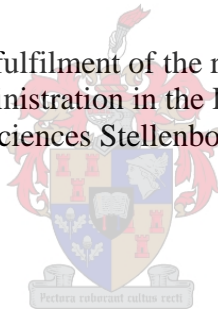


Implementation Evaluation: A case study of the City of Cape Town's Investment Incentive Policy

by

Michelle Joja

Thesis presented in partial fulfilment of the requirements for the degree
of Master in Public Administration in the Faculty of Economic and
Management Sciences Stellenbosch University



Supervisor: Dr Babette Rabie

December 2016

Declaration

By submitting this thesis electronically, I declare that the entirety of the work contained therein is my own, original work, that I am the sole author thereof (save to the extent explicitly otherwise stated), that reproduction and publication thereof by Stellenbosch University will not infringe any third party rights and that I have not previously in its entirety or in part submitted it for obtaining any qualification.

Signature:

Date:

Copyright © 2016 Stellenbosch University

All rights reserved

Abstract

Changes in the global economy have compelled economies (countries, regions, cities, etc.) to take more creative measures to attain the economic growth necessary to sustain their populations. One of these creative measures involves the development and implementation of Investment Incentives Policies. Many economies, including that of the City of Cape Town municipality, have developed these policies. South Africa and South African cities, however, as in many developing economies, have not been as successful in policy implementation as they been in policy formulation.

This paper considers the implementation of the City of Cape Town's Investment Incentives Policy. A mixed-methods approach was used in this study because this means of synthesising qualitative and quantitative data, methods, methodologies, and/or paradigms in a research study was seen as suited to this study. This is the case because the main purpose this study was to evaluate the implementation process followed by the City of Cape Town when implementing the Investment Incentives Policy.

The study commences by reviewing policy implementation literature, then presents a model developed for successful policy implementation, and assesses the City of Cape Town's Investment Incentives Policy against this model. The proposed model attempts to demonstrate that implementation involves preparation, planning, analysis, assessment and organising to ensure that, when the policy is applied to a population and environment, the environment and the population are ready for its application. When the proposed model is applied to the City of Cape Town's Investment Incentives Policy, it is found that many of the preparatory requirements necessary for successful implementation had not been undertaken by the City of Cape Town. This leads to the assumption that, should implementation continue in the same manner, the policy goals will not be attained. In line with this finding, this thesis provides recommendations to improve the implementation process of the Investment Incentive Policy to ensure that the intended outcomes and goals of the policy are attained.

Opsomming

Veranderinge in die globale ekonomie het ekonomieë (lande, streke, stede, ens) verplig om meer kreatiewe maatreëls te volg om die ekonomiese groei wat nodig is om hul bevolkings te onderhou, te verwesenlik. Een van hierdie kreatiewe maatreëls behels die ontwikkeling en implementering van die Beleggingsaansporingsbeleid. Baie ekonomieë, insluitende dié van die Stad Kaapstad Munisipaliteit het sulke beleide ontwikkel. Suid-Afrika en Suid-Afrikaanse stede, soos in baie ontwikkelende ekonomieë gebeur, was egter nie ewe suksesvol met die implementering van beleid as met beleidsformulering nie.

In hierdie verslag word die implementering van die Stad Kaapstad se Beleggingsaansporingsbeleid oorweeg. Die studie maak gebruik van alternatiewe data insameling metodes wat kwalitatiewe en kwantitatiewe data, metodes, metodologieë en / of paradigmas sintetiseer. Hierdie benadering word as geskik beskou tot die hoofdoel van die studie, naamlik die evaluering van die implementeringsproses wat deur die Stad Kaapstad vir implementering van die Beleggingsaansporingsbeleid gevolg is, behels het.

Die studie begin met 'n oorsig van beleidsimplementeringsliteratuur, stel dan 'n model bekend wat vir suksesvolle beleidsimplementering ontwikkel is, en evalueer die Beleggingsaansporingsbeleid van die Stad Kaapstad in vergelyking met hierdie model. Die voorgestelde model poog om aan te toon dat implementering voorbereiding, beplanning, ontleding, evaluering en organisering nodig is om te verseker dat, wanneer die beleid op 'n bevolking en omgewing toegepas word, die omgewing en die bevolking gereed is vir die toepassing daarvan. In die toepassing van die voorgestelde model op die Stad Kaapstad se Beleggingsaansporingsbeleid, bevind die studie dat baie van die voorbereidende vereistes wat vir die suksesvolle implementering nodig was, nie deur die Stad Kaapstad onderneem was nie. Dit lei tot die aanname dat die beleidsdoelwitte nie bereik sou word nie indien implementering op hierdie wyse sou voortgaan. In ooreenstemming met hierdie bevindinge bied die tesis bepaalde aanbevelings om die implementeringsproses van die Beleggingsaansporingsbeleid te verbeter, om sodoende te verseker dat die beoogde uitkomst en doelwitte van die beleid bereik word.

Table of Contents

Declaration.....	i
Abstract.....	ii
Opsomming.....	iii
List of Figures.....	viii
List of Tables	ix
List of Annexures	x
CHAPTER 1: INTRODUCTION AND OVERVIEW OF THE RESEARCH.	1
1.1 Introduction	1
1.2 Problem statement and rationale for the study	5
1.3 Research questions	6
1.4 Objective.....	6
1.5 Research design and methodology	6
1.6 Thesis structure.....	7
1.7 Conclusion	7
CHAPTER 2: A MODEL FOR PUBLIC POLICY IMPLEMENTATION	9
2.1 Introduction	9
2.2 The evolution of the public policy life cycle	9
2.3 Policy implementation and implementation monitoring	14
2.4 Approaches to Policy Implementation.....	16
2.4.1 Top-down approach.....	16
2.4.2 Bottom-up approach.....	17
2.4.3 Combined approach.....	17
2.4.4 New Public Management approach	18
2.4.5 Project management theory	19
2.5 Reasons for policy implementation failure.....	20

2.6 Models for successful policy implementation.....	23
2.6.1 Elson’s model.....	23
2.6.2 Gholipour, Jandaghi and Fallah’s model	25
2.6.3 Spicker’s model	26
2.7 Proposed model for Policy Implementation	29
2.8 Conclusion	33
CHAPTER 3: THE CoCT INVESTMENT INCENTIVES POLICY	34
3.1 Introduction	34
3.2 National Economic Development policy directives to stimulate Economic Development at local municipality levels.....	34
3.3 Economic Development in the City of Cape Town.....	37
3.4 Range of Investment Incentives available in the South African economy	39
3.5 City of Cape Town’s Investment Incentives Policy	40
3.6 Institutional arrangements for the IIP	42
3.7 Conclusion	42
CHAPTER 4: RESEARCH DESIGN AND METHODOLOGY	44
4.1 Introduction	44
4.2 Evaluation design.....	45
4.3 Analysis approach.....	45
4.4 Securing co-operation and ensuring acceptable ethical conduct	46
4.4.1 Securing co-operation.....	46
4.4.2 Ensuring acceptable ethical conduct	46
4.5 Research approaches.....	47
4.5.1 Literature review and content analysis.....	47
4.5.3 Thematic analysis.....	48
4.5.4 Sampling size and procedures.....	48

4.6 Research instruments and administration of questionnaires	48
4.6.1 Questionnaires.....	48
4.6.2 Interviews.....	50
4.6.3 Secondary data	51
4.7 Ensuring validity.....	51
4.8 Data storage, organisation, retrieval and analysis.....	51
4.9 Strengths and limitations of the data collection processes.....	53
CHAPTER 5: ANALYSIS OF THE IIP IMPLEMENTATION AGAINST THE MODEL FOR POLICY IMPLEMENTATION.....	54
5.1 Introduction	54
5.2 Overview of the implementation process for the Investment Incentives Policy (IIP).....	54
5.3 Detailed presentation of the IIP implementation process.....	55
5.3.1 Ascertaining goals	56
5.3.2 Determination of the status quo.....	56
5.3.3 Selection of the method for implementation.....	57
5.3.4 Capacity building	57
5.3.5 Implementation planning	59
5.3.6 Implementation	611
5.3.7 Policy implementation evaluation	68
5.4 Conclusion	69
CHAPTER 6: RECOMMENDATIONS FOR IMPROVED IMPLEMENTATION OF THE IIP POLICY	70
6.1 Ascertaining Goals	70
6.2 Determination of the status quo	71
6.2.1 Identifying and listing relevant groups, organisations, and people.....	73

