 28% (41) for three years. For the 170 businesses operating for five years or more, 13% (22) have been operating for five years and 16% (27) for ten years.

![Bar chart showing time in business](chart.png)

*Figure 15: Time in business*

Overall, 74% (272) of businesses have been operating for less than ten years. This pattern of young businesses emerging correlates with the relatively young age profile of the business owners as 25% (67) report being in their 20s or younger, and 46% (125) are in their 30s.
8.1.3. Operating challenges

Although micro-enterprises face numerous challenges in running a business in Thembisa, many respondents (116) noted they face no challenges. For those that did speak of constraints, the most common is crime (74) followed by trading location (55), lack of storage for goods [especially for street traders] (52), and competition (45). Interestingly, 26 respondents noted that weather conditions (rain and heat) as a key challenge in trading.
Some respondents commented that their challenges were interlinked with weather, crime, by-laws and competition:

- **Weather**: For township business in general, and street traders in particular where informal shelter provides limited or no protection from the elements, the weather is an important factor in conducting business. One respondent highlighted: “When it rains the business loses customers due to lack of infrastructure (shelter) because they have to close to protect their products”. The importance of having access to a suitable site is significant as traders thrive when “looking for shelter because when is hot and raining I can’t run my business.”

- **Crime**: ‘Nyaope Boys’ (purportedly drug addicts) stealing goods and the issue of crime in general was an important concern, as is illustrated by the following respondent quotes: “There are also more criminals at the place and find it very hard to work until late because of the darkness.” And “Too much robbery around this place and money fraud”.

- **Competition**: Localised challenges of overtrading where many businesses sell the same goods in close proximity to one another. The nature of competition extends from other informal traders but also formal sector businesses extant in shopping malls and on high streets. Some noted: “The place has many businesses selling cooked food because the business is next to a shopping complex. It then makes one not to have many customers and without having customers she will have to throw her food if it is spoiled” and “The competition is one of the challenges she’s facing and after all the competition sometimes they end up fighting a physical fight.”
- **State harassment:** The police and / or municipality chasing local businesses (especially street traders) away for non-compliance with land use and trading regulations. As reported by the businesses: “The location is the problem because the metro police always chasing them away” and “The major problem here is the trading space as the space belong to the municipality. During the lockdown the metro police used to come in to confiscate stocks as the business is not licensed to trade here.”

- **Finance** is also an important microenterprise consideration: Interestingly very few participants reported lack of financing as a business challenge although financial stresses are clearly significant for some, with notable comments from field researchers including: “The business started late last year in December. The employee stressed about not having a generator to fill in the tyres with air. So, he said he would love if he can assistance with funds to get the generator. However, he did mention that there is one man who do donate old tyres to them and they sell those tyres as second hand tyres to their clients” and “Needs financial services support to expand her products in terms of packaging and branding her products the way she would like her products to be branded. Her products are really for the yuppie market with flavours such as hibiscus jam and wild melon chutney.”

- The great majority (92% / 339) of these businesses reported not receiving any support to operate but said that if they had a choice in what would benefit them, 12% (42) reported financing and 8% (28) reported the need for enhanced trading spaces and adequate shelter. A further 8% (29) enterprises claimed that they required no external support to bolster their business activities.

![Figure 18: Support deemed beneficial by respondents](image-url)
8.2. SMEs and Corporates

8.2.1. Corporates

Most corporate businesses operate within shopping malls. Of the 23 corporates we surveyed, clothes and grocery retail were the most prominent. The big brands operating in Thembisa are dominated by essential services (food, fuel, and clothes) and include BP service stations, Pick n Pay Express, Chicken Licken, Roman’s Pizza, Debonairs and Pep.

![Figure 19 Corporate businesses by enterprise classification](image)

8.2.2. SMEs

A considerable variety of SMEs were identified in the survey. 23% (11) of them were health services, followed by 14% (9) liquor sales. A variety of other SMEs were found spread throughout the site, including funeral services, bakeries, car repairs, legal services – all of which require specialised skills and / or equipment to operate.
Figure 20 SME businesses by enterprise classification
Map 11: Corporates and SMEs
Map 12: Corporates and SMEs Open-Source Data
8.3. Business Hotspots

There were 27 potential business hotspots identified and surveyed during the fieldwork process in Thembisa. These sites comprised intensive business activity and clusters of micro-enterprises.

8.3.1. Available Services

Overall, access to utilities and services found in the surveyed business hotspots was uneven. Of the 26 hotspot sites where business activity was undertaken, 81% (21) had no access to WiFi, and 62% (16) had no access to waste disposal. Interestingly where WiFi access was present, none of the intended recipients could access it. Other basic services, whilst far from universally supplied, were better accessed with 42% (11) of hotspot operators having access to both water and electricity.

Figure 21: Access to services
Map 13: Business Hotspots
8.3.2. Hotspot Place categories

The types of hotspot places varied, made up of 27% retail nodes, 19% market places and 15% high street sites. Retail nodes represented the hotspots with highest levels of uptake and the strongest organic emergence. These are noticeably sites that occupied by traders directly adjacent to formal business nodes including supermarkets or shopping malls.

Business hotspots in Thembisa have proven themselves to be incubators and organic attractors of micro-enterprises. The survey revealed that some 435 businesses operated from these hotspots with 174 from market-places, including the Leralla Traders Market, 88 in retail nodes, and 51 on high streets.

Business owners in Thembisa commonly spoke favourably about the nature of such sites:

“This is a very interesting spot where a lot of car wash businesses are operating in a hub. There is a food outlet doing well.”

“A strategic place at the intersection of roads, there is an open space on the opposite side which can also be used for further development, this place has an ATM and functional toilets.”
Opportunity: The high concentration of businesses within marketplaces and retail nodes presents an important opportunity for marketing these ‘hubs’ and the businesses within them. The Metro could, via partnerships work to provide street signage and advertising boards for this purpose.

8.3.3. Barriers to operating

Of the 26 active hotspot sites, 69% (18) had formal site infrastructure, 94% (17) of which was considered by the occupants as functional. However, half (13) of respondents were unsure of whom the site managers were. Within open trading spaces, 58% (15) of respondents reported there was no additional space available to accommodate other businesses in these sites. The fieldworkers observed that there was space within 81% of sites for other / new micro-enterprises to operate / occupy. Fear of crime appeared to be the largest disincentive for new businesses to occupy the available spaces, with 46% of total hotspot businesses said that crime was the main barrier to undertaking business in these settings.
Examples of issues considered ‘other’ in the graph above all pertained to municipal service delivery and included no water access (38%/10), inadequate shelter (35%/9), a lack of paving (27%/7), a lack of proper lighting (19%/5) and no refuse removal (19%/5). Some insightful comments on municipal service delivery included;

- “The mama would like to be supported in terms of shelter and would like the municipality to stop harassing them and constantly moving them around.”
- “Most of the businesses are formal and are service businesses. The informal ones have no structure and do not have access to water or electricity.”
- “There’s no infrastructure built for the traders. It’s an informal trading space but no access to water or electricity or any ablutions facilities. No proper seating, dusty and dirty space, no waste management. no proper parking spaces or shade for both humans and vehicles.”

### 8.4. Institutional services

The research identified 30 institutional services, 50% (15) of which are financial services. Of the available financial services, 80% (12) are ATMS and 7% (1) was a micro-finance organisation. The micro-finance organisation was Mukhuru, a money transfer business. Those institutional services recorded as ‘Other’ were a health service, private consultant and an art centre. Apart from financial services, most of the institutional services were open during the fieldwork process. These services were predominantly operated by the CoE (10).
All major banks were represented in the research site, with ATM machines of the respective banks including:

**Table 2: ATMs in Thembisa**

<table>
<thead>
<tr>
<th>ATMs</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absa</td>
<td>3</td>
</tr>
<tr>
<td>Capitec</td>
<td>3</td>
</tr>
<tr>
<td>First National Bank</td>
<td>2</td>
</tr>
<tr>
<td>Nedbank</td>
<td>4</td>
</tr>
<tr>
<td>Standard Bank</td>
<td>3</td>
</tr>
<tr>
<td>Cash express</td>
<td>1</td>
</tr>
</tbody>
</table>
Map 14: Institutional Environment
8.5. Township-Wide Ecosystem

Tembisa is strategically well placed to serve much of the CoE industrial hubs and aerotropolis economy. Street trading is a common micro-enterprise activity. Linking the uptake of such sites by street traders and 4IR technologies such as cellphone issued permits provides important scope for innovation in support of this important sector.

Figure 26: Linking township micro-enterprises to larger markets through the use of 4IR technology and cost-effective transport has potential to enhance business practice and market access.
Land that is owned by the CoE should be increasingly made available for business purposes, to create further hotspots or business hubs as recommended in the 10 Point Plan. Some of the businesses that require access to land include micro-manufacturing, car repairs / panel beating, making of furniture and welding.

Opportunity: Building on the 10 point plan, various localities (such as the Thembisa civic hub, train station nodes, high streets) could be further activated for business activities through local strategic area and management plans and investment in revitalisation of the local environment in ways suited to an enhanced business environment.
9. Important Sectors

9.1. Fourth Industrial Revolution - 4IR

4IR projects such as Kandua which links technical specialists with customers, and digital platforms such as Khula which market produce grown in an urban agriculture context have important potential for application in Thembisa and should be further explored and encouraged. An important initiative that could be driven by the Metro is enhancing access to digital services in general, and links to 4IR driven businesses / platforms in particular.

**Opportunity:** Improving enterprise access to digital economy. This should include links to SEDA and Gauteng Provincial Government who actively promote digital hubs, Wi-Fi access for increasing 4IR access for SMMEs in the township economy. Such a programme could also support enhanced participation in the digital formal financial sector.

9.2. Automotive Sector

The township automotive sector – especially subsectors of mechanics, tyre fitment and car detailing / washing are important contributors to economic opportunities and job creation. It is therefore important to promote investment activities and private sector BDS to support these SMME opportunities.

This section of the report will be confined to opportunities that are currently accessible in the aftermarket which includes post-sales maintenance, repairs, refitment, spares, disposal of vehicles and recycling.

9.2.1. Stakeholders within the township automotive industry

The main stakeholders within the township automotive industry can be categorised into four main areas:

i) micro-enterprises and the associations that represent them; government and SOE; private sector
Original Equipment Manufacturers (OEMs) with B-BBEE targets; and customers (motorists including those who own taxis and buses).

**Micro-enterprises and the Associations**

The micro-enterprise surveys revealed that the majority of automotive entrepreneurs operate in the ‘aftermarket’ offering repairs for vehicles that are out of warranty. These commonly include mechanics, panel beaters, spray painters, tyre fitters / wheel specialists, welders and upholsterers.

The business activity is relatively commonplace and has, in some cases attracted important external investment. For example, within the study sites some tyre fitting micro-enterprises have created links to tyre manufacturers such as Dunlop and Tiger Wheel and Tyre and have secured professional and branded premises. The majority however are unlinked to formal sector business and work from home or premises along prominent township roads or near taxi ranks.

With respect to land use, most of these micro-enterprises (particularly home-based, and street-based entities) operate in areas either outside of the regulatory frameworks, or illegally. Most work with basic equipment and poor infrastructure, limited waste disposal, no access to ablution facilities, and poor, if any shelter (which brings about susceptibility to changing weather). There is also a lack of storage and the general hazard posed by them working without the necessary accreditations. Often businesses are positioned close to their customers (near taxi ranks and busy areas where they are visible and accessible). It is to be noted that city and state land that is available for developing hubs and providing the much-needed infrastructure is not necessarily close to where the greatest business opportunities lie.

A persistent challenge for township automotive micro-enterprises is access to markets. Financial and non-financial support is important in ensuring that the enterprises are well operated and governed but, without access to markets the enterprise have little chance of success. Market access in the township economy is hindered through the geographic and economic isolation of the township economy away from mainstream sectors, and also the limited market within the township economy for cars. Furthermore, it is uncommon for reasons such as crime and logistics for vehicle owners residing outside of the township to bring their vehicles into these locations. Finally, there are customer perception on the quality of the service. (See opportunity listed below).
Several associations represent the entrepreneurs and their needs. The Retail Motor Industry (RMI) represents retail and associated motor industry within South Africa’s automotive aftermarket. There are eight associations represented by RMI with over 8,000 members. The RMI is the major employer representative of the Motor Industry Bargaining Council. It is not clear at this stage how many township entrepreneurs are represented by RMI. An important sectoral newcomer is the African Panelbeaters and Motor Mechanics Association (APMMA), through its chairperson Sisa Mbangxa, has been heavily involved and instrumental in the shaping of the Draft Guidelines for Competition in the Automotive Aftermarket Industry (by the Competition Commission). APMMA’s members are largely within the township.

State Entities
The Automotive Industry Development Centre (AIDC) and the Seda Automotive Technology Centre (SATeC) aim to support the automotive industry, especially SMMEs. The AIDC operates the Winterveldt Enterprise Hub and Automotive Hubs (City of Tshwane) in partnership with OEMs, providing training, business development and financial support. SATec focuses mainly on micro-businesses in the townships and provides general business support in the form of business training, formalising of businesses and accreditations.

G-Fleet Management, is a Trading Entity of the Gauteng Department of Roads and Transport, that provides vehicle leasing and fleet management services for the public sector. Their services include short-term rentals, replacement, total fleet management services-finance, maintenance, repairs, tyres, accident damage and other motor-related services to all government departments. The entity operates a fleet of over 7000 vehicles. G-Fleet presents an opportunity to provide access to markets for micro enterprises, particularly in the fleet maintenance as it relates to the aftermarket. At this stage it is unclear whether G-Fleet has any initiatives that promote micro enterprises. G-Fleet does not have any visible agreements with SMMEs.

**Opportunity:** There is scope for the after-market automotive sector in Thembisa to benefit from City-facilitated partnerships with various stakeholders such as Provincial Government, DSBD to provide equipment / skills training / supply agreements / finance.
9.2.2. Ekurhuleni Incubators

The Ekurhuleni has developed and designed the Automotive City Projects, essentially incubators for SMMEs within the automotive sector. There are three automotive hubs and the fourth is a manufacturing hub. The City plans to locate an automotive hub in Thembisa; a manufacturing and automotive (service) hub in Katlehong and an automotive hub in Labore (Geluksdal). All four hubs are still in construction phase and are anticipated to be operational in the latter part of 2021. The programme is not linked to industry. The development of these incubators should be coupled with the DSBD district information management system and its associated enterprise development support services.

**Opportunity:** Linking Ekurhuleni incubators to business development support services – DBSD, SEDA and SEFA which would bolster sustainability of these incubators and further support Thembisa businesses. Furthermore, there is scope to link these incubators to markets through an annual trade and marketing event that would link these local businesses to economic opportunities.

9.3. Transport nodes

Thembisa has a large and vibrant local public transport economy, yet unlike many other transport nodes it generally underperforms as an incubator for business. An important opportunity lies in promoting business alongside transport hubs / nodes that serve commuters and intra-township travellers. The Esangweni Taxi Rank represents an important opportunity for a Public Private Partnership that would reimagine this important transport node into an increasingly functional business node.

**Opportunity:** In a partnership with Gauteng Provincial Government and local taxi associations, reimagine the Esangweni Taxi Rank as a node suited to development of business activities to serve local commuters.
Figure 28: Building on the taxi/public transport economy
9.4. **Building Trade**

The formal status of local houses presents a valuable opportunity for homeowners to reinvest in their houses – such as upgrading gates, fences, doors and windows. Further, Thembisa has a growing number of residential dwellings being built for the rental market, many of which are in the back yards of formal dwellings. An opportunity lies in this context to facilitate the formalisation of these developments, through addressing land-use and property-use constraints (such as zoning and by-laws). Aside from supporting the local building trade, these activities could bolster demands for a local micro-manufacturing economy.