6.2.2 Analysing and understanding stakeholder perspectives and interests	73
6.2.3 Mapping and visualisation of relationships to objectives and other stakeholders	74
6.2.4 Level /tactics for engaging the stakeholders	75
6.3 Selection of the method of implementation	78
6.4 Capacity building.....	79
6.5 Implementation planning.....	82
6.6 Implementation	84
6.7 Policy implementation evaluation	85
6.8 Conclusion	87
CHAPTER 7: SUMMARY AND CONCLUSIONS	88
7.1 Introduction	88
7.2 Contextual reflection	88
7.3 Reflecting on the conceptual framework.....	89
7.4 Reflecting on the study's objectives	89
7.5 Concluding remarks	93
References.....	94
Annexures	103

List of Figures

Figure 2.1: Traditional policy development and policy analysis models constructed by author	11
Figure 2.2: Alternative model of modern policy cycle with different kinds of evaluations developed by author.....	13
Figure 2.3: Project Management theory.....	19
Figure 2.4: Elson's Policy Implementation Framework.....	24
Figure 2.5: Gholipour, Jandaghi and Fallah's model	25
Figure 2.6: Spicker's model of implementation	27
Figure 2.7: Proposed model for successful implementation	32
Figure 5.1: Communication sources	60
Figure 5.2: Response to “Why are you receiving incentives?	63
Figure 5.3: Response to "Which of the following categories best describe your business activities?"	63
Figure 5.4: Response to "Please indicate which of the following incentives you are receiving from the City of Cape Town"	65
Figure 5.5: Response to "Is the process outlined by the implementation framework identical to the one executed by you?"	65
Figure 6.1: Stakeholder assessment criteria.....	74
Figure 6.2: Mapping and visualisation of relationships to objectives and other stakeholders.....	75
Figure 6.3: Level /tactics for engaging the stakeholders	77
Table 6.4: Examples of possible tactical relationships.....	78
Figure 6.5: Capacity building model	81
Figure 6.6: Capacity development model	82

List of Tables

Table 6.1: Table for list of different stakeholders.....	73
Table 6.2: Examples of possible tactical relationships.....	77

List of Annexures

Annexure 1: Questionnaire administered to the implementing agents

Annexure 2: Questionnaire administered to the end users of the Investment
Incentives Policy

Annexure 3: Questionnaire to policy developers

CHAPTER 1: INTRODUCTION AND OVERVIEW OF THE RESEARCH

1.1 Introduction

The change in the character of the production, consumption and trading of goods and assets in the international economy has had major implications for the ability of national and local economies to facilitate the needed changes in the socio-economic structures; quality of life of citizens; the acceleration of economic growth; the reduction of inequality; the ability to increase employment opportunities for citizens; and the capacity to reduce and eradicate poverty. Economies consequently have become more liberal on the global scale.

A liberal global economy offers benefits such as access to global markets; absence of barriers to global trade; and national access to foreign lending. It is, however, also accompanied by detriments in that new technologies spread to domestic companies and lead to automation in sectors which reduces the need for unskilled labour and ultimately leads to increased unemployment in certain sectors.

It further leads to increases in transnational corporations that seek to maximise profits without regard for the development needs of individual countries or the local population. Most importantly, the new international political economy causes increased competition among developing and developed countries to attract foreign investment. This competition often leads to a 'race to the bottom' in which countries dangerously risk the economic growth and standard of living of the citizens in an attempt to get a bigger share of the global economy and to stimulate economic development.

With reference to the above, attracting Foreign Direct Investment (FDI) has become important to economies in their attempt to stimulate social and economic prosperity for their citizenry. This is because FDI is anticipated to generate positive productivity effects for host cities, regions and countries, as well as increase employment and trade opportunities; increase tax income; and encourage knowledge sharing between foreign companies and the host economy's private sector (Koven & Lyons, 2010:50).

According to the Organisation for Economic Co-operation and Development (OECD) (2002:5) foreign companies are mainly attracted to economies that possess characteristics such as large market size, high numbers in a skilled labour force; good public infrastructure; an accommodating fiscal, trade, and labour regulatory environment; and macroeconomic and political stability. In cases where economies lack some of the above characteristics, such economies try to attract investment through even more inventive ways. One of these methods is offering investment incentives.

Investment incentives here refer to any measurable advantage afforded to a specific business or classifications of businesses by government to invest in a region (Blomström, 2002:169).

Investment incentives provide gains and losses for the economies that grant them. The biggest advantage investment incentives are believed to bring is the correction of market failure. Other benefits include the introduction of new knowledge and skills to the existing workforce; the introduction of new technologies; and managerial expertise and network access. Furthermore, investment incentives are presumed to help economies with business activity clustering and assist economies in acquiring a comparative advantage over other regions, while it is believed to compensate investors for loss in return due to other unfavourable government interventions (United Nations, 1996:9-11).

Even though investment incentives have the ability to correct market failures, it has a greater ability to bring about distortions in the market, especially in economies. Here, investment incentives can favour large enterprises over smaller enterprises to the point where small enterprises are marginalised, thereby diminishing government's efforts to stimulate micro to small enterprises. Investment incentives also place additional stress on already limited state resources usually used to facilitate social and economic growth. This implies that investment incentives are being funded with limited resources and with no guarantee of stimulating growth (United Nations, 1996:9-12). Furthermore, due to an insufficient supply of officials who possess the capacity to implement and measure the impact of investment incentives, economies are unable to extract and evaluate

evidence that prove or disprove the impact of incentives on the social and economic wellbeing of the citizenry (Whiteside, 1989:119).

A wide range of research has been conducted around the impact of FDI and incentives on economies. The majority of the existing literature is unconvinced regarding the role of incentives in the decision to invest. International experience shows that incentives only play a minor role in investment decisions. International Economic Organisations such as The International Monetary Fund (Chua, 1995, cited in Jordaan, 2012:5) and the OECD (in Blomström, 2002:169) propose that investment incentives are ineffective where investment climates are weak. The extensive research conducted by these organisations show that investment incentives cannot compensate for weak investment climates. It also shows that incentives, where effective in attracting investment, have significant costs, which, in most cases, outweigh the social and economic benefits to the citizenry.

Notwithstanding all this research, evidence and expert opinions, cities, regions and nations still opt to offer incentives. Internationally, for example, the national and local governments in the United States of America have increasingly offered numerous types of property tax incentives to attract businesses over the past 50 years. Such incentives include property tax reduction programmes; business-specific property tax incentives; and tax percentage increase financing, amongst other incentives. The issuing of these incentives has cost governments, both those with strong economies like the USA, but also those with weaker economies, billions of dollars. Little to no evidence exists, however, to prove that the investment incentives mechanism provided economic benefits to government economies (see Kenyon, Langley and Paquin, 2012:1, following an impact evaluation on investment incentives in the USA). The costliness of incentives and the lack of evidence of its effectiveness are evident in this case. Kenyon et al. (2012) also cite the lack of capacity to implement investment incentives and the lack of appetite for incentives being offered as another reason for little to no change in the investment climate, even in the midst of incentives being offered.

In Africa, Kenyan economists are also concerned about the implications of granting incentives to investors for the citizenry. Action Aid and the Tax Justice Network in Africa claim that Kenya's revenue losses from tax incentives and exemptions amount to as much as KShs 100 billion every year, which is double the amount of Kenya's entire health budget of KShs 41.5 billion. This, according to organisations mentioned above, proved that the granting of incentives, especially tax incentives, reduces the availability of revenue to fight poverty in the poverty stricken country and makes the poor bear the burden of incentives, as incentives reduce the availability of public funds investment for basic service delivery (Ambrose & Mosioma, n.d.). The Kenyan government still continues to offer incentives, even after prestigious International organisations like the International Monetary Fund (IMF), The World Bank, OECD, United Nations (UN), and African Development Bank (ADB) concluded that incentives are not needed to attract FDI in countries such as Kenya (in a study conducted in 2010). According to these institutions, investors are investing in Kenya due to its "access to the local and regional market, political and economic stability and favourable bilateral trade agreements" (Ambrose and Mosioma, no date). The impact of the investment incentives has unfortunately also not been measured due to lack of capacity to evaluate the effects of the interventions.

In South Africa, investment incentives are being offered at all levels of government. The National Department of Trade and Industry offers a wide range of incentives, including Industrial Development-Related Incentives, Women Economic Empowerment Incentives and Trade, Export and Investment Incentives (Department of Trade and Industry, 2014). The Gauteng and Limpopo Provinces also offer incentives (Department of Trade and Investment Limpopo, 2005; Department of Trade and Investment Gauteng, 2014). Even municipalities – from the big metros, like Tshwane Municipality (see City of Tshwane, 2014), to medium-sized municipalities like George Municipality (see George Town Council, 2013) and even smaller municipalities like Modimolle Municipality – offer incentives (see Department of Trade and Investment Limpopo, 2005).