**Opportunity:** The metro to develop policy that will enable home-owners to **invest in backyard and rental accommodation**. Such a policy would encourage legitimisation of dwellings, which would, in turn **stimulate the local economy of house builders and renovators**.

9.5. **Financial Inclusion**

SMMEs in Thembisa revealed challenges of being unable to access formal sector financial services products such as business capital and insurance.

Most businesses are entirely reliant on cash transactions which brings about added security and operational risks. Enhancing access to formal sector services can bolster business stability and insulate them from economic shocks. Any programme that can enhance access to these products will be of benefit for the local township economy.

**Opportunity:** There is important scope to use existing **BDS services** to link to provincial government and (for example) the Finmark Trust for accessing **financial literacy training** and **increased access to formal sector financial services**.

9.6. **Creative economy**

The Thembisa creative economy has potential to be more effectively linked to both government-initiated arts and creatives funding, but also the tourism sector. The GEP, and the Metro have programmes to support SMMEs and microenterprises through workshops, networking, registration and
directing them to financing. Fostering these links would be an effective tool for supporting local SMMEs.

The DSBD TREP programme specifically supports clothing, textile and leather enterprises that are located in townships and villages in terms of business support as well as access to funding, whilst SEDA focuses on skills development in the jewellery sector through the Ekurhuleni Jewellery Project incubator.

**Opportunity:** Support to Thembisa creative economy through existing BDS services and mechanisms of enterprise formalisation in order for creatives of various sectors to gain enhanced access to formal sector funding opportunities, such as that from the National Arts Council or the National Lottery Commission Trust.
10. Land use

10.1. Land Administrative Policies

The TAT reviewed the following planning documents to gain an understanding of the statutory and policy environment for Thembisa:

**Municipal Spatial Development Framework**

The Municipal Spatial Development Framework (MSDF) is a long-term spatial planning tool, which provides metro-wide planning guidance for the spatial growth of the CoE. This tool is required in terms of the Spatial Planning and Land Use Planning Act, 2013 (SPLUMA) and forms part of the Integrated Development Planning (IDP) process, to the extent that it assists with providing a spatial context for investments. In terms of the legal requirements, it is subject to review every five years.

**Regional Municipal Spatial Development Framework**

The Regional SDF (RSDF) provides detailed planning directives that align with the MSDF for each region in the City. This planning tool identifies issues and directives for specific areas within each district and provides a shorter-term directive than the MSDF.

**Built Environment Performance Plan**

The Built Environment Performance Plan (BEPP) is intended as mechanism to align the IDP and budget with spatial priorities each year, to promote the effective functioning of the metropolitan built environment, in line with the guidelines set out by National Treasury.

**Municipal Planning By-Law and Town Planning Scheme**

The Municipal Planning By-Law provides the legal framework that spatial policies such as the SDF play out in at the metropolitan level. The Development Management Scheme provides the detailed zoning
guidelines and permissions. A wall-to-wall zoning scheme for each municipality is required in terms of the SPLUMA, 2013.

10.2. Development Plans

The TED Situational Analysis incorporates City land use and spatial development plans as well as new sources of information/data, including the micro-enterprises surveys. This information can enhance future development planning process.

**Opportunity:** TED evidence utilised in area-base strategic plans.


According to the MSDF Thembisa Central is categorised as a developing node (MSDF, Section B, 2015: 55). Transport is a significant consideration in the Thembisa area – priority is given to the mobility route between Kempton Park and Thembisa. This route is an important minibus taxi route and one of the focal routes for the Bus Rapid Transit (BRT) System. The infrastructure for this bus system is mostly in place, though the system is not yet operational. The Thembisa-Kempton Park mobility corridor is categorised as Integration Zone 1. There is a lack of Non-Motorised Transport (NMT) Infrastructure in Thembisa, which needs to be addressed (MSDF, 2015: 55). Infill development to promote greater residential density around CBDs and transport infrastructure is encouraged. This is important for ensuring the sustainability of the transport routes.

Economic development priorities indicated in the MSDF include prioritising retail development in Thembisa. (MSDF, section C, 2015: 12). The Olifantsfontein and Clayville industrial areas to the North of Thembisa are sites of heavy industrial activity and acknowledged in the plan as economically significant areas (MSDF, Section B, 2015: 26).

The Thembisa-Kathorus Corridor is intended as a North-South development axis, which will help stimulate integration in the City by means of higher density development paired with more intense economic function. These objectives have been prioritised in this corridor in order to promote market-driven development to the benefit of businesses and residents in this area (MSDF, Section C: 92).
10.2.2. Regional Spatial Development Framework, Region B, 2015

The RSDF identifies many of the issues and plans identified in the MSDF, 2015. It also details plans for secondary nodal areas in Tembisa. The identified secondary nodes are: Winnie Mandela Node, Thembisa Plaza (aligned to the Leralla station node indicated in this report), Swazi inn, and the Thembisa station. The Thembisa CBD, situated at the Corner of Andrew Mapheto Street and George Nyanga Street (civic node), is characterised as a hub. In these secondary nodes, the RSDF indicates a range of supported land uses that include medium density residential; high density residential; retail; office; entertainment; hospitality uses; service industry; taverns; and municipal and government facilities.

**Opportunity:** A precinct management and development plan for Swazi Inn approved.

10.2.3. Transit Oriented Development Nodes

Leralla station, Limindlela station and Thembisa station have been identified as Transit-Oriented Development (TOD) Nodes. The general guidelines for land-use in these nodes is:

- Ensure transit supportive land uses,
- Increase density around transit stations,
- Create pedestrian-oriented design,
- Make each station a ‘place’,
- Manage parking, bus and vehicular traffic,
- Plan with the community.

For further analysis on these nodes, see chapter 11 below.

10.2.4. City of Ekurhuleni Built Environment Performance Plan, 2020 – 2021

The BEPP categorizes Thembisa as a ‘marginalised peripheral township’, which is a secondary node in the CoE. The township is classified as being at moderate risk. The BEPP identifies dangerous electricity connections and air pollution as possible sources of vulnerability (2020). Of relevance to the core site, the BEPP identifies infill housing development at Isekelo.
10.3. Land Use Dynamics

The CoE promulgated a Municipal By-Law that is in keeping with the SPLUMA regulations in 2019. However, the Town Planning Scheme precedes it and was set out in 2014, with revisions added in 2015. Land use in Thembisa was previously administered in terms of the Thembisa Town Planning Scheme, 2000, with the scheme incorporated into the Town Planning Scheme, 2014 (rev 2015).

The land-use system in Thembisa follows a rather typical township arrangement of predominant residential zoning with social/public zoning scattered throughout and limited large land parcels of commercial uses. The commercial uses are clustered around one of the nodes, the Civic Precinct, but do not noticeably feature in other more obvious situations: like transport interchanges, along high streets or at train stations. The nodes are well located along the railway infrastructure, which currently is sub-operational, but was historically important and supported adjacent commercial activities. The poor performance of the railway system will result in these nodes losing their economic advantages. Reliable, consistent and responsive transport systems will arrange at market opportunities and these may not be aligned with the designated zoning patterns, leading to increased tension between actual use and prescribed use and further creating a situation of enforced informality.

As indicated in the map below, most of the area is zoned Single Residential 2. There are a significant number of community facilities (including schools), along with social facilities, frequently found in close vicinity to one another. There is little business zoning, some along Andrew Mapheto Drive and a few areas zoned Open Space, which are in varying degrees of maintenance and use. The field research identified many profitable SMEs, especially wholesalers and larger retailers, operating from sites zoned for residential use. These enterprises ought to be operating from appropriate zoned sites with correspondingly higher rates.

**Opportunity:** Revenue collection from rates improved.

**Opportunity:** Home based businesses formalised, enabling growth and reducing business externalities.
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Map 16: Zoning in Thembisa
The permitted uses indicated in the table below are subject to the definitions set out in the Ekurhuleni Town Planning Scheme, 2014 (revised 2015).

Table 3: Uses Permitted under Land Use Zone Residential 2

<table>
<thead>
<tr>
<th>Zoning Category</th>
<th>Primary Rights: Purposes for which land and/or buildings may be used.</th>
<th>Special Consent of Municipality Land Use Application Land and/or Buildings which may be erected and purposes for which they may be used only with the Special Consent of the Municipality</th>
<th>Written Consent A and B of the Municipality Land and/or Buildings which may be erected and purposes for which they may be used only with the Written Consent of the Municipality</th>
<th>Provisos: Ancillary Uses applicable to Columns 3 &amp; 4 (see Clause 13.2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential 2</td>
<td>Dwelling House Private Roads</td>
<td>Places of Public Worship Places of Instruction Social Halls Child Care Facilities Taverns Guest Houses Home Care Facilities Catteries Special Uses</td>
<td>Written Consent A Spaza Shops Home Enterprises</td>
<td>Day Care Facilities Living Accommodation for Domestic Workers limited to a maximum size (incl. a kitchen and bathroom) of 29m² or 10% of the Dwelling House, whichever is the greater (provided that it is developed as a single functional unit).</td>
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Any development on an erf zoned Single Residential 2 is also subject to the following development restrictions, along with any restrictions set out in the individual title deed, where applicable. These restrictions impact on the scope for formalising backyard developments, especially in respect to multi-story flats.
Table 4: Residential 2 Building Lines

<table>
<thead>
<tr>
<th>Residential 2</th>
<th>Street Boundary</th>
<th>Other Boundaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Height</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single Storey (Erf &lt;500m²)</td>
<td>3m</td>
<td>1m on 2 sides</td>
</tr>
<tr>
<td>Single Storey (Erf &gt; 500m²)</td>
<td>5m</td>
<td>2m on 2 sides</td>
</tr>
<tr>
<td>Double Storeys</td>
<td>5m</td>
<td>4m on all sides</td>
</tr>
<tr>
<td>Triple Storeys</td>
<td>5m</td>
<td>6m on all sides</td>
</tr>
</tbody>
</table>

Table 5: Residential 2 Height, Coverage and Density

<table>
<thead>
<tr>
<th>Residential 2</th>
<th>Primary Rights</th>
<th>May be increased with written consent C</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Density</td>
<td>Height in Storeys</td>
</tr>
<tr>
<td>One dwelling per erf</td>
<td>2</td>
<td>0 – 300m²</td>
</tr>
<tr>
<td></td>
<td></td>
<td>301 – 500m²</td>
</tr>
<tr>
<td></td>
<td></td>
<td>501 – 1000m²</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1001m² above</td>
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</tbody>
</table>

10.4. Precinct Plans

10.4.1. Tembisa Hub Plan, 2016

The Tembisa Hub Plan has been developed as part of National Treasury’s Neighbourhood Development Partnership Programme. The plan was finalized in 2016. The intention for this area is to provide a mixed-use environment that is better connected to the surrounding neighbourhoods. The plan also aims to enhance the neighbourhood character with appropriate public-private thresholds, where the historical
and cultural setting for this area is reflected and celebrated, and pedestrians are the priority (2016: 14 – 15).

The hub is made up of seven sub-precincts, which are envisioned to change over time. The aims for the short-term are as follows: the Tembisa and Limindlela Station Precincts support a mix of business and medium to high density residential uses. The Civic Precinct is currently the site of several social facilities, which the plan seeks to enhance, along with land use provisions for intensive business use. The interface with George Nyanga Drive has been earmarked for low impact business use, supported by medium to high impact residential opportunities. Detailed planning has been done for Makhulong Precinct, which will be discussed in the section below. The remaining precincts are intended for more intensive residential typologies (2016: 43).

10.4.2. Thembisa Makhulong Community Precinct, 2019

This precinct plan was developed in 2019. The precinct is on Andrew Mapheto Drive. It is centred around the Makhulong Stadium, which has been upgraded in accordance with the Makhulong Stadium Master Plan, 2011. The site currently accommodates the Makhulong Stadium, Zion Church of Christ, Moses Molelekwa Arts and Computer Centre, YES4Youth and hydroponics hub, informal car repairs and an informal soccer field. This site is surrounded by single residential dwellings. The design seeks to formalize the soccer field and motor repairs, expand the YES4Youth Hub and provide more intensive housing opportunities and public interface opportunities.

10.4.3. Leralla Node, Transit-Oriented Development Analysis and Strategy, 2016 (World Bank Group)

The Leralla Node is located around the Leralla Train Station, which is adjacent to Andrew Mapheto Drive in the south-west of the Thembisa study area. This strategy sets up a framework for a mixed-income, transit-oriented node. A significant proportion of the land around this train station is owned by PRASA (16.6 Ha) and the City of Ekurhuleni (14 Ha). Tembisa Plaza, a well-established, actively used strip mall, the Leralla Trader’s Market, the train station, the BRT station and taxi rank are all key features in this busy node.

The primary uses considered for this node are residential and retail. This study found that there is a high demand for housing in this area, but that the market’s ability to absorb new stock is limited. As such, the study recommends that the CoE provide housing using the Financial Linked Individual Subsidy,
which would provide housing that is appropriately matched to a significant number of residents in the area who qualify for this subsidy. The node includes old hostel stock, which could be upgraded with assistance from the Community Residential Units (CRU) programme, which provides rental accommodation for low-income households and is aimed at refurbishing old hostel stock and inner city buildings. The proposal to increase the retail space in this site is based off the active role that Tembisa Plaza plays in attracting activity into this node. It is proposed that improving the retail offering in this node will play an important role in the intensity of this node.
11. Prioritised and high potential nodes

11.1. Overview

To inform any TED opportunities, we have produced a series of spatial maps upon which an analysis could be undertaken. The maps are produced at two distinct scales (i) that of the study area – showing the larger context of the township and the respective nodes under investigation and (ii) the nodal or precinct area – showing a more detailed analysis of the land and infrastructure dynamics at a smaller scale.

The maps intend to build a cohesive spatial overview. The data was largely obtained from the City, including reports and plans. There is still data that is missing or pending. As a result, some maps have been produced by manually through allocating data (such as land use or zoning) to the drawings from relevant planning documents.

In order to effectively bring about impact within the township, it is critical that the geographic extents be appropriately identified. These are often described in spatial terms as nodes – a concentration of a variety or similarity of activity. Typically, these exist along a route or at the confluence of two or more such routes. In defining a node, we aim to show the relative size, distribution and relationship of focus areas with the larger study area. In conjunction with the identification of geographic extents, the urban typologies are simultaneously identified in relation to these spaces. They may include streets, private land parcels, industry, natural features, informal settlements that make up the physical elements of the node. Each urban typology warrants a unique understanding and corresponding developmental response. The size and proximity of these nodes assist in developing a strategy of how to optimize the developmental impact, taking into consideration the spatial dynamics of these nodes as operating in isolation or relative to each other.

The identification of nodes has been based upon the institutional knowledge and documentation. Following our assessment of the nodes and field investigations, these nodes were either adopted, reprioritized or removed within the projects scope and node identification. In addition to the identified nodes, the TAT team proposed additional nodes where the data and technical evidence suggested. A basis for the identification of new nodes included,

(i) the capacity to bring catalytic spatial and economic transformation.
(ii) ability to be realized within the time, budgetary and technical constraints of the project.

(iii) A response to emergent social and economic activity.

(iv) The capacity to integrate stubborn and difficult development challenges.