Barbour assessed South Africa's investment incentive regime in 2005 and found that incentives have not been effective in delivering the levels of investment needed to raise the economic growth rate above the desired threshold. He denoted poor awareness of existing incentives; the bureaucratic nature of the government and complexity of incentives and the lack of sunset clauses in incentives as some of the reasons why incentives do not create the desired investment environment. He furthermore claimed that the biggest reason why incentive programmes are continuously developed and seldom attract investment is because government introduces incentives in response to lobbying by different sectors, instead of introducing new interventions based on information recovered from rigorous evaluation of the design, implementation, outputs and outcomes of previous interventions (Barbour, 2005:22-30).

Considering that the South African government still persists in following this international trend of offering investment incentives, regardless of the oblique pessimistic conclusions of the majority of international literature and case studies on investment incentives cited above, it is important to, as Barbour (2005) suggested, conduct assessments of the design, implementation, outputs and outcomes of interventions of this kind to determine whether they can work and under what conditions.

1.2 Problem statement and rationale for the study

The City of Cape Town (CoCT), like other municipalities nationally and internationally, developed and implemented an investment incentive policy in 2013 to improve its regional competitiveness and attract investment to facilitate job creation. To date, the policy's implementation process has not been assessed or reviewed. Thus, in an attempt to learn from past experience, where the lack of continuous learning through policy cycle evaluations have led to the failure of investment incentive interventions, this research undertook an evaluation of the implementation process of the investment incentive policy to determine whether the manner in which the Investment Incentives Policy (IIP) was implemented will facilitate the attainment of the policy goals. This study was very topical as it was undertaken at a time of heightened interest in both investment incentives and the assessment of government interventions.

1.3 Research questions

This study analysed the implementation process followed by the CoCT in implementing the Investment Incentive Policy and asked the following questions:

- What are the practical processes through which the Investment Incentives Policy is being implemented?
- Do the current implementation processes support the likelihood of achieving the intended goals of the policy?
- What recommendations can be offered to improve the current and future policy implementation processes of the Investment Incentives Policy and other similar policies?

1.4 Objective

The primary aim of this study was to perform an evaluation of the implementation process of the IIP which was being executed in the CoCT. As the policy had only been implemented for two years, the implementation was studied to date.

In order to address the main research problem and research questions of the study (see section 1.2 and section 1.3), the objectives of the study were to:

- Review available literature on policy implementation to develop an implementation evaluation framework that may be applied to the case study.
- Collect and study primary and secondary data to establish how the policy was implemented.
- Compare the implementation process to the implementation evaluation framework developed.
- Provide recommendations on how the implementation process may be improved.

1.5 Research design and methodology

This study is primarily intended to be an implementation evaluation to strengthen and improve the City of Cape Town's IIP by examining the delivery of the programme; the

quality of its implementation; and the organisational context, personnel, procedures, inputs, and other elements regarding the sustainability of the intervention. In this regard, the research methods employed in this study included policy document analysis, a literature review, and survey methods by which primary data collected through questionnaires from policy developers, policy implementers, as well as the end users of the policy were analysed. A comprehensive justification of the research design and methodology, data collection and data analysis is undertaken in Chapter 3 of the study.

1.6 Thesis structure

This thesis comprises seven chapters. The first chapter serves as an introductory section which contains the background, rationale, the objectives and a brief overview of the design and methodology of the thesis. The second chapter showcases and engages with the various literatures around the policy cycle and implementation evaluation. The third chapter provides an overview of the policy being evaluated together with its organisational and legislative framework, while the fourth chapter elaborates on methodologies which were used to carry out this study. Chapters 5 and 6 present the data that were collected, while the final chapter presents an analysis of the data, gives recommendations and conclusions drawn from the collected data.

1.7 Conclusion

This chapter has presented a discussion of the context in which this study was conducted. This started from taking a broad look at the macroeconomic structure of the internal economy. The discussion alluded to the fact that it has become more difficult to sustainably develop local economies due to free global trade. This has led to increased competition amongst economies for foreign direct investment as it is believed to correct many of the market failures that economies have experienced. This increased competition has led to economies offering investment incentives in an attempt to stimulate interest in their areas among international businesses. The majority of international and national literature conversely argues that incentives do not attract businesses to a particular environment; instead, investors are prone to investing where the investment climate is favourable. It is speculated by authors that this is due to incentives not compensating for stable macroeconomic environments and efficient

labour and good markets, as well as the lack of adequate skills to implement incentives and a lack of sufficient monitoring and evaluation efforts and skills.

Despite the negative evidence on incentives, national, provincial and local economies still offer incentives. The City of Cape Town is one of the municipalities, that, even though all evidence point to incentives having minimal to minute impact on investment attraction, has developed and implemented an Investment Incentive Policy. The policy's implementation process has not been reviewed to date. Thus in an attempt to learn from past experience, according to which the lack of continuous learning through policy cycle evaluations contributed to the failure of investment incentive interventions, an evaluation of the implementation process of the IIP was undertaken for this paper. This was done to provide useful feedback to support/improve/maintain the IIP's performance to facilitate more favourable achievement of the policy objectives.

The research was commenced by looking at the literature relevant to public policy development, implementation and evaluation, and then summarising the case study. Results collected in a primary data exercise were analysed and summarised. Following this, all information was considered, conclusions drawn and recommendations determined.

CHAPTER 2: A MODEL FOR PUBLIC POLICY IMPLEMENTATION

2.1 Introduction

In this chapter, the purpose is to present an empirical study of available literature on policy implementation for developing an operational framework that could be applied to the intervention under review. It begins with a discussion of the evolution of public policy development and assessment, and then enters into discourse around the increased role of monitoring and evaluation in the public policy cycle. The focus then shifts to the conceptualisation of policy implementation, the different approaches to implementation, after which some reasons why policy implementation fails in developing countries are tabled, with writings from a few countries to substantiate the reasons. Different models for successful implementation, which take consideration of the issues experienced by developing countries, is then discussed, followed by a review of some literature on implementation evaluation. This chapter concludes with the proposed model against which the CoCT implementation of the IIP was assessed.

2.2 The evolution of the public policy life cycle

Public policy, broadly speaking, is government's attempt to strategically satisfy the needs, demands and desires of the public, by developing and institutionalising political processes that employ mechanisms to realise societal goals (Hanekom, 1987: 7). Public policy during its life cycle has over the years undergone a number of transitions. While the discipline has moved through quite a few paradigms, the definition it traditionally subscribed to has stayed constant.

Traditionally, public policy has been defined as “[a] kind of guide that delimits action” by Starling in 1987 (Akindele & Olaopa, 2004:174), and as “...the description and explanation of the causes and consequences of government activity” by Dye (1978:3). It has more recently been described as “[a process in which] decision makers, working within or close to the machinery of government and other political institutions, produce public actions that are intended to have an impact outside the political system” by John (2013: 1) and “...[the product of] a complex political process in which there are many actors: politician, pressure groups, civil servants, publicly employed professional and

even sometimes those who see themselves as the passive recipients of policy” by Hill (2013:4). The finest encapsulating definition found thus far is by Hanekom (1987:8) who defines public policy as “... a desired course of action and interaction which is to serve as a guideline in the allocation of resources necessary to realise societal goals and objectives, decided upon and made publicly known by [policy developers]”. This definition constitutes the definition accepted in this paper.

By tradition, public policy development, which explains how the policy-making process unfolds, and policy analysis, which is the multidisciplinary problem-solving investigative process that studies the type, origins, and repercussions of public policies, were independent processes (Nagel, 2001:71). Public policy development took place over five phases:

- Phase 1: Agenda setting- when officials place problems on the public agenda.
- Phase 2: Policy formation – when officials formulate policies to deal with a problem.
- Phase 3: Policy adoption – which involves the adoption of a policy with consensus.
- Phase 4: Policy implementation – where the adopted policy is executed by the administrative units which organize financial and human resources to fulfil the policy.
- Phase 5: Policy evaluation – which is the phase in which auditing and accounting units in government determine whether government are compliant with statutory of requirements of a policy and achieving its objective. (Dunn, 1995:16)