The prioritised nodes for Thembisa include:

(i) Tembisa Civic Hub

(ii) Makhulong Node

(iii) Limindlella Station Node

(iv) Thembisa Station Node

(v) Leralla Station Node

**Opportunity:** The development of nodes will **foster important economic growth** for Thembisa through important strategic planning that can **cater for, promote and regulate business activity.** This could include precinct management that could in turn **foster partnerships** such as the NDPP to advance projects and **mobilise investment.**
Map 17: Nodes in Thembisa
11.2. Infrastructure and Natural Systems

The nodes that have been identified are located on existing transport corridors, which reveal a reasonable level of internodal synergy. The vulnerable railway system will have an impact on the performance of these nodal systems. There is a realistic amount of formal and operational basic infrastructure in these sites. There are encouraging signs of increased residential private densification, especially around areas that have high amenity or connectivity. Land parcels adjacent to key transport systems and economic hubs are not fully optimised and would benefit from an intensification and diversification of real estate at these conditions.

The proximity of nodes to each other, their connectivity, and roles, allow for a few valuable opportunities to invest in high street activation at a significant scale – especially as there is ample existing evidence to support this trajectory.

**Opportunity:** Commercial high streets activated in strategic sites / roads.
Map 18: Land Ownership
11.3. Thembisa Civic Hub

The Thembisa Civic Hub has both commercial and civic functions. It exists off Andrew Maphetho Drive, which is an important north-south mobility corridor. There are significant pockets of land within the precinct that are currently empty. This vacant land is currently occupied for informal business uses. According to the 2020 pre-feasibility plan, the empty land has been earmarked for substantial re-development to reinforce the civic uses and introduce more mixed used amenity to the precinct, including housing. The site is well-suited, geographically, spatially and functionally to be a highly valuable part of the Thembisa township economy.

The scale, complexity and nature of the developments proposed in the pre-feasibility plan, while valuable, might be prone to extensive delays and the risk of not being executed. There is no certainty about when the infrastructure plan would be implemented or what part of it would be securely implemented. This creates a circumstance where the complexity of the project becomes a risk to activating the land in a timeous manner. The approach taken in these recommendations is to propose two types of response:

- The first is **Augmentative.** This response accept that the development would be executed within the next 24 months and augments it with complimentary interventions. The challenge with this approach is the indeterminate nature of the development, which exposes the responses to being non-operative.

- The second is **Alternative.** This response takes the view that the development would not be implemented, and other developmental approaches and strategies can be proposed for this site. This approach would be seen to be activating the land immediately (within 24 months). This would still allow for large parts of the civic hub to realise itself *over time* but would ensure that the land is immediately made effective through what we define as *Rapid Enabling Infrastructure* (circulation, services, edges, business, social spaces). Social spaces would be arranged in relation to where future buildings would be located and be built without major disruption to the urban system.

The civic hub lacks a clear set of recommendations regarding the development for the larger area. The design does not seem to take cognisance of transformative design, creating an inclusive economy, providing a strategic spatial plan that considers the complex sequencing of the development and operational function of various uses.
The following generic responses to the area would include:

1. **High Street.** Activating the Sheba High Street to enable broader economic inclusion and sense of space. This would include a street rehabilitation to allow for better circulation, storage, trading structures, amenity, shade and water points.

2. **Connection (commercial high street) to Limindlella Station via Hadebe Street.** This would further connect the hub to the station and Andrew Mapheto Drive and consolidate street trading and increased property values along the street.

3. **Instituting a street trader plan and the provision of supportive trading infrastructure.**

4. **Public Art.** It is also recommended that a public art and creative output program is integrated into the process of place making. This would engage local creative practitioners to enhance the precinct and lend a particular creative and brand identity. Outputs could include sculpture, installations, mosaic, murals as well as ephemeral or soft programs like performance.

*Figure 29: The retail anchor allows for significant economic activity to be generated through the adjacent streets - allowing for more diverse participants. The street allows for parking, loading and pedestrian activity to occur - albeit rather congested.*
Opportunity: Thembisa civic hub transformed into a business and service hub.

Opportunity: A street trader plan implemented within the Thembisa civic node.

Opportunity: Facilities upgraded, and precinct management instituted in public spaces (including parks).

Opportunity: Shopping malls foster and enable opportunities for micro-enterprises.

Opportunity: Public safety enhanced through the application of crime prevention through environmental design and precinct management.
The following section includes a series of maps relating to this node. The table below provides a summary of the status quo and trends for the Thembisa Civic Hub, as indicated in the maps. In instances where the GIS data is not available or has not been provided, the table specifies the gaps.

Table 6: Status Quo of Thembisa Civic Hub

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>The hub includes two train stations. Informal pedestrian routes connect the surrounding residential areas and stations to the commercial &amp; service centre. Andrew Mapheto intersects this hub, BRT route 2 and stops in site. Andrew Mapheto also serves as a taxi route.</td>
<td>An important civic and commercial hub. State services include the Metro service centre, library, post office and SAPS. SME retailers and corporate retailers operate from the Thembi Mall, independent shopping centres and high streets (Sheba Street / George Nyanga Drive). Street traders operate informally, without infrastructure. Public space includes Ibazelo Park. The wider hub includes two areas of informal settlement: Igqagqa and Isekelo. Rapid densification of residential properties within the hub.</td>
<td>Primarily residential 2, with some parcels of land used for residential 3. Business zoning around Limindlela station and in the centre of the site, adjacent to Andrew Mapheto Drive. Mixture of transportation, institutional and agricultural zoning around rail and Andrew Mapheto Drive.</td>
<td>No Data Available</td>
<td>Stormwater pipes and manholes are unevenly available across the site. The bulk and sewerage system connects well across this node.</td>
<td>No data available.</td>
<td>Proposed high density residential in Endulweni, Isithame and Kopanong.</td>
<td>Some formal water and electricity access. Predominantly informal or no water access. Predominantly no electricity access, with some informal connections.</td>
</tr>
</tbody>
</table>
Map 19: Thembisa Civic Hub
Map 20: Land Use, Thembisa Civic Hub
Map 21: Land Ownership, Thembisa Civic Hub
Map 22: Zoning, Thembisa Civic Hub
Map 23: Sanitation, Thembisa Civic Hub
Map 24: Transport, Thembisa Civic Hub
Map 25: Housing, Thembisa Civic Hub
Map 26: Development Proposals, Thembisa Civic Hub
11.4. **Makhulong Community Precinct**

As a further point to section 10.3.2. above, the Makhulong Community Precinct has established and consolidated itself as a functioning social, sports and recreational node. In its current usage, the precinct has limited opportunities for economic activity. The facilities require a strong precinct management strategy to ensure the optimisation of the investments. Poor urban management will result in dangerous levels of decay and fragmentation of the infrastructure assets. This needs to be coupled with a strong activation and marketing strategy to use the spaces more intensely.

The precinct has not been identified to change in core functions. The existing plans for the area should be advanced. The recommendations are seen to enhance the sense of place and include:

1. **Public Environment Upgrade.** The sidewalks and connections across streets at the node need to be designed to allow for better connectivity and safe walking for commuters/pedestrians and economic opportunity for micro business. This would involve a general public environment upgrade that would include the design and implementation of sidewalk, lighting, signage (directional and advertising) and landscaping (hard and soft).

2. **Landscape Design.** A strong landscaping design with hard and soft landscaping needs to define the various functions and zones within the precinct and would assist with greater legibility.

3. **Public Art.** It is also recommended that a public art and creative output program and project is coupled with this development. This would engage local creative practitioners to enhance the precinct and lend a particular creative and brand identity. Outputs could include sculpture, installations, mosaic, murals as well as ephemeral or soft programs like performance.

4. **The facilities by YES are in a serious state of disfunction.** This is largely attributed to irregular electricity provisions. The organisation is at advanced levels of negotiation to remove their operations from the facility. It would be critical to find a means to ensure their presence, at their this or another site in Thembisa.
Figure 31: Signage is critical to micro street businesses and are well located to attract potential clients and showcase services. These signs, their business, location and coordination presents a valuable opportunity to strategise a coordinated response to signage and space making.
The following section includes a series of maps about this precinct. The table below provides a summary of the status quo for the Makhulong Node. In instances where data is not available or has not been made available, the table specifies the data gaps.

Table 7: Status Quo of the Makhulong Node

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>BRT line and stop, adjacent to Andrew Mapheto. An area within the Thembisa Civic Hub. Informal pedestrian routes connect the node to the commercial / social centre of the hub.</td>
<td>Low density res, social facilities, sporting facilities. The Makhulong Station is the anchor.</td>
<td>Surrounding area is primarily residential. 2. Most of the site is zoned for Public Open Space, with some business zoning on the western side of the site. The eastern side of the site is zoned for social services.</td>
<td>No Data Available</td>
<td>One stormwater manhole in the site, with stormwater pipes intersecting western, central and eastern sections of the precinct. Stormwater infrastructure in surrounding area is uneven. The bulk and sewerage system connects well across this node.</td>
<td>No data available.</td>
<td>Higher density residential proposed for eastern section of the site.</td>
<td>There are approximately nine businesses operating in this site. Three businesses have formal access to water and electricity, three have informal access and three have no access.</td>
</tr>
</tbody>
</table>
Map 27: The Makhulong Node
Map 28: Land Use, Makhulong Node
Map 29: Land Ownership, Makhulong Node
Map 30: Zoning, Makhulong Node
Map 31: Transport, Makhulong
Map 32: Stormwater Infrastructure, Makhulong Node
Map 33: Housing Dynamics, Makhulong Node
Map 34: Development Proposals, Makhulong Node:
11.5. Limindlela Station Node

The Limindlela Station Precinct is situated in close proximity to the civic node and north-south mobility corridor, making it highly accessible and (informally) connected. Despite the sub-optimal performance of the railway system at present, the site attracts some degree of economic activity, but does struggle operationally with the railway’s systemic vulnerability. This poses a great threat to businesses that requires a predictable throughput of commuter volumes. The node also contains significant open land or properties that can attract developmental intensification.

The following recommendations are contemplated for the node:

1. Develop an urban management plan and the clearly demarcate the scope of the node. The stakeholders would need to be clearly defined and engaged in the process of the transformation of the node.
2. Business infrastructure support. The existing business adjacent station need to be acknowledged as critical agents in the well-being of the precinct and their needs to be adequately integrated into the development of the precinct.
3. Station entrance re-design. The eastern side of the station requires rehabilitation; it needs to carefully integrate commuter flow, economic infrastructure and social spaces.
4. Public environment upgrade. The sidewalks and connections across streets at the node need to be designed to allow for better connectivity and safe walking for commuters/pedestrians and economic opportunity for micro-business. This would involve a general public environment upgrade that would include the design and implementation of sidewalk, lighting, signage (directional and advertising) and landscaping (hard and soft).
5. Park Rehabilitation. The park to the west of the station to be upgraded to introduce a sports and recreational facility, or pocket-park. The park to form part of the urban management plan and activated accordingly.

Opportunity: Train station nodes revitalised for mixed-use.

Opportunity: A network of NMT and pedestrian lanes developed.
Map 35: Limindlela Station Node
Map 36: Land Ownership, Limindlela Station Node
Map 37: Zoning, Limindlela Station Node
Map 38: Transport, Limindlela Station Node
Map 39: Stormwater Infrastructure, Limindlela Station
11.6. Leralla Station Node

Further to section 10.4.3. above, Leralla Station Precinct demonstrates significant existing assets, including CoE infrastructure, that should be leveraged to consolidate more intense growth and diversification (asset ‘sweating’). It comprises a valuable set of built infrastructure resources and connectivity to warrant investment. The broad range of economic actors, land arrangements and development potential make this node ideal for intense investment and coherent precinct management.

In addition to the 2016 plans, the following recommendations are contemplated for the node:

1. Urban management plan and the clear demarcation of a precinct within this node. The stakeholders would need to be clearly defined and engaged in the process of the transformation of the node.

2. Taxi terminus. Design of a taxi terminus that includes clear traffic management, signage, shelter, offices, trading spaces, ablutions, waiting areas, WiFi, lighting and landscaping. This design clarity would allow for a better operation and consolidation of economic investment at the rank. It is important to link taxi transport to the BRT routes / station.

3. Traders market. This municipal market includes shelter ablutions (though not functioning), trading infrastructure and social spaces. The market has the potential to be a connector between the taxi rank, BRT station and shopping centre. It allows for smaller scale economic actors to participate in the opportunities generated by the adjacent transport infrastructure and mall-based businesses.

4. Street Trader Plan. A street trader plan would need to be identified and established to ensure there is a degree of cohesion, opportunity and legibility in how street trade is conducted. The street trading infrastructure would relate to the Municipal Market and the transport facilities in the node.

**Opportunity:** A precinct management plan instituted, and upgrades completed for Leralla trader market.

**Opportunity:** Public safety enhanced through the application of crime prevention through environmental design and precinct management.
Figure 32: The taxi rank comprises key uses - the train station, shopping centre and market, bring great vitality to the rank. The links between the various spaces and the poor definition of the public space renders the space performing sub-optimally.

Figure 33: This busy market caters to a diversity of users activists within the area. The trading spaces could be enhanced to better provide for amenities and services for both trades and consumers, such as seating spaces, storage, dedicated cooking spaces and shade.
The following section includes a series of maps relating to this node. The table below provides a summary of the status quo for the Leralla Station Node. In instances where the GIS data is not available or has not been provided, the table indicates the gaps.

**Table 8: Status Quo of Leralla Station Node**

<table>
<thead>
<tr>
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<tr>
<td>Leralla Train Station, BRT station, mini-bus taxi rank and informal sedan taxi services. The node is situated adjacent to Andrew Mapheto. Informal pedestrian routes connect Ehlazeni Hostel residents to the Plaza and Traders. A bridge to serve the BRT straddles Andrew Mapheto Drive.</td>
<td>The node comprises 3 precincts: the Thembisa Plaza, the Leralla Trader market, and the Leralla Station precinct. The node includes a public park and community hall.</td>
<td>The area around Leralla Station is zoned for transportation. Thembisa Plaza and the trader site are zoned Business 2, with the site south of the trader stalls zoned for public services.</td>
<td>No Data Available</td>
<td>Some stormwater facilities on Andrew Mapheto Drive. Stormwater infrastructure in surrounding area is uneven. The bulk and sewerage system connects well across this node.</td>
<td>No data available.</td>
<td>No Data Available</td>
<td>There are no formal water or electricity access points in this node. Most businesses do not have water or electricity access, while some have informal access.</td>
</tr>
</tbody>
</table>
Map 40: Leralla Station Node
Map 41: Land Ownership, Leralla Station Node
Map 42: Zoning, Leralla Station Node
Map 44: Housing Dynamics, Leralla Station Node
Map 45: Stormwater Infrastructure, Leralla Station
11.7. Thembisa Station Node

This node is entirely defined by the Thembisa Station, which forms a sub-precinct in the Thembisa Civic Hub Plan. The sub-precinct is highly reliant on a functional railway system – which at present is very vulnerable. This vulnerability threatens a predictable economic climate in the node upon which a development can be rendered feasible. While the station is present, it would be more valuable to explore the land around the station without factoring the station as a developmental force. The proposed Kopanong and Isithame housing developments to the west of this node will increase the density of housing in adjacent areas. The station building and related infrastructure are in an advanced state of disrepair and needing urgent maintenance or upgrade.

The following recommendations are contemplated for the node:

1. Develop an urban management plan. The stakeholders would need to be clearly defined and engaged in the process of the transformation of the node. A stakeholder and management plan will create a secure institutional space for increased private investment – especially through underperforming land parcels within the node.

2. Public environment upgrade. The sidewalks and connections across streets at the node need to be designed to allow for better connectivity and safe walking for commuters/pedestrians and economic opportunity for micro-business. This would involve an environment upgrade that would include the design and implementation of sidewalk, lighting, signage (directional and advertising) and landscaping (hard and soft).

3. Trading Infrastructure. The introduction of well-designed trading infrastructure should define the approach and entrance to the station. This would simultaneously get the traders and commuters to be in better proximity. The traders would be dependent on the performance of the railway system and its ability to generate significant traffic volumes.