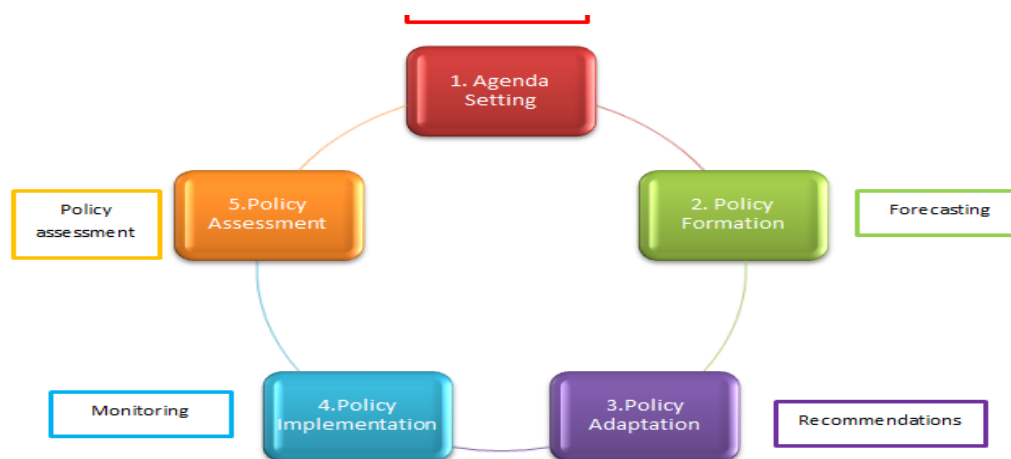
Policy analysis also took place over five phases, separately, but ran concurrently with the public policy development. The phases of policy analysis process included:

- Phase 1: Problem structuring which involved considering the fundamental directorial process that affected the success of all the other phases in the policy analysis cycle.
- Phase 2: Forecasting, which involved policy analysts providing an expected prescriptive vision of policy outcomes based on prior information about similar policy problems.
- Phase 3: Recommendation, which is the phase that provides cost-benefit analyses information for the different forecasted policy alternatives.

Phase 4 and 5: Monitoring and Evaluation (M&E) which in this context refers to the provision of policy relevant information about previously implemented policies to policy analysts, and provided information on the discrepancies between projected and actual policy attainment after the policy has been implemented (Hanekom, 1987:16).

Figure 2.1 shows a graphical representation constructed by the author of her understanding of the traditional policy-making and policy analysis processes.

Figure 2.1: Traditional policy development and policy analysis models constructed by author



It has become apparent that the policy development and the policy evaluation processes have undergone changes over the past few decades. One of the observed changes is the merger of the two processes into one process and the increased role of M&E in policy development and analysis. M&E now seems to play a greater role in helping improve performance and achievement of results of policies, amongst other things (Head, 2008:4). In this context M&E is used to determine the root causes of problems; the most cost efficient and effective solutions to problems; the setting of goals and targets; analysing what might work to reach targets; designing interventions based on evidence; designing attainable implementation plans; setting performance indicators; data collection during the implementation phase; and value judgement of the policy upon completion of the policy intervention (Davies, 2008:8).

Rossi, Lipsey and Freeman (2004:1) argues that the incorporation of M&E into policy-making processes is due to the increased acceptance and understanding of M&E as an investigative discipline that offers tools that enable policy decisions being based on evidence.

Conceptually, monitoring refers to the continuous orderly collection of data on identified indicators to provide stakeholders of [policy] interventions with signals of the extent of implementation and realisation of objectives and allocated funds spent. Evaluation, on the other hand, is used interchangeably with several concepts such as review, appraisal, analysis, assessment, critique, examine, inspect, judge, and study (Fitzpatrick, Sanders & Worthen, 2004:5) and is used to determine whether an intervention has attained what it set out to do and in the way it proposed to attain it.

In the South African public sector context, different types of evaluations can be applied during policy (and programme) life cycles. The National Department of Monitoring and Evaluation in 2014 classified them as follows:

- Diagnostic evaluations, which involve the systematic reviewing of societal problems, needs, gaps or shortages to ensure decision makers discuss and address the correct problem (Richter, 2012:1).
- Design evaluations, which investigate the inner logic of an intervention to determine whether it is designed adequately to solve the problem at hand (Zhang, Zeller, Griffith, Metcalf, Williams, Shea & Misulis, 2011:64).
- Economic evaluations, which involve comparing the economic viability of alternative proposed interventions to judge the viability of interventions based on non-monitory economic and social improvements and impacts (Brouwer & Georgiou, 2012:431)
- Impact evaluations, which investigate the changes produced by the policy intervention, both on the target beneficiary and the society as a whole (Gertler, Martinez, Premand, Rawlings & Vermeersch, 2011:4).

The final type of evaluation, implementation evaluation, is the evaluation that constitutes the centre of all the other evaluations. It assesses the process through which an intervention is implemented; endorses the intervention's design; tracks economic efficiency; and tries to investigate and identify barriers and facilitating factors that might impact on the expected outputs and outcomes of interventions (Cloete, 2009:292).

Figure 2.2 is a graphical representation developed by the author of her understanding of the different types of evaluation in the different phases of the perceived merger of the public policy development and the policy analysis cycles.

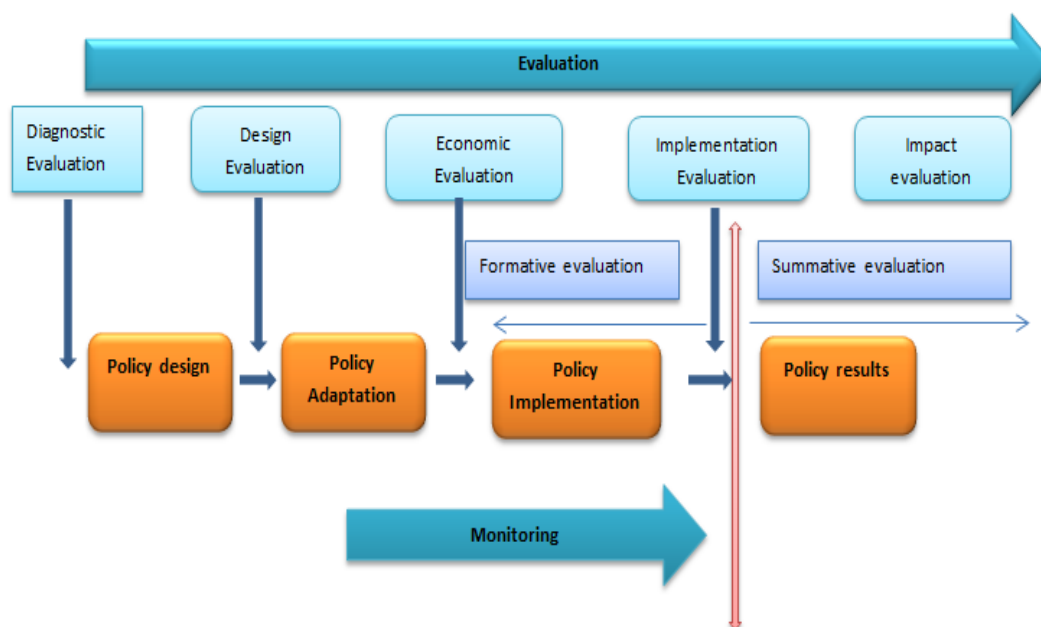


Figure 2.2: Alternative model of modern policy cycle with different kinds of evaluations developed by author

Monitoring and evaluation, according to this figure, is now done more frequently throughout the policy development process than before, and continues, as before, until after policies have been implemented.

The main aim of the current study was to assess the process followed during the implementation of the Investment Incentives Policy of the City of Cape Town to determine whether the policy was implemented as it was proposed to be implemented, and also to facilitate (future) successful implementation to ensure that the intended outputs and outcomes of the policy interventions are achievable.

In the following sections, the attempt to conceptualise policy implementation evaluation is discussed. Exploring what implementation is; considering what successful implementation is; reviewing some policy implementation experiences; and reflecting on some implementation approaches and models was followed by the development of an implementation model proposed for application during the implementation evaluation process as discussed in the following chapters.

2.3 Policy implementation and implementation monitoring

As discussed in the previous section, the increased inclusion of M&E principles in the traditional policy development cycle seemed to transform the, now more merged (but still policy development and policy analysis cycles) policy cycle into a (multi-phased and) two-stage policy model. If Figure 2.2 is considered, it seems as if the first stage is the stage in which estimations are made about the potential impact on different parties of the envisioned policy through different types of formative evaluations – whereas formative evaluations are evaluations intended to improve performance (Kusek & Rist, 2004:225). The policy is then implemented; afterwards monitoring and evaluation takes place mainly of the implementation process. This usually results in suggestions on how to improve the policy implementation process. Following this, phase two of the policy evaluation process kicks in. During this phase, judgement is passed on the value or the impacts of the intervention through summative evaluations (Venetoklis, 2001:i). Here, summative evaluations are studies conducted at the end of an intervention to determine the extent to which anticipated outcomes were produced or the worth of the intervention is deduced (Kusek & Rist, 2004:229).

Another point mentioned before is that this research focused on the implementation of the Investment Incentives Policy, thus it was involved in the monitoring and evaluation of the implementation process that was followed when the afore-mentioned policy was implemented.