4. Housing. Adjacent land is sub-optimally used. This land should be identified for high-density housing.

5. Backyarding. The current proliferation of backyarding in the area needs to be formalised in support of spatial development plans. Increased density of existing private land in a 200m radius from the station should be encouraged.

6. Park Rehabilitation. The park outside the north entrance of the station to be upgraded as a pocket-park. The park to form part of the urban management plan and activated accordingly.

7.
Opportunity: A network of NMT and pedestrian lanes developed.

Opportunity: Train station nodes revitalised for mixed-use.

Figure 34: The irregular train service compromises coordinated economic growth at the station nodes. The traders along walkways currently respond to consumers using the railway bridge to cross the railway line. The existing infrastructure here can be appropriated for new uses.
Map 46: Thembisa Station Node
Map 47: Land Ownership, Thembisa Station Node
Map 48: Zoning, Thembisa Station Node
Map 49: Transport Facilities and Routes, Thembisa Station Node
Map 50: Stormwater Infrastructure, Thembisa Station Node
12. Housing

12.1. Overview

This section analyses the role of housing in township economic development in Thembisa. It uses the housing asset framework to analyse the social, economic and financial functions of housing and their contributions to township development. It also draws attention to the roles of place-making and institutions in increasing the all-round value of housing and stimulating economic density, i.e., higher investment in buildings and other physical structures. The study uses available quantitative and qualitative data to analyse the existing housing situation and the main trends, upon which future opportunities are identified and discussed. Information gaps presented a significant challenge to understanding the housing dynamics in Thembisa. Limited information on basic issues including population growth, housing demand, density, informal dwellings and local property markets render the analysis incomplete.

12.2. Conceptual Framework: Housing as social, economic and financial asset

The housing asset framework (Rust 2020) offers a useful conceptual lens to understand the social, economic and financial importance of housing and how they can contribute to township economic development. As a social asset, housing provides township residents with a safe and secure place to live, socialise, study and sleep. As an economic asset, housing generates income and livelihood opportunities for homeowners. The social and economic functions of housing influence its value as a financial asset. As a financial asset, the house can be traded for money, used as collateral to access finance or as an investment to accumulate wealth, which can be passed on to others. The figure below depicts the social, economic and financial asset values of housing and their contribution to township economic development.

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Figure 35: Housing Asset Values and their contribution to TED
Map 52: Housing, Thembisa
12.3. **Housing as social asset**

There is growing demand for low-cost and affordable housing in Thembisa. The township is a long-established, vibrant and sought-after place in the East Rand, relatively well-located in good proximity to employment opportunities and public transport routes.

The population of Thembisa was more than 460,000 in 2011. Since then it seems to have grown significantly, judging from the many additional informal dwellings situated on public and private land. Unfortunately, no recent count of the actual population in the township is available. Thembisa has a mix of poor and middle-income population, which is also reflected in the different property values. The areas of Endayini, Emkatini and Ibazelo have the highest average property values in the township. There is a noticeable class of middle-income households with higher purchasing power and a growing class of young professionals, who are seeking higher quality housing, including rental accommodation. Homeowners in middle income strata have made considerable investment into their properties, renovating, expanding the original building and investing in place-making. This presents important opportunities for local construction industry and enterprise operating along the value chain.

**Opportunity:** The housing and commercial property market strengthened.
12.4. Formal housing delivery

Thembisa has a mix of formal and informal housing stock, whereas the number of informal dwellings appear to be growing much stronger than formally delivered houses. The formal housing stock is dominated by state housing delivered during apartheid and through RDP/BNG programmes post-1994. The free-standing four-room house on individual plot is the common house found all around the settlement. These were houses built mostly during the apartheid era (1950 to 1975) for workers employed in industrial centres of the East Rand / Ekurhuleni. Similar housing architecture has been used for RDP housing post-apartheid. The dominant size of property is 250 m². In various parts of Thembisa hotels can be found (Ehlanzeni, Pink, Sethokga, Transnet, Blue and NCP hostels). Private sector led developments for the middle to higher income groups are situated in areas along R21 motorway including Esselen Park/ Area 9 (e.g. Esselen Park, Norkem Park, Green Acres, Birchleigh, Birchleigh North and Hospital View in Thembisa).
As of 2019, Thembisa had a registered housing stock of 20,296. This is considerably less than all formal housing recorded in the 2011 census, indicating a significant backlog in the transfer of title deeds. Hardly any new housing developments have taken place in recent years. Between 2015 and 2019, the stock grew by merely 38 new registered properties, which is less than 0% of the total stock. A human settlements project is currently being implemented in Extension 25 to cater for shack dwellers living in Winnie Mandela informal settlement in Thembisa. Over R140 million had been set aside in 2018 to build over 3500 units in Thembisa Extension 25 over the next three years. The multi-year project aims to deliver 3159 RDP walk-ups and 351 social housing as four-storey walk ups. Bulk infrastructure including sewage system, streetlights, electricity transformers and roads have been constructed and installed. The project offers important opportunities for township enterprises and local construction industry. The plan is to construct 500 units every year until project end in 2024.

Given the latest announcements by the Department of Human Settlements, indicating that free BNG housing delivery will be drastically reduced and replaced by sites and services schemes, it is unlikely that government investments in formal housing will play a significant role in future. However, there are opportunities for innovative public-private partnerships in delivering higher-density affordable housing. Through unlocking strategic sites and enable in-fill developments, the city can promote urban consolidation and renewal. The current initiatives under the Thembisa Urban Hub, which are being rolled out by National Treasury as part of the Urban Network Programme, could bring catalytic effects to the neighbourhood. Detailed sub-precinct plans have been completed for the Thembisa Civic Hub and Makhulong Community precinct. The proposed development would include a range of mixed uses including higher density residential developments. Multi-storey apartments, three to 4 storeys high, are proposed to promote economic density.

Figure 37: Mixed Use Development proposed for Makhulong Community Precinct
Additional infill opportunities exist on smaller sites that can be found across the settlement. Preliminary studies indicate the potential for medium to higher density developments in Endulweni and Kopanong / Isithame, which would create 400 and 3000 housing units respectively. More detailed feasibility studies are required to assess the opportunities and challenges of these proposed developments. Public facilities like schools and parks could be targeted for infill development to contribute to urban consolidation. Past planning practices have allocated large sites for some of these institutions. As a consequence, parcels of land remain vacant and in some cases are used for informal activities. This situation perpetuates spatial fragmentation. The underused portions of the land could be redeveloped into higher density residential blocks.

**Opportunity:** Formal housing established in strategic sites.

12.5. Informal housing delivery

Informal housing has largely absorbed the growing population in Thembisa. More specifically, informal dwellings in the backyard of RDP/BNG houses have mushroomed across the settlement. In addition to the low-cost shacks and ‘wendy’ houses, there has been a noticeable rise in solid single or double-storey micro flats. As elsewhere in the country, individual homeowners and enterprising developers are investing in their backyard property to meet the growing demand in affordable, higher quality rental accommodation (Scheba and Turok 2020).

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The diversification of backyard rental accommodation illustrates the existence of different rental sub-markets catering for different income groups. At the lower end, zozo rooms and wendy houses are rented for over R400 per month, excluding electricity. Rooms in semi-detached extensions and micro-
flats cost approximately R1000 to R1500 on average, excluding electricity. The higher end rooms with better finishing and en-suite bathroom can cost up to R3000 per month.

The backyard real estate market offers important opportunities for the local construction and property industry as well as for businesses in up- and downstream industries. A number of brickmakers can be found along Andrew Mapheto Drive, where the manufacture bricks for R5 each. Some brickmakers also sell sand and cement to customers. They are situated on land next to a river for easy water access, but the site is not zoned for business and none of the enterprises are formal. Architect / drafts persons are engaged to design investments (space efficiency) and ensure that buildings comply with informal (rather than municipal) norms and standards. He explains that formally you allowed to build double storey blocks with 7 rooms on each floor. He develops and sells building plans with this kind of set up. The average building costs are R8000 m² for double storey flats. However, most backyard rental dwellings are not formally approved because of land use regulations, building plan issues or lack of title deeds. An interviewed warehouse owner sees growing potential in the home improvements and maintenance segments. His bestselling items are plumbing, electrical and painting material.

Both the private and public sector have recognised the growth and potential of the backyard real estate market. Companies like Indlu have begun to work with individual homeowners to build higher quality rental stock in Thembisa. Indlu enables homeowners with no or very little capital to build and benefit from rental accommodation by financing the development and entering into a benefit sharing agreement. The picture below is an example of an Indlu financed rental property.

**Opportunity:** Property investment in backyard rental accommodation units enabled and formalised.
High level discussions are taking place between the Gauteng provincial government, the City of Ekurhuleni and Cities Support Programme of the National Treasury about how to promote a precinct-based approach to backyarding in Thembisa. As financing is one of the main challenges for homeowners to transform their low-cost structures into higher-quality, mixed used backyard real estate, a precinct-based approach that ensures necessary scale could unlock large-scale private sector funding from banks that is channelled via intermediaries to individual homeowners. Linked with the right regulatory and administrative support, this approach could contribute to the development of successful high streets in the township. For instance, the City of Ekurhuleni has created of a special land use zone with relaxed building lines increased densities and relaxed building norms and standards to support the formalisation of backyard rental accommodation. The Gauteng provincial government is working on additional support with regard to credit guarantees, community facilitation, landlord-tenant conflict resolution mechanisms, training for landlords and tenants, and enhancing local industry capacities.

In parallel, the Cities Support Programme Township Economic Development programme is working with the World Bank to study the market potential and pilot projects aimed at creating higher quality backyard rental accommodation. These government efforts could potentially unlock large scale
transformation of the backyard rental sector with significant positive impacts on the township construction and property development economy. These pilot and research activities can help to clarify important legal, institutional, infrastructural and financial issues that arise when intervening in the backyard rental sector. It is important to learn from their experiences and create knowledge sharing platforms to feed lessons into the policy development process at the city, provincial and national level.

In addition to backyard dwellings, the number of free-standing shacks also seems to be growing. Several pieces of vacant land are vulnerable to unauthorised land occupations. Informal settlements have grown around the civic centre and other areas in the township. People are desperate enough to live in hazardous sites like the Isekelo Settlement that endangers their health and well-being. The situation reflects the enormous housing demand and backlog in the township and the country at large. The lack of informal housing delivery has resulted in numerous protests, some of them violent. As some of the informal occupations take place on land earmarked for infrastructure and housing projects, they threaten the longer-term development plans for the township. Addressing the challenge will require tackling the underlying problem of the lack of available land for settlement. There is an opportunity to redirect occupations via sites and services schemes on suitable sites within and outside of Thembisa. In addition, existing and future informal settlements on well-located sites could be incrementally upgraded and vertically densified to free up public spaces, install basic services and connect them to the rest of the township.

12.6. Housing as economic asset

12.6.1. Backyard rental

As already described above, most homeowners in Thembisa have rented out their space or purpose-built accommodation in the back- or front-yard. While some of them are rented for free to family or friends, a growing number is aimed at generating income. According to an architect we met in Thembisa: “People are investing in properties because of the opportunity to make money. Years back it was the taxi industry, now it is real estate. Businessmen are shifting their focus into rental accommodation.” A property developer closed down his liquor business to start property development, focusing on the higher end market of R3000 rent per month. Today he owns 9 properties and rents 6 properties including cottages, which he manages for the landlord. He recently spent R 3 million on developing a double-storey guest house with 11 cottages. Another landlord used all his pension fund money to build
10 rooms, five on each floor of a double-storey building in his backyard. He is almost retired and uses the monthly income to pay for, among others, the education of his children and grandchildren.

Figure 41: Private residential plots are optimised for additional rental housing - sometimes demolishing the original house to make better spatial and economic use of the property.

12.6.2. Home-based enterprises

Home-based enterprises are another important use of the house as an economic asset. Previous research by Sustainable Livelihoods Foundation in Thembisa demonstrate the wide-spread use of the home as a business premise, and the challenges faced with title deed backlogs, land use management and building regulations restrictions (Charman et al. 2020). Homes are the dominant business location for enterprises operating in residential neighbourhoods in the townships. They offer vital products and services to the residential population including food and retail, educare, entertainment, recycling and home maintenance. According to one prominent architect in Thembisa, 99% of all creches or day cares are illegal, because they don’t meet planning regulations. This means they don’t benefit from government subsidies as they are not registered.
Homes are also used for businesses in high streets and commercial hotspots, although mobile structures such as containers, tables and stands are much more common. The recently conducted micro enterprise ecosystem survey recorded the location of entrepreneurs operating in the selected high streets and hotspots, which we grouped into businesses operating from property (private house & business premise) and mobile location (containers, shed/shack, table). The survey recorded the location for 369 businesses out of 446 surveyed. The survey highlights the dominance of mobile structures, from which 273 businesses operated, specifically the prevalence of containers. A total of 96 enterprises operated from property, which represents 26% of the total.

![Ecosystem survey (Thembisa) - Business location](image)

**Figure 42: Micro-enterprises' use of fixed or mobile structures for trading**

The low percentage of properties as business location along high streets and business hotspots signals an opportunity for redevelopments of buildings in these spaces, promoting more mixed-use buildings. The survey seems to indicate a demand for commercial space in properties in those areas, as more than 80% of businesses rented the space compared to 8% who owned and 10% who did not declare their tenure status.
Figure 43: Tenure status of micro-enterprises

12.7. Housing as financial asset

Thembisa stands out from other township property markets for the relative strength of its property portfolio. To be sure, Thembisa still represents a lower segment of the housing market in Ekurhuleni but prices were significantly higher than in other townships and there were clearly wealthier streets and neighbourhoods within Thembisa. The stronger financial position of the market however did not seem to translate through to buying and selling of properties – not at least through the deeds register. Access to formal tenure appears to be a bigger problem in Thembisa than in other townships but it would seem that most people are reluctant to sell in any case whilst there is a vibrant market for rentals. Our analysis suggests that many property owners still prefer to trade houses informally, which is difficult to quantify as many transactions take place under the radar.
Map 53: Property Growth Rate, Thembisa
THEMBISA: Average Property Value, Thembisa
13. The Transport System

13.1. Transport Infrastructure

The transport infrastructure available in and around the site is discussed in Table 9.

*Table 9: Thembisa Transport Infrastructure (based on GIS Map)*

<table>
<thead>
<tr>
<th>Infrastructure</th>
<th>Comments</th>
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<tbody>
<tr>
<td>Road network planning</td>
<td>There is a well-designed road network in Thembisa. The road hierarchy is clearly demonstrated as well as the formalized nature of the local routes is evident.</td>
</tr>
<tr>
<td>Taxi ranks</td>
<td>There are seven taxi ranks available in Tembisa with the one of the most prominent ranks being Esangweni Taxi Rank. This taxi rank caters for both local and long distance destinations.</td>
</tr>
<tr>
<td>Railway</td>
<td>Railway is available but not operational due to vandalism and cable theft. This affects a large portion of the community that would typically make passenger trains their preferred mode of transport.</td>
</tr>
<tr>
<td></td>
<td>There are planned railways linking to the existing infrastructure. If the current rail system is reinstated and the future system implemented, rail could result in being the backbone of the public transport system in Tembisa.</td>
</tr>
<tr>
<td></td>
<td>There are three train stations in the study area however they are not operational due to vandalism and cable theft. The infrastructure at the stations is in a state of disrepair.</td>
</tr>
<tr>
<td></td>
<td>Station infrastructure is available but in state of disrepair.</td>
</tr>
<tr>
<td>Bus rapid transport</td>
<td>It is known that construction of BRT is underway but appears to be on hold. There is a BRT station that is planned to be situated within the Civic Hub node.</td>
</tr>
<tr>
<td></td>
<td>There are stations and overhead pedestrian bridges that have been built and the City has indicated that there are sections that are in practical completion.</td>
</tr>
<tr>
<td></td>
<td>The buses are operational but are not making use of the dedicated bus lanes and stations as they are not yet complete.</td>
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</table>
According to the update of BRT planning Phase 1A, the network indicates three trunk route station and two bus terminals/transfer stations. One of the two bus terminal/transfer stations are located within the Civic Hub node.

| Non-motorized transport lane | NMT lanes are available but are poorly connected to the rest of the road network. This is especially a challenge at the Civic Hub node where pedestrians are not able to use the sidewalks safely and comfortably, and do not have sufficient access to the Leralla Trader’s Market due to the operation of informal traders from sidewalks. There are no route plans or desire lines within the Civic Hub node however there is an NMT route planned in Thiteng along Benji Drive. It is proposed that an origin destination survey is undertaken as this provide information which can be, amongst others, used to determine the optimal location of NMT lanes. |

13.2. Development Challenges

Thembisa has the infrastructure that is required to transform and ignite the public transport systems, however this infrastructure is either poorly connected, unused, neglected or damaged. Notable challenges are:

- Thembisa, Limindlela and Leralla stations are not fully operational. The stations infrastructure has been damaged and vandalized and these sites are potential crime hot spots.
- Sidewalks are available, though there is theft of the paving blocks taking place.
- Road furniture such as lighting has being damaged by being cut open and cables are stolen.

**Opportunity:** Train station nodes revitalised for mixed-use.

**Opportunity:** Public transport networks and facilities are operational.
Opportunity: A financially sustainable business model formulated to develop and operationalise taxi ranks as business hubs.

13.3. Connectivity Between Different Modes

There is potential to achieve good connectivity between different modes of transport, though currently the integration and connectivity is poor. Thembisa Station and Limindlela Station are spatially disconnected from areas of high economic activity (retail nodes; malls), with some walking required when commuters switch between transport modes. It should be noted that the terrain does allow for relatively easy walking. In addition to the taxi rank available within the site, taxis pick up and drop off passengers at several points along key main roads. The mini-bus taxi system operates in isolation and a strategic link between it and the BRT system was not observed. The Leralla station precinct has the potential of being an intermodal interchange point as there are taxis that stop at that point, the Leralla station is nearby and there is the construction of the BRT nearby with a pedestrian foot bridge to assist with accessibility across Andrew Mapheto Drive.

13.4. Transport Options and Services

The table below describes the transport options and services available within the site.

*Table 10: Thembisa transport options and services*

<table>
<thead>
<tr>
<th>Transport options and services</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private vehicles</td>
<td>A good portion of the community living in Thembisa is of middle income and many of these residents opt to make use of their private vehicles. The use of private vehicles results in traffic congestion on the main roads of Tembisa, particularly Andrew Mapheto road.</td>
</tr>
<tr>
<td>NMT</td>
<td>Internal movements are high but there is poor NMT infrastructure available. Where NMT is available it is poorly integrated with the rest of the road network plan.</td>
</tr>
<tr>
<td>Motorcycles</td>
<td>Motorcycles are available as a public transport option but are being used by businesses to deliver goods to customers. The use of motorcycles as private transport was not widely observed.</td>
</tr>
<tr>
<td>E-hailing and e-delivery</td>
<td>There are businesses that make use of e-delivery services. Uber is available in Thembisa although the services are not a popular form of transport due to the cost of a single trip. Trips are calculated according to trip distance and time spent in traffic, and the site is densely populated and often affected by traffic.</td>
</tr>
<tr>
<td>--------------------------</td>
<td>---------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Informal taxis</td>
<td>Compact Multi-Purpose Vehicles (MPV), such as the Toyota Avanza and other informal taxi are available in Thembisa. MPV’s are popular and widely used.</td>
</tr>
<tr>
<td>Mini-bus taxis</td>
<td>Mini-bus taxis are widely used in Thembisa with options of both local and long-distance travel available. There are several taxi routes and feeder roads in Thembisa that enable commuters to get to their desired destinations. There is a specific taxi route that goes to Thembisa Hospital with several stops along it for passengers to be picked up or dropped off.</td>
</tr>
<tr>
<td>City buses</td>
<td>Although the BRT is still under construction, the Harambe buses are in use however the routes are limited, lying between Isando and Tembisa Hospital. The limited routes potentially do not serve all the people that would opt for the bus as their preferred mode of transport. In a 2013 survey conducted by the CoE and presented to the Cities Support Programme titled “Proposed Public Transport Priority”, commuters were asked the reason behind the unpopular use of buses as an alternative, and almost 50% of the responses were regarding the unavailability of the bus. Other popular answers were with regards to the preference of mini-bus taxis because of their flexibility regarding pick-up and drop-off points and schedules.</td>
</tr>
<tr>
<td>Long distance buses</td>
<td>Unclear, but long distance mini-bus taxis are available within Thembisa at the Esangweni taxi rank.</td>
</tr>
<tr>
<td>Walkability</td>
<td>The topography allows commuters to walk to taxi pick up points easily within the township. Tembisa and Limindlela station are both within walking distance of each other and from taxi routes. Walkability is negatively impacted by the lack of adequate sidewalks for pedestrians.</td>
</tr>
</tbody>
</table>

One of the major gaps in the transport system relates to last/first mile connection. Commuters using public transport are currently reliant on MPV or informal taxis to transport them from their homes to the taxi ranks / bus stations / train stations. There is an opportunity to foster the expansion of motorcycle usage, either for last/first mile connections or as an alternative to public transport and private motor vehicle usage.
Opportunity: Motorcycle usage is expanded to provide township residents with more affordable transport and self-employment opportunities.

13.5. Integrated Public Transport Network

The City has rail as the backbone of its transport plan particularly in the east-west direction. In addition, the City has identified that the BRT system is to be the main mode of public transport in the north-south directions. The need for NMT infrastructure is recognised. The IPTNP foresees that 85% of the population in the City is to be within 1km of a rail or BRT feeder station or stop, all to be implemented in a phased approach. The proposed intervention highlights the extension of municipal bus services in areas not planned for BRT and rail intervention. The BEPP notes that the BRT was meant to be fully operational by 2020, but procurement and conflict with the taxi industry have stalled the complete opening of this system (2020: 9).

Commuters have the option to access mini-bus taxi services at taxi ranks or along taxi routes where they pick up and drop of passengers as requested. Mini-bus taxis and the BRT follow the same route and therefore the possibility of the two modes of transport to share facilities such as shelters could be investigated to create informal interchange nodes. There are bus stations that are planned for implementation and some of these stations are located within walking distance to taxi ranks. These locations are opportunities for the development of intermodal facilities between bus and mini-bus taxi services. There are overhead foot bridges that can be linked with mini-bus taxi facilities. The linking of the different modes of public transport with the use of a foot bridge promotes the safety of the pedestrian and simplifies the change of transport modes. The BRT planning information received from the City indicates four intermodal facilities and seven train stations planned for implementation along the BRT route on Andrew Mapheto road.

Although mini-bus taxis are accessible near Tembisa Station and Limindlela Station, the two stations are spatially disconnected from the community and areas of high economic activity. The mini-bus taxi system operates in isolation and a strategic link between it and the BRT system was not observed during the site visit. The City confirmed that there are plans to link Limindlela and Tembisa station to bus stops that are located approximately 500m from the stations.
The node at the Leralla trader’s market has the potential of being developed into a successful intermodal facility as there are mini-bus taxis that makes stops at the market, the Leralla train station is in close proximity and the BRT station can potentially connect to the market using a foot bridge.

**Opportunity:** An integrated public transport system achieved.
Map 55: Transport Routes and Facilities
13.6. Non-Motorised Transport

Non-motorised transport is gaining popularity in South Africa and worldwide, with a number of factors contributing, such as increased awareness of environmental issues, recognition that motorised transport is reducing urban efficiency with increased low-density sprawl, health benefits of active lifestyles, the ability to bypass traffic congestion, and the lower cost of cycling as transport.

Cyclists are extremely vulnerable to risks, including, the danger of cycling in traffic, risks of mugging (particularly after dark), inability to cycle, lack of knowledge about bicycle maintenance, cultural norms that discourage women or other groups from cycling, social norms that present cycling as a “rich person’s sport” rather than a useful mode of transport, and so on. Therefore, rather than focusing on trying to change behaviour, it would be best to focus on creating the conditions that give people reasons to cycle.

It is important to recognise that the benefits of NMT extend well beyond providing a means for low-cost travel and the other considerations mentioned above. There are other systemic benefits particularly related to township economies:

- Local deliveries can be more cost-effective using cargo bikes or bicycles with trailers; in many cases these are more suitable than bakkies or trucks, particularly for small quantities.
- NMT can improve access to public transport for those not close to existing routes.
- Creating new job opportunities in transport sector with low barriers to entry: with the right support mechanisms (financial, regulatory, legal), entrepreneurs can work independently or collaboratively in developing and providing new forms of service for the transport of goods and persons, including the use of improved carts and trolleys.
- Participating in the “sharing economy”: new forms of access to transport such as bike share or cargo bike share can reduce the costs of transport by eliminating the need for vehicle ownership, which can be one way to overcome the purchase cost barrier.
- The components of the transport system can be more diverse, distributed and small-scale, creating greater resilience and adaptability.
- Infrastructure such as roads and other corridors can be built more cheaply where they accommodate only lightweight NMT vehicles rather than heavier cars and trucks; such corridors are also more efficient use of space, since a lane for bicycles can carry more people per hour than the equivalent lane for motor vehicles.
These benefits should be considered in creating projects that incorporate NMT, and they can be maximised by aiming to restructure townships around NMT as a medium- to long-term goal.

**Opportunity:** Purposeful cart & trolley designs utilised by traders and waste collectors.

### 13.6.1. NMT Precedents

These precedents focus on initiatives around South Africa that might have the potential to be replicated in some of the TED sites. However, it must be emphasised that there may be local factors that either support or undermine similar efforts elsewhere:

- **Bicycle couriers - Soweto-based ibhoni delivery and Cloudy Deliveries in Langa (Cape Town) are township bicycle courier companies.**
- **Bicycle tours - There are bicycle-based tours run in Soweto (by Book ibhoni, linked to ibhoni Delivery), Hammanskraal, and in Masphumelele and Langa (Cape Town)**
- **Langa Bicycle Hub - Emerged from Langa community kitchen support, now provides a bicycle rental service and is planning to establish a physical bike hub in Langa; also provides escorted bike buses for commuters, for a fee. Relies on partnerships, donations and other forms of support.**
- **Township bicycle sales - Khaltsha Cycles emerged as a business run by someone who previously ran learn to cycle classes and helped organise bike buses with Open Streets Cape Town; now sells bikes from a container in Khayelitsha, and promotes cycling with others to raise funds for bikes for essential workers (Heroes on Bikes)**
- **Mobile advertising - Ads in Motion provide advertising on a trailer pulled by a bicycle.**
- **Restaurant food deliveries - Khaltsha Cycles works with Spinach King restaurant in Khayelitsha, providing bicycle deliveries using bikes pulling trailers, similarly Spinach King has created a supply chain in partnership with schools – schools grow food, and provide to Spinach King in exchange for cooked food products.**
- **Cargo bikes - A company called Anywhere Berlin is establishing ‘micro factories’ in Gauteng townships where electric cargo bikes are manufactured; designed for rugged township conditions**
- **Pedicab services - A company called Mellowcabs has been manufacturing a three-wheeled ‘tricycle’ that originally was a pedal-powered pedicab, and later iterations are electrically powered, with both passenger and cargo configurations. They have offered passenger services**
in Stellenbosch and the V&A Waterfront, and they have partnered with DHL who provide deliveries in central Cape Town using the cargo Mellowvans.

- Mobile bike repair and maintenance - Nomadic Mechanic is run by Khaltsha Cycles in Khayelitsha. The Langa Bicycle Hub operates “Bike Brigades” that also provide on-call mobile maintenance services, and who are teaching themselves. There is also a mobile mechanic in Delft.

In addition to entrepreneurs, civil society has also been involved in support initiatives such as the following:

- Bike buses - Open Streets Cape Town has been involved in establishing group bike rides for commuting to the Cape Town CBD, and other loose groupings have established their own bike buses.
- Delivery of food from community kitchens - During the pandemic lockdown in 2020, Langa CAN (Community Action Network) organised bicycles to provide deliveries to people who were not able to get to the community kitchens.
- Walking buses - Around 2010 the Western Cape Provincial Government started walking buses (escorted groups walking on predefined routes on an advertised schedule) in the Cape Town CBD to make walking safer to and from Cape Town railway station. Some schools have walking buses managed by parents.
- Cycling clubs - There is a BMX track and club (Velokhaya Life Cycling Academy) in Khayelitsha. There is also a cycling club with a track in New Brighton.
- Bike distribution and support - Several NGOs have been working in partnership to distribute bicycles and provide support. Bicycling Empowerment Network (BEN), Pedal Power Association (PPA) and Qhubeka have worked together on this as well as on independent initiatives to promote cycling. BEN has been involved in setting up township hubs for bike mechanics. PPA does safety training.

It is important to ‘normalise NMT’ to encourage adoption. NMT needs to be more visible, culturally acceptable and safe, with synergies created between projects. This should also convey the message that NMT can be “mainstream” and worthy of consideration. Design choices reflect a value system, and when a mode is ignored or deliberately ‘designed out’ of a space, this communicates lack of respect towards that mode.

Bicycle deliveries are becoming the pioneer users in a number of areas, and while these would work best with cargo bikes, they typically start with bikes with trailers because of cost, availability and
infrastructure. Deliveries also have a revenue stream, with relatively low barrier to entry. It therefore makes sense to work with delivery services to raise visibility.

In transport sphere, it needs to be acknowledged that “culture” is not static. How we behave on public streets is always evolving, influenced by the values embedded in the infrastructure design, by the vehicle technologies that are present, and by the behaviour of others. This affects the travel modes we choose, as well as our attitudes towards others who use this space. It therefore affects safety and whether users feel they have a right to be on the streets and needs to be considered in the choice and design of projects and strategies to create more functional streets.

A number of potential initiatives can help to concentrate activity on specific routes to improve the levels of ‘safety in numbers’ and also to increase visibility to encourage more cycling. This can also make it easier for Metros to justify budgeting for NMT infrastructure on those routes, but efforts to boost numbers should not be seen as an alternative to infrastructure.

13.6.2. NMT Plans

The City has highlighted that there is universal access and other NMT related infrastructure in planning and construction in Tembisa. It was indicated that there are NMT routes that have been identified as priority routes to be upgraded along Andrew Mapheto Drive and Reverend R. T. J, Namane Drive. There are shared bicycle and pedestrian lanes that were completed in 2014 within Tembisa however there are sections where these lanes terminate and pedestrians and/or cyclists are required to share space with motor vehicles which is unsafe.

From observations it was noted that there are sidewalks that could enable non-motorised transport however the theft of paving blocks limits the use of sidewalks. This poses a safety risk to pedestrians and cyclists as they share space with motorists. The improvement of universal access is required particularly at intermodal facilities to ensure that all public transport users have access to the services with reasonable ease and safety.

The NMT infrastructure provided is required to be complete and coherent, safe and easy to use, speed appropriate, attractive and barrier free. The National Department of Transport’s NMT Facility Guidelines provides guidance on design considerations to achieve this objective and there is an opportunity to achieve this goal in Thembisa.
Opportunity: A network of NMT and pedestrian lanes developed.

13.6.3. Universal Access

In transportation, the concept of the complete street is a design approach that requires streets to be planned, designed and operated in a way that ensures the safety, convenience and comfort of users of all ages and abilities regardless of their mode of transportation. A complete street is consideration of motorists, pedestrians, cyclists and persons living with disabilities. Figure 44 below, extracted from the National Department of Transport NMT Facility Guidelines of 2014, displays a typical example of a road cross section that accommodates all road users, and it is recommended that it be considered in the non-motorised transport and universal access improvements.