When reference is made in this research report to implementation, the researcher refers to a “specified set of activities designed to put into practice an activity or program of known dimensions” (Fixsen, Naoom, Blasé, Friedman & Wallace, 2005:5).

Contextually, implementation theory is a division of economic theory that thoroughly examines the relation between standardised goals and institutions. It is designed to implement and assist in achieving those goals (Parfrey, 2002:273). Implementation theory attempts to provide a better understanding of how and why policy implementation succeeds or fails and aims to, amongst other things, help manage the

process of transforming research into practice, assist in the apprehension and explaining of what impacts implementation outcomes; and assesses implementation (Nilsen, 2015:1). It does this by providing logical methods for designing an information exchange process which is followed by a distribution rule that leads to dispersal decisions that are ideal for the (policy) intervention (Kakhbod, 2013:5).

Implementation theory and information exchange methodology (also referred to the design framework) are embedded in game theory, which is the study of mathematical models of conflict and cooperation between intelligent, rational decision makers – which can basically be described as a theory on strategic decision making (Myerson, 1991:1). In terms of game theory, the formula traditionally used to determine information exchange is (E, A, π) : the environment space E , the action/allocation space A and the goal correspondence/social choice correspondence/ social choice rule π (Kakhbod, 2013:6).

However, because implementation theory is a component of mechanism design in game theory, the potential lies not so much in ‘hard’ mathematical uses, but in the use of game theory as a formal modelling approach that adds structure and rigour to the study of social processes. Thus the strict Game theory formula mentioned above does not apply; implementation theory, rather, provides an analytical framework for situations in cases where resources are allocated among agents, but the information needed to inform the decision to disburse resources is held by stakeholders who behave strategically and seek self-utility. Implementation theory therefore attempts to articulate how to disperse needed policy information through the appropriate information exchange exercises to attain the planned goals (Myerson, 1991:1).

Following the introduction of implementation theory that tried providing a set of analytical principles designed to provide structure to the implementation phenomenon, different approaches to implementation surfaced to guide successful implementation of policies.

2.4 Approaches to Policy Implementation

The following section will provide a brief description of a selected few approaches to proposed policy implementation.

2.4.1 Top-down approach

The first approach is the top-down approach. In this approach, the basic premise is that implementation will be successful if the actions of implementing officials and target groups agree with the goals embodied in a policy (Matland, 1995). Sabatier and Mazmanian (1983) identified six legal and political conditions needed for effective implementation. These conditions include:

1. Clear objectives
2. Causal theory
3. Legal structure of the implementation process
4. Committed officials
5. Supportive interests groups
6. No undermining of changing socioeconomic conditions (Sabatier and Mazmanian, 1983:19).

The fact that the top-down approach seeks to develop generalisable policy advice and detect consistent recognisable patterns in behaviour across different policy areas can be considered as the strength of this approach (Matland, 1995). The top-down approach is criticised, however, for only taking legislative language as a starting point and failing to take actions preceding implementation into account. This approach is also said to consider implementation as an administrative process and to ignore political aspects. The top-down approach furthermore is criticised for not considering local actors during the implementation process (Cerna, 2013:5).

2.4.2 Bottom-up approach

The Bottom-up approach described by Hanf, Hjern and Porter (1978) claims that the goals, strategies, activities, and contacts of the actors involved in the micro implementation process must be understood in order to understand implementation and get it right (Palumbo, Maynard-Moody & Wright, 1984). This approach suggests that a policy can only be implemented successfully if a network of stakeholders is built between the planning, financing and execution agents of programmes. Such stakeholders are solicited for their goals, and the strategies, activities and the information provided by them are communicated back to the policy and implementation plan developers to be documented and gazetted within the policy. This should, according to the theory of this approach, provide a mechanism where the bottom role players inform the implementation decisions and plans to the top players, which would make implementation more successful (Palumbo, Maynard-Moody & Wright, 1984, cited in Mthethwa, 2012:4).

Even though this approach helps policy developers and implementers to adapt to the local contextual social, political and economic environment, this is also the biggest critiques of this approach. It is argued that the bottom-up approach to implementation overstates the influence of local stakeholders. According to Matland (1995), policy developers derive their powers to control and implement policy from sovereign voters as this is where accountability is created. Local stakeholders do not necessarily stimulate and create accountability, thus their influence on the policy and its implementation plan and process is not very significant.

2.4.3 Combined approach

The two approaches mentioned above sparked an increase in literature that focused on a combination of the bottom-up and top-down approaches to policy implementation. Combining a micro and macro level approach to policy implementation assists in the elimination of the weaknesses of the respective approaches and increases the impact of their strengths. For instance, the combined approach allows for the recognition that policy implementation involves a wide range of stakeholders interacting between different levels and making both central policy-makers and local stakeholders

contributors to the success of implementation (Russel, 2015:17). A combined approach also allows for differentiating policy implementation plans per political area and per policy sector, and different implementation for different policies. This combination unlocks all the rigid aspects on which the top-down and the bottom-up approaches are built (Cerna, 2013:19)

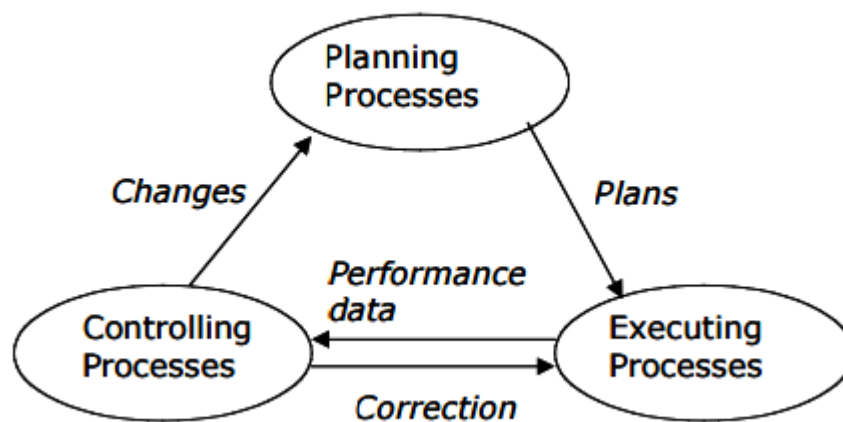
2.4.4 New Public Management approach

Another approach to successful policy implementation is New Public Management (NPM). NPM is an ideology that argues for less bureaucratic rigidity and emphasises more abundant mergers between public and private resources and processes, including public-private cooperative arrangements and networks; strategic planning and management techniques; outsourcing and privatization of public services; and non-profit service delivery organisations. The change in policy implementation approaches and especially the increase in and adoption of NMP principles over the past few decades has transformed the public policy implementation exercise from something predominantly and exclusively a direct responsibility of state employees to exercises that involve more collaborative efforts by linking public, private and non-profit organisations in a network that minimises the use of direct service delivery methods by public or governmental bodies in the implementation process (Kettl, 1993:792). According to Blair (2000:2) these collaborations and partnerships not only altered the basic structure of and approaches to policy implementation, but also created new and complex delivery instruments consisting of inter-sectoral networks often managed by public administrators. The wide range of administrative processes used in NPM practice is increasingly being used in policy implementation methods and is considered a very successful way of implementing policies (Nagel, 1997: 350).

Even with the different approaches, suggestions and guidelines on how to facilitate successful implementation, many policy goals are still not realised due to weak policy implementation. This is especially true for developing countries, as the next section demonstrates.

2.4.5 Project management theory

Another approach to implementing policies successfully is through using Project Management theory. Project management theory is the concept that tries to explain the causal relationship between how teams work to achieve specific goals and meet specific success criteria set out by a policy. According to Turner (1993 and 1999) project management is about managing work (to implement policies) by breaking up the total work effort into smaller more manageable portions of work called activities and tasks that are related sequentially. Koskela & Howell (2002:1), when conceptualising project management theory, agrees that project management processes are subdivided into initiating, planning, execution, controlling and closing processes as suggested by the Project Management Body of Knowledge (PMBOK) (Duncan, 1996:5), but further argues that the Project Management theory is made up of three theories of management: theory of planning management; theory of execution management; and theory of control (Koskela & Howell, 2002:1) (see Figure 2.3 below).



Adopted from Duncan (1996:3)

Figure 2.3: Project Management theory

The first theory, the theory of planning, refers to the planning of projects, and subdivides the planning exercise into ten core processes. These processes are scope planning, scope definition, activity definition, resource planning, activity sequencing,

activity duration estimating, cost estimating, schedule development, cost budgeting and project plan development (Koskela & Howell, 2002:3). The output produced by these processes provides the project plans which then constitute the input into the next phase of project management, the execution phase. Execution of the project plan also has a theory. The execution theory is based on the work authorisation system. The above-mentioned system involves the logical decision to select a job, and then formally communicate the assignments to those who execute it (Koskela & Howell, 2002:4). Following this, the controlling phase and theory come into play. The controlling theory is also subdivided into two processes. The first process is the performance reporting process where corrections are prescribed for the executing processes. The second process is the overall change control process, where changes are prescribed for the planning processes (Koskela & Howell, 2002:5).