The objective of universal access design is to provide infrastructure and services that cater to the widest range of users possible. Streets that are not designed for universal access result in the limitation of access to opportunities and services, imposing reliance on others to assist with movement and reduced safety.

A need to improve NMT and universal access design in Pinetown South has been identified. The following are some of the advantages of the implementation of NMT infrastructure:

---

4 Universal Access Policy for the City of Cape Town.
• Improved accessibility to opportunities and services,
• Increased safety of road users,
• Reduced road fatalities,
• Increased multi-modal travel,

Promotion of more energy-efficient and less pollutant modes of transport,
Greater integration of road users.

Typical infrastructure interventions that could be put in place to improve NMT and universal access in the township include:

• Formal walkways (sidewalks, off-road paths, safe crossings),
• Dedicated bicycle lanes,
• Traffic calming measures (street humps/bumps/tables),
• Relevant traffic signalling and signage,
• Tactile paving,
• Audio traffic lights,
• Dropped kerbs.

Figure 44: Typical cross-section of a complete street with a walkway/cycle track
Figure 45 provides examples of UA interventions, whilst Figure 46 provides details of a complete street typical road cross section.
Figure 45: Examples of non-motorised and universal access infrastructure interventions
Figure 46: Typical intersection layout with universal access design

Figure 47: The mobile trading structures allow traders to move to opportunity thereby optimising sales. The design and functionality of these mobile micro business requires review to ensure economic sustainability as they are currently existing shopping trolleys.
14. Infrastructure

14.1. Overview

Public infrastructure has an important role in Township Economic Development (TED), but each township has specific (and hence different) infrastructure needs. It is therefore important to examine the ways that infrastructure facilitates the transport of resources between the wider economy to townships, and how it distributes resources to households and individuals in specific township sites. The assessment of current ‘grey’ infrastructure requires three substantive considerations. The first assesses current gaps or shortfalls at a community and sector level. The second identifies future supply/demand influences that may hinder the efficient/affordable/sustainable flow of these resources. The third proposes ways in which traditional infrastructure systems can be enhanced or adapted to build local resilience, through for example, including more sustainable, innovative, or decentralised systems (on-site biodigesters, rainfall harvesting, solar PVs etc).

14.2. Digital Infrastructure

The growth of the digital economy has important business development and operational opportunities for assisting SMMEs to maintain customer relationships, internal operations, competitive edge, and investment. While there is a current estimation of 410 000 SMEs possessing an online presence (Department of Telecommunications & Postal Services, 2013) digital activities in townships are hampered by connectivity challenges and Information Communication and System (ICT) barriers to entry. Though this accessibility gap may have decreased towards more recent years, there are still many individuals that are excluded from the utilisation of digital platforms and the digital economy.

Nationally, the Department of Telecommunications and Postal Services has had plans and ideas to boost the digital economy including 1) Working to removing the fragmentations in the ICT sector, 2) Improving the Department of Communications, 3) The roll-out of e-skills, 4) Finalising the ICT policy review (finalised later in 2015). The National Development Plan’s (NDP) Medium-Term Strategic Framework (MTSF) followed a draft digital readiness or ‘course corrections” initiative to understand the pathways required for the digital future and 4IR (NPC, 2020). The SADA initiative is also encouraging and sets out specific imperatives going beyond specific technologies to realising the pathways for digital job creation.
• The WiFi Connectivity National Grant has established 6 WiFi hotspots in Thembisa, namely:
  • CCC Rates Hall;
  • Thembisa EMPD;
  • Thembisa Energy Department;
  • Thembisa Fire Station;
  • Thembisa Health Care Centre; and
  • Thembisa Main Hall
• These WiFi hotspots are based in public service facilities in Thembisa, and are not available in areas where students and entrepreneurs can access and work (World Bank, n.d.). There are numerous private suppliers of wi-fi in Thembisa, including thinkwifi, Screamer Telecoms, and ekeja.

**Opportunity:** Provision of digital infrastructure to **enhance local microenterprise access to internet, digital services and 4IR opportunities**

14.3. **Stormwater Infrastructure**

Stormwater management infrastructure in Thembisa is in need of upgrades as various challenges have surfaced due to the poor and deteriorating quality of the infrastructure; the City is struggling to maintain and replace aging infrastructure. Open stormwater drains have caused damage from eroding unsurfaced roads in rainy instances to polluting of stormwater. Stormwater pollution in Thembisa also happens through the onsite storage of solid waste, where E-Coli bacteria levels have been measured at 43 000, while accepted levels are 1000.

The natural water systems in Ekurhuleni are heavily polluted by sewerage run-off and mining. In addition, as urbanisation has intensified in this area, surface water run-off has increased exponentially. This makes housing developments, especially those that are informal, in flood zones vulnerable to flood risks (MSDF, Section B, 2015: 42).
Map 56: Stormwater Infrastructure
14.4. Water and Sanitation

Residents’ sanitation systems are largely in the form of pit latrines and chemical toilets, although the chemical toilets are not regularly maintained (they are meant to be serviced twice a week, but this is not happening). At present, over 5000 families have to use 530 toilets, which suggests a toilet shortage in the area too.

It has been requested by the communities, that new proposed plastic toilets are not ideal as they pose health hazards in summer (Ngwenyama, 2019). The area tends to have greywater due to the following reasons that lead to water pollution: 1) Poor housekeeping and 2) Open stormwater drainage pipes (Ngwenyama, 2015).

14.5. Sewerage Infrastructure

The area has a waterborne sewerage system, that needs upgrades. The sewers in Thembisa experience regular blockages and sewerage spills due to being used to dispose of solid waste. At the same time, raw sewerage also runs into the tributary, running through the site, that feeds into the Kaalspruit River. The EKH is aware of these issues, which prompted the establishment of the Draft Basic Assessment Report for the Proposed Update of the Thembisa Extension 25 Bulk Outfall Sewer (Tangoes Consultants, 2020). There is evidence of sewer overflow at manholes, with flow loggings confirming that overflows are due to insufficient capacity of the sewer, along with aging infrastructure, high sedimentation of sand and solids, as well as vandalism of existing outfalls (ibid).

14.6. Solid Waste

The refuse removal routes are organised according to municipal wards. Despite refuse removal services being available, there are also a number of informal and illegal refuse dump sites around Thembisa (World Bank, n.d.). This situation is the cause of sewerage blockages and sewerage spill episodes as the sewers are used as one of these informal refuse dump sites. Most of the illegal dumps are found near schools, creches, churches, clinic, and business complexes. The EKH issued big wheely rubbish bins, which has assisted in slightly reducing the problem of illegal dumps as families are able to store their rubbish until collection by the refuse truck.
14.7. **Energy Provision**

Access to electricity is a major challenge, with many illegal power connections, and reduces the probability of establishing new developments, including in the Makhulong precinct. YES has been affected by poor energy provision and has become inoperative due to the issue, as they rely on computers and digital means to upskill and teach youth. There are two existing substations in Thembisa: 1) Kaalfontein at Blue Circle and 2) Rietfontein at the southern corner of Esselen Park. While there is electricity provision, the informal settlements in Thembisa tend to be illegally connected to the electricity grid.

15. **Environment**

15.1. **Overview**

Where many cities are now mainstreaming ‘green economy’ considerations to address sustainability challenges, the view that an inclusive green economy should explicitly recognise and integrate the informal economy is gaining traction. Some provinces are starting to mainstream green economy strategies, (Götz and Schäffler, 2015), circular economy thinking, and engage in informal economy upliftment planning (Rogerson, 2016), there has been little crossover or integration of these into economic development discourses.

The assessment defines those involved, either as direct good/service providers or contributors along the value chains, as ‘green entrepreneurs’, despite varying levels of activity. It is important to note that the business intention for the activities identified may not be defined by explicit motivations related to the green economy. However, the green economy ‘co-benefit’ (sustainability/ecologically enhancing outcomes) of these activities should be leveraged for additional support from institutions and programmes where the green economy is a priority.

15.2. **Urban Agriculture**

There is much scope in Thembisa for urban agriculture, as there are already numerous hydroponic and aquaponic farming sites, funded and supported by investment companies. Nedbank has been supporting a local horticulture learnership under the Youth Employment Service (YES) programme in
urban agriculture which has seen success. Local hydroponic farms have been able to sustain operations since 2017, employing a number of locals too. The YES programme also facilitates the enrolment of high potential township enterprises into the Wouldn’t It Be Cool Incubator Programme (WIBC), which seeks to take people between the ages of 18 and 35 and turn them into entrepreneurs. Tembisa hosts one of hydroponics businesses supported through these initiatives, the New Liff Hydroponic Farm (Ngcakani, 2020).

In 2019, ABBA Initiatives, a subsidiary of investment holding company AFGRI Group Holdings, commenced its programme of providing training and skills development to 25 youths in Tembisa, focusing on open field farming, aquaponics and hydroponics, with the ultimate goal of developing a sustainable urban agricultural solution (IOL, 2019). The Tembisa project includes a 1,000 square metre vegetable garden used for training purposes, and a course in plant production which will also be offered to 50 households per month (IOL, 2019).

Inxiweni Primary School in Tembisa, as one of 17 of the Trees and Food for Africa EduPlant programme schools, had its small food garden, originally started in 2008, expanded and improved (Debeila, 2014). Produce is used to feed over one thousand school pupils, with the rest sold affordably to the surrounding community.

Izindaba Zokudla is an action-research project that aims to create opportunities for urban agriculture, and has become a networking and knowledge sharing platform for developing urban farmers across Johannesburg (GCRO, 2020). The project links university, researchers, students, communities, entrepreneurs and other stakeholders that can contribute to economically productive and ecologically sound food systems (Design Society Development Desis Lab, n.d.). Increasingly, informal food gardens are using vacant land under powerlines and other hard infrastructure that will not be developed further, which has resulted in green servitudes. A feedback cycle is felt in these green servitudes, where while the urban gardens protect the vacant areas from degradation, through tending the land ecosystem services increase the production of fruits and vegetables to feed the community, and increasing the green lungs within the city (GCRO, 2020).

**Opportunity:** Building on efforts of other programmes, the City to broaden existing extension services for urban farmers. This could include fostering partnerships with marketing platforms for fresh produce (eg Khula.co.za)
15.3. Green Infrastructure

The City has been investing in open space, namely the Winnie Mandela Square in Tswelopele and the Ibazelo Park and bridge underpass in Isithame near the civic node (World Bank, 2020). However, equipment and infrastructure are under-used and vandalism is common. There is also a 5-hole golf course (Ebuhleni Golf Course) which has an established management and membership structure (Ngwenyama, 2018). Enterprise development and facility improvement support could be impactful for this local recreational site.

The green belt along the Hennops River system needs to be preserved to conserve the natural resources and environments alongside. Due to increased urbanisation in the area, the river has become one of the most polluted areas in Gauteng (Pillay, 2018). The role of parks, sensitive urban agriculture and recreation helps to preserve these areas. The Fountain River Environment Sanctuary Hennops (FRESH), a local NPO, works to promote the creation of river sanctuaries and expanding bigger green-belts along the river areas to encourage plants and wildlife to thrive along the river banks (ibid).

![Figure 48: This leisure facility is part of a larger natural system in Thembisa and a well-used public asset that is well-suited to be optimised for increased usage and investment.](image-url)
**Opportunity:** The Thembisa golf course is re-habilitated as a recreational facility, social space and conserved green belt.

**Opportunity:** Facilities upgraded and precinct management instituted in public spaces (including parks).
Map 57: Environmental Features
15.4. Waste Collection and Recycling

Individuals and various businesses (with the example of Destination Green Recycling) have already acknowledged the opportunity for employment through the collection and trading of recyclables, making use of the recycling facility built in 2016 in Tembisa. Recycling is a prominent activity in Tembisa. Respondents the Youth Development Competition cited and interest in making models out of recycled material. The private sector is also involved in supporting recycling initiatives (Food Review, 2019).

The IDP states that garden waste, which constitutes more than 60% of the waste collected by the municipality, presents a window of opportunity for composting, so there is scope for waste diversion from landfills. SAB has developed a waste recovery programme in Tembisa, east of Johannesburg, supporting 54 previously unemployed young men and women organised into registered co-operatives and managing their own waste recycling businesses. Waste collectors participating in the programme are provided with training on health and safety, business and financial literacy, upcycling and waste repurposing. In addition, SAB also supports them with assets, such as vehicles and waste processing equipment, to improve recovery and collection efficiencies.

‘Participants in the Tembisa recycling project have been able to put the infrastructure and training provided to good use and to help improve their lives. Equally, there is a culture of recycling being nurtured within the community which has an additional positive impact on everyone,’ says Sifiso Ngobese of Unconventional Waste, who managed implementation of the project. City of Ekurhuleni and European Union have also supported the development of the Sethokga Waste Minimisation Facility operated by three cooperatives with a capital injection of R17-million.

Opportunity: Building on prior and ongoing efforts, the City should facilitate partnerships and strengthen local cooperatives to enable township recyclers to more effectively obtain and package waste materials, and to enhance their access to markets.
Map 58: Waste and Recycling, Thembisa
16. **Urban conditions and management**

Thembisa was established in 1957, with the intention that it would be a regional township to accommodate people who had been forcibly removed from Alexandra, Edenvale, Kempton Park, Midrand and Germiston (Kadozo, 2009: 2).

The site contains a comparatively extensive legacy of social and community infrastructure, including recreational parks, sport fields, government services, educational facilities, and public transport infrastructure. As such, Thembisa is a sought-after destination for business and property investors and new residents.

The urban environment is under-considerable strain. In the course of the field research, the TAT identified the following urban-management challenges:

- The dumping of domestic and building rubble on public sites, including open land and river systems. The dumping of babies nappies is a particularly worrying environmental and public health challenge.
- Inappropriately designed and incomplete walk-ways / thoroughfares without lighting and security monitoring. The facilities are important in providing spatial connection between neighbourhoods separated by the two transport systems.
- Removal of street paving.
- Vandalism (or sabotage) of public and transport infrastructure, including street-lights and train cables.
- Imbazelo Park trader infrastructure has been damaged / vandalised; the park toilets are vandalised and non-operational, poor management of litter.
- The park equipment in Thami Mnyele Cultural Park has been vandalism / stollen. The development of the Park is incomplete (pathways and spring protection).
- Throughout the site, cables stollen from street-lights.
- In the main trading precincts, businesses and street traders have encroached onto public spaces, including the sidewalk.
- Informal business market infrastructure decay. The decay in infrastructure is especially noticeable at Swazi Inn. The trader infrastructure at Leralla market is in poor condition as well; the toilets are non-functional, there is merely one tap to serve all the traders; traders have no storage; and waste including ash is dumped within the site.
Poorly defined spaces, open tracts of land, poor community literacy and urban management allows for the exploitation of public space through littering/dumping and criminality. No enforcement of by-laws (building control and dumping) results in a harsh environment for public good.

The intensity of street trading puts extreme pressure on the existing sidewalks, often creating hazardous pedestrian situations due to limited safe access. These spaces require management and better design to harness the contribution of street traders.
Figure 51: Urban Management Issues
Description of figures 1 -6:

1. Dumping on public sites, including open land and river systems.
2. Inappropriately designed and incomplete walkways / thoroughfares without lighting and security monitoring.
4. Vandalism or sabotage of public and transport infrastructure, including streetlights and train cables.
5. Imbazelo Park trader infrastructure damaged / vandalised; toilets vandalised and non-operational, poor management of litter.
6. Thami Mnyele Cultural Park; park equipment has been vandalised / stolen. The development of the Park is incomplete (pathways and spring protection).