The approaches discussed above are approaches generally developed in Western Europe and the United States as developed countries, as the majority of academic research and writings on policy implementation originated from the methodologies practised in these countries (Brynmair, 2005:11). This has not made the approaches full proof as weak policy implementation still persists in other areas of the world and influences the attainability of policy goals. Reasons for policy implementation failure are discussed below.

2.5 Reasons for policy implementation failure

The research' origin and the methodological practices of the approaches discussed above are considered to be the main reasons for policy implementation failure, according to Brynmair (2005). He argues that, because the policy implementation approaches are built on the assumptions, recommendations, guidelines and contexts of developed countries, and do not take into consideration the unique historical, economic, social and political situational factors of countries outside those regions, it does not enable successful policy implementation across the board, hence the usage of these approaches leads to policy implementation failure outside these regions.

The African Development Bank (2000:17-18) further indicated that their research reveals that developing countries, especially the African countries, face unique constraints. These include insufficient funds and capacity for implementation; poorly

designed and formulated policies as a result of unskilled staff and lack of funds to do evaluations prior to policy formulations; deterrent socio-cultural and religious factors; political struggles in governments; and lack of public-private partnerships to help implement government policies during policy implementation, which the implementation approaches cited above does not necessarily take into consideration, which also leads to policy implementation failure.

Ali (2006) argues that policy implementation has failed (in Pakistan), not because of who the policy decision makers are, where the policy interventions' starting point was, the structure of the policy or the processes usually followed, nor the position of authority as the top-down bottom-up argument contends, but rather due to the lack of capacity to formulate virtuous policies; the lack of political commitment; weak governance and monopolisation of power in the strenuous political environment, as well as a deficiency of resources which impedes successful implementation, as is prevalent, especially in developing countries (Ali, 2006).

Chukwuemeka and Ikechukwu (2013) cited ineffective and corrupt political leadership in the administration, corrupt public servants in government as well as the influence of prehistoric burdens and ethics on government procedures as other reasons for failure in policy implementation when writing on the Nigerian context (Chukwuemeka and Ikechukwu 2013:63).

Brynard (2005:19), when writing on the South African contexts, contends that policy implementation fails due to inaccurate translation of the different typologies of policy by implementing agents and to the political, administrative, economic, technological, cultural and social environments not being conducive and facilitative to successful implementation. He further argues that issues concerning lack of commitment on the part of those responsible to implement policies; the lack of both tangible capacity, like human, financial, and logistical resources, and intangible capacity such as leadership, motivation, commitment, willingness and endurance to implement policy; as well as the lack of partnerships and coalitions with agencies that possess the capabilities,

resources and motivation to actively implement result in the failure of implementation (in South Africa).

Various writers consider the biggest reason for the failure of policy implementation (in developing countries) to be the perceived gap between policy development and policy implementation (Stack and Hlele, 2002:70; Khosa, 2003:49). Stack and Hlele (2002) even identified nine factors contributing to the gap between policy and implementation. The factors include a lack of political direction; lack of comprehensive strategic planning; failure to consider and estimate the financial implications of policy interventions; weak policy-making figures; lack of relevant evidence, primary and secondary research and statistics to inform policy; ineffective stakeholder engagement and communication on policy; lack of co-ordination between the spheres of government and even departments within administration; lack of management within administration; and lack of capacity to implement policy on the ground (Stack & Hlele, 2002:70).

Khosa (2003:49), in another study on policy development and implementation, mentioned a gap between policy development and implementation in South Africa being a big contributor to failed policy implementation. He regards a skewed mismatch between policy intentions and policy implementation; the absence of the capacity to adequately manage the implementation process; inadequate coordination of policy implementation; insufficient staffing and capacity in all spheres of government to manage implementation; as well as the lack of synchronisation of implementation activities between the spheres of government as the major reasons for failed implementation.

Other reasons cited for the failure of policy implementation in South Africa include lack in participation by all the stakeholders of the policy process; lack of accountability of the policy teams; and the deliberate isolation of power in the administration through centrally driven delivery models that bind citizens and communities into passive demanders of services (The World Bank, 2010:1)

Considering the above, it becomes apparent that more factors need to be considered and accommodated to enable successful policy implementation. Some models that take into consideration some of the factors found to be missing in the implementation approaches discussed earlier are discussed below. These models are presented in an attempt to illustrate that, if all the factors – environmental, stakeholders and resources, etc. – are considered and accommodated, successful implementation of policies is possible.

2.6 Models for successful policy implementation

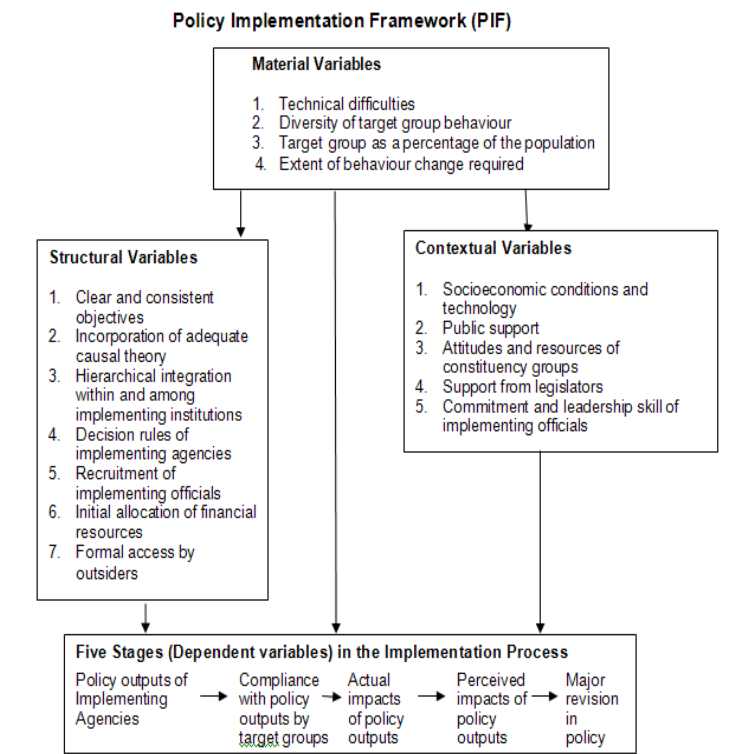
Three models for successful implementation are discussed in this section. These models attempt to consider and accommodate all those factors listed by the authors mentioned in the previous sections that impede successful policy implementation while simultaneously considering the components essential for successful implementation as prescribed by the approaches discussed earlier in this chapter.

2.6.1 Elson's model

Elson (2006) constructed a model that considers all the different internal and external factors that have an impact on the implementation of a policy and then suggested addressing all of these before implementing a policy. Elson's model of successful policy implementation thus recommends that implementation analysis is done before initiating the policy implementation process. This implementation analysis would involve identifying the issues that influence the achievement of the policy objectives throughout the process and addressing the identified issues before and during implementation. Elson (2006) refers to these issues as variables and categorises them into three groups which he refers to as Material Variables, Structural Variables and Contextual Variables.

The Material variables are related to the content of the policy itself and Elson advises that the policy implementers ensure, with the policy developers, that the technical difficulties (risks), target populations and intended outcomes and impacts are clearly defined before implementation. Structural Variables refer to the operational aspects and the mechanics of the policy and the implementation process. It is suggested that the operational matters and the structure of the policy and implementation documents should be in order for successful implementation. The last set of variables identified by

Elson (2006:1) to be addressed is the Contextual Variables. These variables are issues external to the policy, but active in the backdrop within which the policy is being implemented. Elson (2006) suggests that these environmental issues should be addressed, and in some cases attained, before implementation is applied.



Modified from Mazmanian and Sabatier (1983)

Figure 2.4: Elson's Policy Implementation Framework

Elson (2006:1) then suggests that the variables discussed above should, in turn, be applied to the five stages of policy implementation (see Figure 2.4, above).

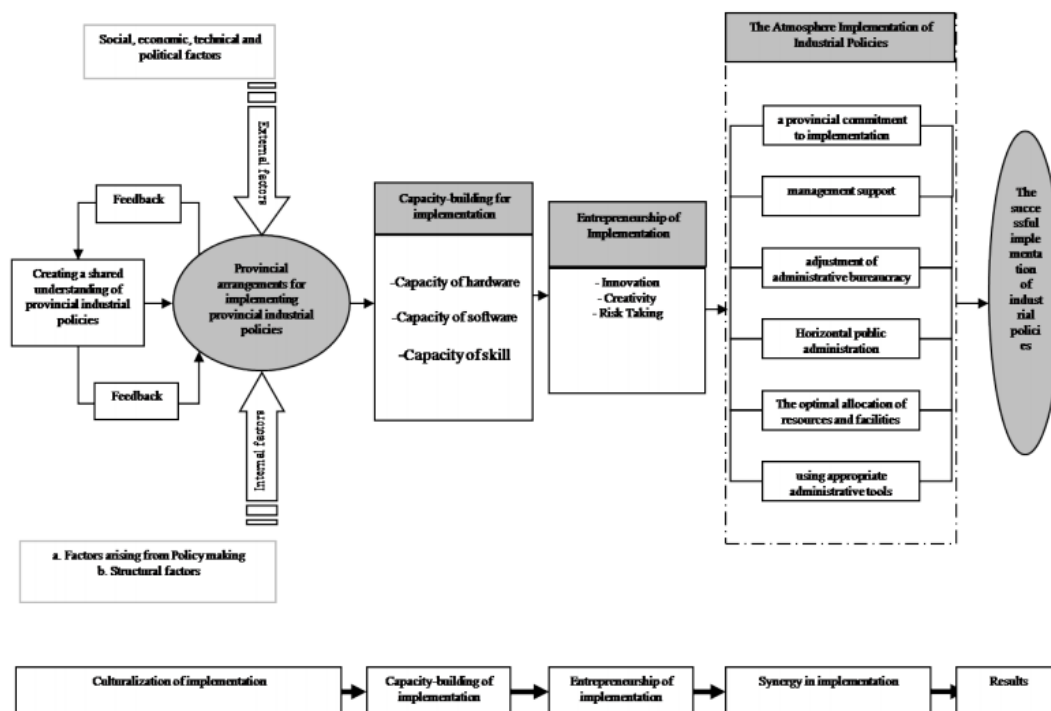
The first three steps, namely 1) the policy outputs, or decisions, of departments; 2) the compliance of internal and external target groups with those decisions; 3) the actual impact of the decisions address policy output, while the last two, 4) the perceived impact of the decisions and 5) the political system's revision of the original policy, address the political system's relationship to the policy.

Elson (2006) gives serious consideration to and accounts for all the external and internal variable elements that might impact the implementation process. Unfortunately, no link

between identifying and addressing the variable and the implementation process exists is provided. Ultimately, the five stages of implementation are very vague and detract from the clearly considered sets of variables.

2.6.2 Gholipour, Jandaghi and Fallah's model

Gholipour, Jandaghi and Fallah presented a unique model for how to successfully implement industrial policies that differentiate between different types of implementation in 2012. This model presented five stages which included: Culturalisation of implementation; Capacity-building of Implementation; Entrepreneurial Implementation; the Synergy in the implementation; and finally the successful implementation of industrial policies presented by the results (Gholipour, Jandaghi and Fallah, 2012:1). Their model is illustrated in Figure 2.5.



Adopted from Gholipour, Jandaghi and Fallah (2012)

Figure 2.5: Gholipour, Jandaghi and Fallah's model

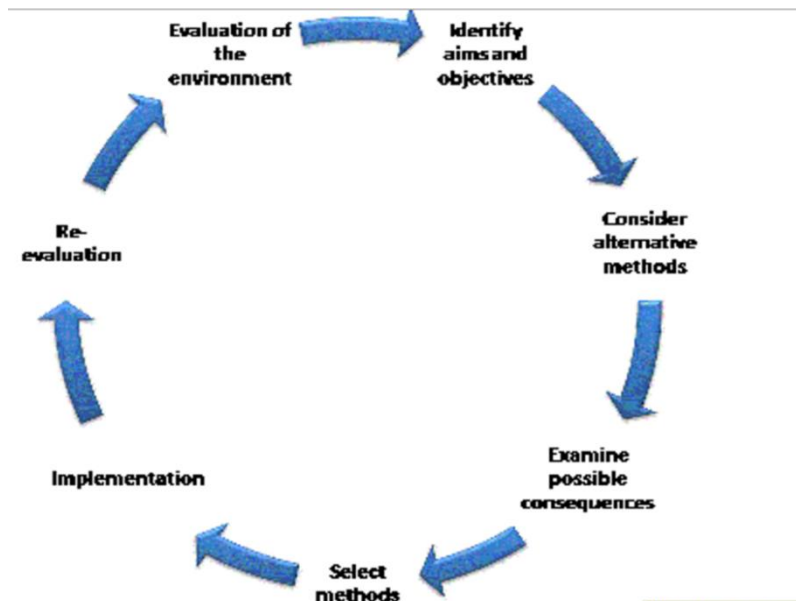
A number of activities need to be completed in each stage of the implementation process before moving on to the next stage. In stage one of the implementation of industrial policies Gholipour *et al.* (2012:2) suggest that a common understanding of

the policy is facilitated throughout the stakeholder base. Once the facilitation of a common understanding of the policy is established, the institutional arrangements for the policy are made. Here it is suggested that internal and external factors that might influence the policy implementation process should be identified and addressed. Once a common understanding of the policy is created and the institutional arrangements for policy implementations are made (*ibid.*), the second stage, namely Cultivation of implementation, commences. This stage involves building the internal human resources, and technological and skills capacity. Following the capacitation exercise in stage two, stage three involves capitalising on the capacitation of the human resources by drawing from their creative thinking, their risk adverseness, and innovative thoughts that can help the implementation process. Subsequently, in stage four, the synergy in implementation stage, the phenomena created in the first three stages through cultivation, capacity building and entrepreneurial scope, such as external and internal stakeholder support; optimal human and technological resources; and modification of the bureaucratic arrangements for ease of implementation, are synergised and made to work together for successful implementation to demonstrate intended outcomes (Gholipour et al., 2012:4).

Gholipour *et al.*'s (2012) extensive environmental scan takes into account all the external and internal elements that might impact the implementation process; it assumes, however, that the cultivation steps will bring forth what is needed for successful implementation. It also assumes that the elements can be synergised and would lead to successful implementation. Less room should be given to chance in this model and measures should be put in place to ensure that cultivation delivers what is needed for successful implementation.

2.6.3 Spicker's model

Spicker (2014) provides a more modest way of describing the implementation process and suggested a seven-stage rational model of policy implementation (Figure 2.6). Preparing the internal and external environment for policy implementation is considered one of the most critical steps in policy implementation for Spicker (2014:12). This is evident in the stages he presented for successful policy implementation.



Adopted from Spicker (2014)

Figure 2.6: Spicker's model of implementation

According to Spicker (2014:2), the stages to be followed for successful policy implementation should be:

1. Conduct an environmental scan to identify the internal and external factors that might impact policy implementation.
2. Positively identify the aims and objectives of the policy to enable subsequent baseline data collection and evaluation.
3. Deliberation of the alternative methods of policy implementation available.
4. Consideration of the consequences of each implementation method deliberated against the determined aims and objectives in order to decide their likely impact on the afore-mentioned.
5. Selection of methods based on thorough consideration of efficiency, effectiveness and practical constraints.

6. Drafting of an implementation plan outlining how and when things will be done, and who will do them, followed by realising the steps outlined by the implementation plan.
7. Following the implementation of the policy, the immediate outcomes should be monitored and re-assessed to re-evaluate the policy implementation process. If need be, the process will start from stage one again to find a more appropriate means of implementing the policy (Spicker, 2014:3).

The rational model makes for an unambiguous implementation process.

In conclusion, the three models discussed above have many similarities and differ essentially on the level of detail provided with regard to steps in the different phases. The most common feature that the three models share is the emphasis on the preparation for implementation. The three models, in different language, accentuate the importance of thorough environmental scanning, stakeholder engagement, identifying the gaps that might hamper successful implementation and addressing it. Elson (2006) and Gholipour *et al.*'s (2012) models focus a lot on the administrative processes in terms of the internal and external environment, while Spicker (2014) is concerned with the implementation process itself – finding the best method for implementation; ensuring that the method used will address the identified aims and objectives; and re-evaluating the implementation method. Spicker's model, notably, is also the only model that emphasises the reconsideration of the implementation process after implementation has taken place.

The reconsideration of the implementation process is the foundation of this study – assessing the implementation of the implementation process undertaken by the City of Cape Town in implementing the Investment Incentives Policy – to see whether it can lead to successful implementation or whether it should be implemented in an alternative manner to lead to successful implementation.

The models discussed above, as well as the approaches considered earlier in the chapter, were incorporated into a proposed model that was used to assess the implementation process followed for implementing the Investment Incentives Policy.