In contrast to some of these urban management challenges, the Emfihlweni Cemetery is well maintained and guarded.

Unusually for a township, Thembisa has a five-hole municipal golf course (Ebuhleni Golf Course), situated within the greenbelt at the source of the Kaalspruit river. The course is in poor condition and portions of the area along the adjacent green belt (possibly once part of the course) has been lost for recreational use through the encroachment of informal settlements. The course is actively used under the supervision of a players committee. The committee has a fairly flexible approach to the use of the facility, which ensures that entry barriers are minimised and opportunities afforded to persons with minimum equipment and limited skill.

The Makhulong Stadium is soccer facility that is compliant with Premier Soccer League (PSL) standards. The stadium falls under the City management. The stadium is a key variable in the development of the Makhulong precinct. Unfortunately, the Makhulong Stadium has no home club since the sale and relocation of Highlands Park (as of September 2020). Reports indicate that Swallows FC are considering paying some of their games at the stadium in 2021. Furthermore, it is noted that there is no professional soccer team that provides a geographic identity / locality to the residents of Thembisa, which could for example, provide the kind of economic multipliers that Kaizer Chief / Orland Pirates engender in Soweto (Orlando Township). Yet Thembis is the home of multiple talented professional soccer players, including Themba Zwane, current PSL player of the year.

**Opportunity:** Public Employment Programmes introduced and utilised to address urban management challenges, including the maintenance of recreational and ecosystem resources.
**Opportunity**: A precinct management and development plan for Swazi Inn approved.

**Opportunity**: Facilities upgraded and precinct management instituted in public spaces (including parks).
17. Social and Cultural Considerations

Thembisa is a large-scale, long established township (1957), with predominately formal housing. There are pockets of informal settlement and hostels. The project core area has largely been formally developed, apart from sizable informal settlements in Igqagqa and Isekelo neighbourhoods. Both these areas are closely situated to the civic node and therefore occupy areas with high property development potential.

The social tensions are reflected in the electoral results of the 2016 elections. Whilst the ANC was the majority party in all wards, the ANC share of the vote had declined since 2011. The main opposition was the EFF which acquired between 20-40% of the vote; in contrast, the DA attracted between 5-9%. In nearly all wards, only about 50% of the voters turn-out to cast their ballot. This would indicate a high level of voter dissatisfaction with electoral politics.

17.1. Urban Everyday

In our scan of newspaper articles and social media, the following stories and trends received attention. The review was conducted between May and July, but some of the newspaper articles accessed are from years preceding 2020.

Several news articles covered the topic of lockdown and changes it has wrought in peoples’ behaviour. There were significant numbers of Covid-19 cases in Thembisa during the first wave. At an economic level, local businesses, such as entertainment venues and informal retailers have suffered financial losses. In the instance of informal retailers, this has been because people have favoured formal retailers over informal ones over the hard lockdown. Entertainment venues have suffered because people were unable to gather for socialisation. A number of police crackdowns have been undertaken, with a particular focus on micro-enterprises selling liquor.

Food prices have also risen significantly during the lockdown period, making food unaffordable to many households. This price increase, paired with loss of employment, has meant that there has been a drive to provide people with food parcels. These were distributed by various bodies, such as the Harambee bus service, actors from the movie Tsosti and various church organisations, among others. Relief grant recipients were able to access SASSA but ensuring social distancing among people accessing grants has been challenging. This has led the SASSA office to urge people to apply for grants via the online portal.
Various schools across Gauteng were targeted by vandals during the lockdown, some of which were in Thembisa.

The City initiated a programme to drain and clean chemical toilets more regularly in informal settlements. Additional water has also been supplied during lockdown, by means of additional water tanks and water trucks intended to distribute water to different informal settlements.

Thembisa has a rich cultural economy, we have found out about some artists, such as JasperHQ, who is a local DJ. Thembisa has also hosted various big events such as the “Phomolong Comes Alive” Festival in 2019. A magazine called RapType also covers the music scene in this area.
18. Potential Project Opportunities

Based on the extensive fieldwork evidence and consultation with City specialists, the TAT have identified a range of potential project interventions. These have been considered in view of the socio-economic, institutional and spatial situation. In highlighting the below opportunities, the TAT has been guided by the following variables:

I. Alignment with City / Metro programmes and development priorities,
II. The availability of funding within City / Metro budgets,
III. The identification of project implementing lead departments and units within the City / Metro,
IV. The potential for accessing external funding and partnerships,
V. The role of the TAT in providing technical assistance and adding value to project implementation,
VI. The potential for projects to have strong economic multipliers and result in a catalytic impact on development,
VII. The potential for projects to leverage productivity enhancement,
VIII. The potential for projects to strengthen social cohesion and enhance community well-being, including considerations of safety and security,
IX. The potential of project to contribute towards environmental sustainability and reduce the risks from climate change,
X. The reach of projects and targeting of specific beneficiaries, including women, youth, informal micro-enterprises and established SMEs,
XI. The timeframe for project implementation, recognising the need for immediate, short-term and medium-term projects with varying levels of complexity,
XII. And the potential for projects to be replicable in other township localities.

The scope of potential projects is wide; the proposed opportunities allow for discussion of the merits or otherwise of each intervention before final selection.
Figure 52: Potential Development Opportunities
Description of figures 1 – 6:
The Thembisa Civic Hub Precinct is an important social and economic hub at the heart of the site.
The Makhulong Precinct is a sub-precinct in the Thembisa Civic Hub that contains some noteworthy social and recreational facilities, which can be built upon.
The Leralla precinct is a busy hub in Thembisa, a number of traders operate their businesses from this space, which is also a secondary node in this area.
An informal car mechanic operated on open ground.
Backyard rental accommodation represents a growing and important sector in Thembisa.
Digital connectivity (Wi-Fi) is provided by means of Ikeja and ThinkZones, which are linked to spaza shops.

The identified opportunities have been categorised within 7 headings: A) Policy and Strategy; B) Enterprise Development; C) Nodal Development; D) Spatial Integration; E) Housing and Property; F) Social and Community Infrastructure and G) Urban Management. The range of identified opportunities within these categories are:

Table 11: Opportunities identified for Thembisa

18.1. Policy and Strategy

<table>
<thead>
<tr>
<th>Opportunity</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home based businesses formalised, enabling growth and reducing business externalities.</td>
<td>The City to revise and develop policies on enterprise formalisation (in respect to food retailing businesses and home-based businesses), with reference to Gauteng Prov. Gov. and National policies, supporting business owners to meet compliance.</td>
</tr>
<tr>
<td>Revenue collection from rates improved.</td>
<td>The City to develop a strategy and plan to generate rates revenue from commercial businesses, including home-based enterprises and businesses operating in retail nodes.</td>
</tr>
<tr>
<td>Commercial high streets activated in strategic sites / roads.</td>
<td>The City to identify sites with high potential for commercial development and implement measures to stimulate investment, including land-use, parking and infrastructure.</td>
</tr>
<tr>
<td>Shopping malls foster and enable opportunities for micro-enterprises.</td>
<td>The City to engage shopping mall owners to agree on strategies to integrate micro-enterprises into the mall precinct, through adherence to development planning agreements and proactive measures to support micro-enterprises.</td>
</tr>
</tbody>
</table>
TED evidence utilised in area-base strategic plans. | The City to incorporate the evidence from the TED situation analysis into strategic plans, including the IDP, SDF, and BEPP.

Regulated business sectors are formalised and able to access state-subsidies / industry programmes. | The City to facilitate transversal engagement and cooperation with the Gauteng Prov. Govt and National Government to address constrains on ECDC, taverns / restaurants, undertakers and other regulated sectors from attaining compliance with business licencing.

### 18.2. Enterprise Development

<table>
<thead>
<tr>
<th>Opportunity</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunities in the creative and leisure economies provide youth a pathway to transition into jobs and livelihoods.</td>
<td>The City to conceptualise a strategy to promote creative activities focusing on youth interests, including hobbies, via social enterprises and community based programmes, use of City facilities, the staging of events, and linkages to BDS services.</td>
</tr>
<tr>
<td>Micro-enterprises have improved access to business development support services.</td>
<td>The City to promote the DSBD district information management system as part of its enterprise development support services, facilitating partnerships between the City and BDS providers (including SEDA /SEFA) to benefit Thembisa businesses.</td>
</tr>
<tr>
<td>Street signage / advertising extensively utilised to promote local businesses.</td>
<td>The City to develop and implement, via partnerships, a project to provide street signage / advertising boards to promote local enterprises.</td>
</tr>
<tr>
<td>Mechanics / panel beaters and associated businesses in the after-sales automotive sector have access to business development support services to grow and professionalise.</td>
<td>The City to facilitate partnership with private sector companies, the Gauteng Prov. Gov. and the DSBD to provide equipment / skills training / supply agreements / finance to township entrepreneurs.</td>
</tr>
<tr>
<td>Micro-enterprises have improved access to digital services to participate in the digital economy &amp; 4IR technologies.</td>
<td>The City to facilitate partnerships, including SEDA and Gauteng Prov. Gov., to improve digital access in Thembisa, through (inter alia) digital hubs, free wi-fi, broadband roll-out and the promotion of marketing Apps.</td>
</tr>
<tr>
<td>An annual trade marketing event to be held in Thembisa to link the community producers and marketeers to business opportunities.</td>
<td>The City to conceptualise and facilitate a trade promotion event in Thembisa to stimulate opportunities for direct marketing, supplier agreements and digital services. The event will aim to connect home based traders &amp; producers to companies / markets.</td>
</tr>
</tbody>
</table>
The income and productivity of township recyclers improved. The City to facilitating partnerships and strengthen cooperates to enable township waste recyclers to more effectively obtain and package waste material and improve access to markets.

Urban agriculture productivity enhanced. The City to broaden extension services for urban producers and foster partnership with marketing platforms (including digital platforms such as Khula - https://khula.co.za/) and outlets.

Businesses have greater financial literacy and have access to services and technologies, including digital platforms. The City to facilitate partnerships, including Gauteng Prov. Gov. & Finmark Trust, to provide businesses with financial literacy training and improve access to services and technologies.

### 18.3. Nodal Development

<table>
<thead>
<tr>
<th>Opportunity</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>A precinct management plan instituted and upgrades completed for Leralla trader market.</td>
<td>The City to conceptualise and implement a plan with projects for the revitalisation of the Leralla trader market and institutionalisation of a precinct management.</td>
</tr>
<tr>
<td>Thembisa civic hub transformed into a business and service hub.</td>
<td>The City, in partnership with the NDPP and private investors, to advance projects and mobilise investment into the Thembisa hub precinct.</td>
</tr>
<tr>
<td>A street trader plan implemented within the Thembisa civic node.</td>
<td>The City to plan and implementing a street trader plan within the civic hub, identifying and implementing projects to improve the trading environment.</td>
</tr>
<tr>
<td>A financially sustainable business model formulated to develop and operationalise taxi ranks as business hubs.</td>
<td>The City, in partnership with the Gauteng Prov. Gov. and taxi associations, to conceptualise a PPP business model to develop the Esangweni Taxi Rank.</td>
</tr>
<tr>
<td>A precinct management and development plan for Swazi Inn approved.</td>
<td>In partnership with the City of Johannesburg, the City to undertake a study to propose a precinct management approach and projects for Swazi Inn to enhance opportunities for business, reduce urban management challenges and improve safety and security.</td>
</tr>
</tbody>
</table>
### 18.4. Spatial Integration

<table>
<thead>
<tr>
<th>Opportunity</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Train station nodes revitalised for mixed-use.</td>
<td>The City to identify opportunities for revitalising the station nodes (Tembisa, Limindlela, and Leralla) and conceptualise a development strategy.</td>
</tr>
<tr>
<td>A network of NMT and pedestrian lanes developed.</td>
<td>The City to conceptualise and implement projects to build a network of NMT lanes / routes, prioritising linkages to the civic hub.</td>
</tr>
<tr>
<td>An integrated public transport system achieved.</td>
<td>The City to develop a strategy and partnerships, including the Gauteng Prov. Gov., to improve integration between minibus taxis, train, BRT and bus systems, including the introduction of a single payment system.</td>
</tr>
<tr>
<td>Public transport networks and facilities are operational.</td>
<td>The City to execute planned projects, including BRT stations (including civic hub) and road upgrades. The City to engage National Government and PRASA to fast-track repairs to the railway line.</td>
</tr>
<tr>
<td>Motorcycle usage is expanded to provide township residents with more affordable transport and self-employment opportunities.</td>
<td>The City partners with private sector to increase access to motorcycle transport, through training schemes, marketing campaigns and working with local champions.</td>
</tr>
<tr>
<td>Infrastructure developed to provide and enable universal access to public transport.</td>
<td>The City to embrace and implement designs for universal access to ensure that people living with disabilities / mobility requirements have access to public transport infrastructure.</td>
</tr>
<tr>
<td>Purposeful cart &amp; trolley designs utilised by traders and waste collectors.</td>
<td>The City to facilitate a design studio, with participation of technical training colleagues, traders and artisans, to design, develop and manufacture prototypes of appropriate trollies to enhance access to markets.</td>
</tr>
</tbody>
</table>

### 18.5. Housing and Property

<table>
<thead>
<tr>
<th>Opportunity</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Encourage private/household investment in backyard rental housing units and support a gradual process of upgrading and formalisation.</td>
<td>The City will develop an enabling framework, simplified regulations and active support mechanisms to upgrade and formalize backyard rental housing units, advancing a precinct-based approach.</td>
</tr>
</tbody>
</table>
Strengthen the capabilities of the local construction industry and improve the functioning of the housing market.

<table>
<thead>
<tr>
<th>Opportunity</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>The City will establish a local housing support centre to encourage more investment in the housing stock, provide advice on title deeds and property transfers, and facilitate the growth of local builders, property developers, real estate agents and other housing-related enterprises.</td>
<td></td>
</tr>
</tbody>
</table>

Encourage housing investments by the public and private sectors in strategic sites to raise population densities, encourage mixed land uses and stimulate additional economic activity.

<table>
<thead>
<tr>
<th>Opportunity</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>The City will introduce procedures to fast-track higher density housing investments, including PPPs, in strategic sites, including within the civic hub.</td>
<td></td>
</tr>
</tbody>
</table>

### 18.6. Social and Community Infrastructure

<table>
<thead>
<tr>
<th>Opportunity</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Thembisa golf course is re-habilitated as a recreational facility, social space and conserved green belt.</td>
<td>The City to devise a plan with projects for the improvement of the Thembisa golf course as a strategic ecosystem resource, including the establishment of partnerships for implementation and management.</td>
</tr>
</tbody>
</table>

### 18.7. Urban Management

<table>
<thead>
<tr>
<th>Opportunity</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilities upgraded and precinct management instituted in public spaces (including parks).</td>
<td>The City to identify and implement projects to upgrade facilities and to develop and implement precinct management strategies for the upkeep of parks, including Thami Mnyele Cultural Park and Imbazelo Park.</td>
</tr>
<tr>
<td>Public Employment Programmes introduced and utilised to address urban management challenges, including the maintenance of recreational and ecosystem resources.</td>
<td>The City to repurpose PEP to improve urban management challenges, including dumping, through identifying partnerships and new approaches.</td>
</tr>
<tr>
<td>Public safety enhanced through the application of crime prevention through environmental design and precinct management.</td>
<td>The City to adopt CPTED strategies and precinct management to revitalise public spaces and support diverse social, economic and recreational functions across multiple users.</td>
</tr>
</tbody>
</table>
19. Next Steps

In the Second Phase of the TED Project, the TAT will support the CoE to conduct an evaluation of the merits of the identified opportunities. This process will require high-level transversal engagement with all affected line departments and units. An evaluation matrix tool will be utilised to record the outcome of this engagement process. The results of the evaluation will guide the project steering team to re-assess the identified opportunities to be incorporated in the TAT supported township economy development strategy for Thembisa.

The section of the 8 projects will be determined in consideration of the following criteria AND weighting (minimum number of projects) to ensure that the range of project interventions address economic, socio-spatial and institutional change. The TAT will provide a high-level indication of the ‘value-add’ from technical assistance in respect to the selection of projects to address the over-riding basket of project interventions.

Table 12: Criteria for selecting the eight projects

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Minimum # of Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>aligns with identified City programme and project priorities.</td>
<td>4</td>
</tr>
<tr>
<td>can be funded by the City.</td>
<td>4</td>
</tr>
<tr>
<td>has an identified lead department / unit for implementation.</td>
<td>4</td>
</tr>
<tr>
<td>can unlock new partnerships via the CSP and non-state actors.</td>
<td>2</td>
</tr>
<tr>
<td>will benefit from CSP technical assistance.</td>
<td>4</td>
</tr>
<tr>
<td>can enhance productivity and stimulate economic multipliers.</td>
<td>4</td>
</tr>
<tr>
<td>will benefit emerging entrepreneurs and marginalised groups.</td>
<td>4</td>
</tr>
<tr>
<td>will enhance social cohesion, improve safety, and contribute to environmental sustainability.</td>
<td>1</td>
</tr>
</tbody>
</table>
The TAT support may include:

- Partnership facilitation,
- Strategic and policy advice,
- Project conceptualisation and design,
- Business case development,
- Research support and knowledge sharing,
- Project monitoring & evaluation and impact assessment,
- Project submission within City and NT budgeting process,
- Project spatial and architectural design.
- Quick-win implementation.
- Support in the preparation of calls for proposals or tenders.

At the conclusion of the assessment process, and agreement on the ranking and weighting of the identified opportunities, the TAT will then support the CoE advance 8 projects within the framework of an overarching township development strategy.
20. Annexures

20.1. References


City of Ekurhuleni Integrated Development Plan 2017-2021


City of Ekurhuleni. Nd. Issuing of Trade Licences for Ekurhuleni Metropolitan Municipality.

City of Ekurhuleni. Nd. Standard operating procedure (SOP) for issuing of business licences from Economic Development Department.


Gauteng Provincial Legislature – Township Economic Development Bill 2020
http://www.nyda.gov.za/Products-Services/NYDA-Grant-Programme
https://kemptonexpress.co.za/270870/ekurhuleni-golf-union-have-an-eye-opening-day-ebuhleni-golf-course
Khula App. https://khula.co.za/
https://www.foodformzansi.co.za/urban-farming-was-the-saving-grace-for-an-unemployed-youth/
https://www.foodreview.co.za/sab-supports-recycling-start-ups-in-tembisa/
### Persons Consulted

<table>
<thead>
<tr>
<th>Surname</th>
<th>Name</th>
<th>Unit / Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appel</td>
<td>Craig</td>
<td>DSBD</td>
</tr>
<tr>
<td>Bekker</td>
<td>Martin</td>
<td>CoE, Metropolitan Spatial Planning Division, City Planning Department</td>
</tr>
<tr>
<td>Chauke</td>
<td>Caiphus</td>
<td>CoE, HOD, Economic Development Department</td>
</tr>
<tr>
<td>De Beer</td>
<td>Madelein</td>
<td>CoE, Roads and Stormwater Department</td>
</tr>
<tr>
<td>Garane</td>
<td>Sthembiso</td>
<td>CoE, Community Enterprise Development</td>
</tr>
<tr>
<td>Govender</td>
<td>Neville</td>
<td>CoE, Economic Development</td>
</tr>
<tr>
<td>Hadebe</td>
<td>Maggy</td>
<td>CoE, Metropolitan Spatial Planning Division, City Planning Department</td>
</tr>
<tr>
<td>Hiliza</td>
<td>Godfrey</td>
<td>CoE, Housing Department</td>
</tr>
<tr>
<td>Hlatshwayo</td>
<td>Simphiwe</td>
<td>CoE, Economic Infrastructure, Job Creation and Skills Development</td>
</tr>
<tr>
<td>Ismail-Saville</td>
<td>Tashmia</td>
<td>Youth Employment Service, CEO</td>
</tr>
<tr>
<td>Jamile</td>
<td>Ndimphiwe</td>
<td>NT, NDPP</td>
</tr>
<tr>
<td>Koseff</td>
<td>Jak</td>
<td>SA Presidency Unit and GPG</td>
</tr>
<tr>
<td>Kruger</td>
<td>Werner</td>
<td>Indlu Housing</td>
</tr>
<tr>
<td>Leponesa</td>
<td>Mphepelo Mabesa</td>
<td>Waste Management Department, CoE</td>
</tr>
<tr>
<td>Lesole</td>
<td>Isaac</td>
<td>Buddibox CEO</td>
</tr>
<tr>
<td>MacCarron</td>
<td>Gerard</td>
<td>CoE, Metropolitan Spatial Planning Division, City Planning Department</td>
</tr>
<tr>
<td>Makhanya</td>
<td>Pamela</td>
<td>Sports, Recreation, Arts &amp; Culture</td>
</tr>
<tr>
<td>Maharaj</td>
<td>Kosheek</td>
<td>AIDC</td>
</tr>
<tr>
<td>Mashela</td>
<td>Thabo</td>
<td>Youth Employment Service, Hub Manager</td>
</tr>
<tr>
<td>Maqetuka</td>
<td>Seth</td>
<td>CSP Housing Advisor</td>
</tr>
<tr>
<td>Mokhethi</td>
<td>Charlotta</td>
<td>CoE, Housing Department</td>
</tr>
<tr>
<td>Name</td>
<td>Title</td>
<td>Organization</td>
</tr>
<tr>
<td>--------------</td>
<td>-----------------</td>
<td>---------------------------------------------------</td>
</tr>
<tr>
<td>Mbangxa</td>
<td>Sisa</td>
<td>African Panel beaters and Motor Mechanics Association</td>
</tr>
<tr>
<td>Mnguni</td>
<td>Moses</td>
<td>Tembisa Chamber of Commerce and Industry</td>
</tr>
<tr>
<td>Mokemane</td>
<td>Palesa</td>
<td>CoE, Energy Department</td>
</tr>
<tr>
<td>Mtshali</td>
<td>Thabi</td>
<td>DSBD</td>
</tr>
<tr>
<td>Mokoena</td>
<td>Baleseng</td>
<td>Human Settlements Department, CoE</td>
</tr>
<tr>
<td>Nche</td>
<td>Mpho</td>
<td>CoE, Divisional Head Community Enterprise Development</td>
</tr>
<tr>
<td>Ndaba</td>
<td>Musa</td>
<td>CoE, Housing Department</td>
</tr>
<tr>
<td>Ninham</td>
<td>Eugenie</td>
<td>NT, NDPP</td>
</tr>
<tr>
<td>Prinsloo</td>
<td>Henry</td>
<td>CoE, Economic Development Department</td>
</tr>
<tr>
<td>Sekele</td>
<td>Collins</td>
<td>CoE, NDPP</td>
</tr>
<tr>
<td>Simelane</td>
<td>Busi</td>
<td>CoE, Sports, Recreation, Arts &amp; Culture</td>
</tr>
<tr>
<td>Sitshaluza</td>
<td>Andile</td>
<td>CoE, Metropolitan Spatial Planning Division, City Planning Department</td>
</tr>
<tr>
<td>Swart</td>
<td>Hannelie</td>
<td>CoE, Sports, Recreation, Arts and Culture</td>
</tr>
<tr>
<td>Tjia</td>
<td>Dinao</td>
<td>CoE, Human Settlements Department</td>
</tr>
<tr>
<td>Tsoka</td>
<td>Kgaugelo</td>
<td>The Innovation Hub, Area Innovation Manager</td>
</tr>
<tr>
<td>Umlaw</td>
<td>Stephen</td>
<td>DSBD</td>
</tr>
<tr>
<td>Viljoen</td>
<td>Philip</td>
<td>CoE, Geo Informatic Systems Services</td>
</tr>
<tr>
<td>Zulu</td>
<td>Wiseman</td>
<td>CoE, Water and Sanitation Department</td>
</tr>
</tbody>
</table>
## 20.3. Business Development Services

<table>
<thead>
<tr>
<th>Name of Organisation</th>
<th>Services Provided</th>
<th>National/Provincial/Local</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NATIONAL</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Dept. of Small Business Development - | - Debt Relief Fund  
- Business Growth /Resilience Fund  
- Township & Rural Entrepreneurship Programme (TREP)  
* Autobody Repairers & Mechanics  
* Bakeries & Confectioneries  
* Butcheries support  
* Shisanyamas & Cooked Food support |                          |
| Dept. of Science & Innovation  
* Mmamose Seloane – Director Technology Localisation Unit | - Technology Stations programme)  
| Department of Trade, Industries & Competition – dtic  
(seeks to increase the level of participation of black South Africans in ownership & control of productive enterprises in key sectors & value chains)  
- SMEs & township & rural  
- SEZ & Industrial Parks |                          |
| Small Enterprise Development Agency- SEDA  
[http://www.seda.org/MYBUSINESS/STP/Pages/Incubation.aspx](http://www.seda.org/MYBUSINESS/STP/Pages/Incubation.aspx) | Various including:  
- Supplier Development Programme  
- Hubs & Incubators (Seda Technology Programme)  
- Fem_In-Tech Development Programme:[https://youtube.be/-_M1Oxgdn4](https://youtube.be/-_M1Oxgdn4)  
- COVID-19 One-Stop Information Portal  
- [www.seda.org.za](http://www.seda.org.za)  
<table>
<thead>
<tr>
<th>National Youth Development Agency – NYDA</th>
<th>Youth Development Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td><a href="http://www.nyda.gov.za/">http://www.nyda.gov.za/</a></td>
<td>- Various youth-focused services both financial and non-financial</td>
</tr>
<tr>
<td></td>
<td>- Youth Micro Enterprise Relief Fund (YMERF)</td>
</tr>
<tr>
<td></td>
<td>National and Provincial</td>
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</tbody>
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- South African Furniture Industry – SAFI
SEDA Automotive Technology Centre
http://www.satec.co.za/
<table>
<thead>
<tr>
<th><strong>Little Fish – [<a href="http://www.itweb">www.itweb</a>](<a href="https://www.itweb.co.za/content/Rg">https://www.itweb.co.za/content/Rg</a> eVDqPYGegvKJN3)</strong></th>
<th><strong>Platform for 600 SMMEs two-way communication consumes &amp; businesses, geo-location services connecting consumers to SMMEs in their vicinity &amp; in-app stock orders. Also provides access to finance through its alternative credit scoring</strong></th>
</tr>
</thead>
</table>
| **PILLAR 5 GROUP**  
Address: Baruch Regent House (3rd Floor), Cnr Voortrekker & Durban Rd, Bellville, 7530  
Phone: 074 932 4911 | Business development service  
The PILLAR 5 GROUP is a leading Business Development Group with a strong focus on entrepreneurial support. Our aim is to deliver superior strategic content and provide brand support to aspiring entrepreneurs and young innovators seeking to expand into international markets and rise to the top echelons of their respective industries. |
| Fetola  
[www.fetola.co.za](https://fetola.co.za)  
[https://fetola.co.za/mentor-hotline/](https://fetola.co.za/mentor-hotline/) | Tailor-made enterprise & supplier development programmes  
- Mentorship  
- Business Incubation  
- Reputation & brand building  
- Youth, Women & People with disabilities enterprises  
- Green/Sustainable sector, food security, & farming, local manufacturing & technology |
| The Awethu Project  
[www.awethuprojects.co.za](http://www.awethuprojects.co.za) | The Awethu Project Launch Pad Incubator aims to grow businesses focusing on micro businesses throughout South Africa |
| Red Bull Amaphiko Academy  
[www.redbull.com](http://www.redbull.com) | - A launch pad for start-up social entrepreneurs  
- 10 day of connection & collaboration with leading innovators, entrepreneurs & storytellers  
- One-on-one mentor who will assist you to develop business, personal & strategic development plans that will take 18 months |
| BizQube  
- Customised mentoring  
- Enterprise supplier development opportunities in food, beverage, cosmetic & pharmaceutical manufacturing |
| Smorgasbord  
[https://smorgasbord.co.za/](https://smorgasbord.co.za/) | An organisation dedicated to supporting & incubating food start-ups (food & beverage related)  
Focus on building & sustaining food & beverage sector in South Africa |

- National  
- Cape Town
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<tr>
<th>Organization</th>
<th>Within the Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raizcorp</td>
<td>- Invest in &amp; create market opportunities for early stage food &amp; beverage business</td>
</tr>
</tbody>
</table>
| https://raizcorp.com | Works with entrepreneurs at stages of their life cycle  
- Incubation services  
- Business acceleration for entrepreneurs  
- Execute enterprise & Supplier development on behalf of corporates |
| The Thomson Reuters Labs  
https://innovation.thomsonreuters.com/labs/labs/incubator.html | The incubator is a 6-12 month programme  
Diverse group of mentors  
Free office space  
Access to data & tools  
Customers Networks Investor circle  
Focussing on:  
RegTech  
LegalTech  
Taxtech  
Newstech amongst other things provides affordable business opportunities & workshop to empower entrepreneurs  
Practical workshops including manufacturing |
| Cape Town | |
| The Furniture Technology Centre Trust – Furntech  
furntech.org.za | Support to existing & start-up businesses providing incubation to entrepreneurs with skills in the furniture manufacturing industry |
| Cape Town | |
| Johannesburg | |
| French Tech  
capetown.lafrenchtech.com | A global incubator that aims to connect entrepreneurs from France & South Africa & also find funding for these start-ups in Africa |
| The Cape Innovation & Technology Initiative  
www.citi.org.za | The incubator offers several enterprise development programmes: |
<p>| Private Sector | |</p>
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<thead>
<tr>
<th>Organization</th>
<th>Description</th>
<th>Location</th>
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<tbody>
<tr>
<td>SAB Foundation Tholoane Enterprise Programme</td>
<td>R157 million invested in supporting 473 entrepreneurs</td>
<td>SAB Tholoana First Floor, Block C Plum Park 25 Gabriel Road Plumstead, Cape Town</td>
</tr>
</tbody>
</table>
| Kick-Start SABInbev                              | Youth Enterprise Programme  
Women Owned Taverns Programme                                                                                                                                  |                                         |
| Kandua                                           | An online marketplace which focuses on providing home services with 10 000 vetted SMME and independent individuals in 100 service categories [https://ventureburn.com/2020/09/sa-tech-startup-partners-with-french-development-agency](https://ventureburn.com/2020/09/sa-tech-startup-partners-with-french-development-agency) | Johannesburg base with a national footprint |
| Transnet Hub [http://www.transnet.net/BusinessWith/Pages/Enterprise](http://www.transnet.net/BusinessWith/Pages/Enterprise) Development-HUB.aspx | - This is an enterprise development hub  
- Aimed at expanding business opportunities for smaller enterprises & new business entrants | National                                |
| SA Business Hub [http://www.sabusinesshub.co.za/](http://www.sabusinesshub.co.za/) | - A website based hub that offers affordable & on demand business training, knowledge and information, coaching, an online marketplace for goods & services | National                                |
- Committed to enterprises currently receiving their support  
- Opportunities for new BEE suppliers | National                                |
| Shanduka Black Umbrellas [www.shandukablackumbrellas.org/](http://www.shandukablackumbrellas.org/) | Emerging businesses support infrastructure  
mentorship and collaboration to assist their transition from incubation to viable independent businesses  
office space & facilities  
business software & database of business tools | National                                |
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<tr>
<th>bookkeeping</th>
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<td>drivers and vehicles</td>
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