2.7 Proposed model for Policy Implementation

The model for policy implementation that is proposed on the basis of the reviewed literature consists of six phases and attempts to incorporate all the advantageous components of the approaches and models discussed above, while simultaneously endeavouring to incorporate the elements that were lacking in some of the models and approaches.

The proposed first phase of the policy implementation model is the goal ascertaining phase. Here it is proposed that the intended target market and envisioned outcomes and impacts of the policy are clarified before implementation. Elson (2006) stresses this in his model's material variables component. Spicker (2014) also considers this as the first and most important phase in his model, while Mazmanian and Sabatier (1983) consider this as essential in the initial stages of a top-down policy implementation approach, as well.

The proposed phase two, which can be considered the 'stock-taking phase', involves determination of the status quo and readiness of the internal and external environment of the policy, which might impact on the implementation of the policy. It also involves the identification of the different stakeholders of the policy, as well as identification and assessment of their appetite for the policy and its implementation; their willingness to engage with the policy and its implementation processes; their presumed roles in the policy implementation process; and the means of engagement with these stakeholders. The environmental assessment that involves the identification and addressing of factors internal and external to the policy environment is supported encouraged by Elson's (2006), Gholipour, Jandaghi and Fallah's (2012), and Spicker's (2014) models for successful implementation, as well as the top-down approach and the writings by Bryand (2005), Stack and Hlele (2002) and Khosa (2003). All the authors argue that environmental scanning is most essential to policy implementation to ensure that the exiting environment is not undermined when policy is implemented. The stakeholder engagement element is informed mostly by the top-down and bottom-up and thus the combined approach too, the New Public Management approach, as well as in the writing by Stack and Hlele (2002). All these writers are in agreement that engaging

with the different stakeholders and including their perspectives in a policy and its implementation process is important for policy implementation.

Phase three of the proposed implementation model suggests that, following the determination of the status quo and the stakeholders, the different methods to implementation should be considered, evaluated against each other and the most suitable method for policy implementation be decided. This phase was mainly informed by Spicker's (2014) model of implementation, which encourages deliberation on different methods of implementation before one is decided upon. This is also similar to the economic evaluation referred to earlier in the chapter, where the viability of alternative proposed interventions is compared and their viability in terms of non-monetary economic and social improvements and impacts are assessed (Brouwer & Georgiou, 2012:431).

The next phase, which is the fourth phase of the proposed implementation model, involves the capacitation and resourcing of the different components involved in policy implementation elements as suggested Elson (2006) and Gholipour et al. (2012) in their respective models. This would involve ensuring that the necessary social, political, institutional, human, financial and technical requirements are up to standard for implementation, as well as the institutional arrangements and commitments by the different stakeholders are achieved.

Phase five, the implementation planning phase, involves considering and planning for the scope, communication, activities, costing, staffing, management, risks, implementation, and evaluation of the policy implementation process and embedding it in a project/programme planning document. This phase was hugely informed by the project management approach of implementation presented by Koskela & Howell in 2002, but also by Spicker (2014), who argues that an implementation plan is essential for successful implementation, Elson (2006), who emphasises risk identification and management in its material variable component, and Khosa (2003), who claims that the disconnect between policy development and policy implementation needs to be bridged and implementation plans elucidated.

The next phase in the proposed model involves the execution of the different activities proposed in the project plan output of phase five. While phase six of the proposed model suggests that the data should be collected from the activities undertaken during the policy implementation, especially during phase five, data should be assessed and ways to improve the implementation process should be recommended from there. Following this, it should also be ensured that the necessary recommendations are managed and followed through and should be safeguarded so that the suggested changes to the implementation process may be effected to improve the process. Spicker's (2014) model of implementation was very influential in the development of the final two phases of the proposed implementation model as he is a firm advocate for monitoring, re-assessment and re-evaluation of the policy implementation process to ensure that it delivers the intended outcomes and impact.

Figure 2.7 presents the graphical representation of the proposed model for implementation as developed by the author.

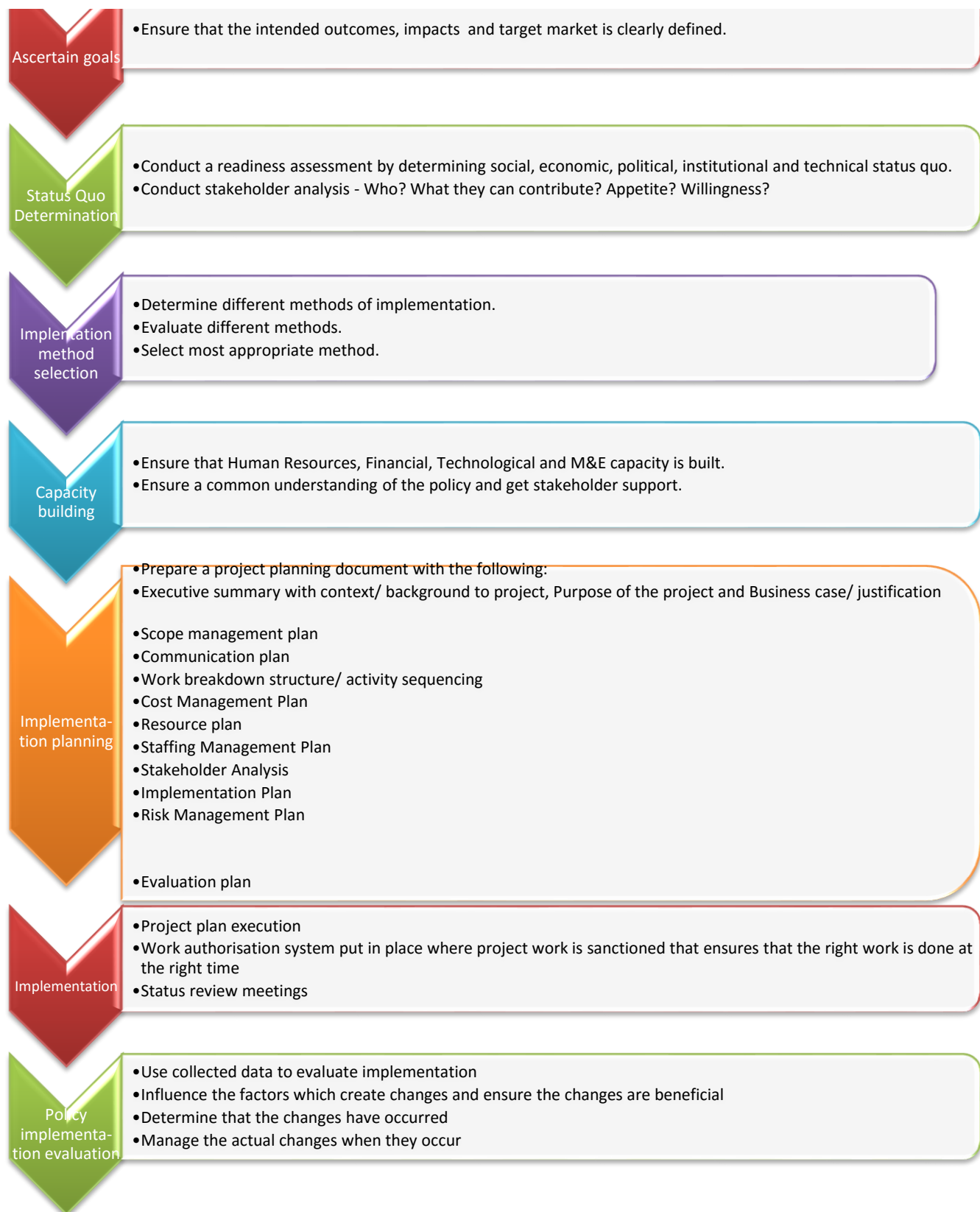


Figure 2.7: Proposed model for successful implementation

Phase six is where the actual policy implementation takes place. It is during this phase that understanding may be gained of how the policy and subsequent programme or project plans are working; whether the activities being undertaken lends themselves towards the realisation of the intended outputs and what changes may be required to strengthen the implementation to better reach the intended outputs. This aligns primarily with the main purpose of this research – to determine how the City of Cape Town implemented the IIP and determining how the IIP's implementation process can be strengthened. The model proposed here will inform the design of Chapter 4 and the final recommendations in Chapter 5.

2.8 Conclusion

In this chapter, the transition of the public policy life cycles from isolated policy-making and analysis disciplines to one where policy is continuously analysed and assessed throughout the development and implementation process have been discussed. The chapter was focused on policy implementation as it is believed that the true impact of a policy can only be apprehended once the policy is implemented. Established approaches to implementation which encapsulated the different perceptions of successful implementation and how to attain it were discussed. It was acknowledged that the prominent implementation approaches does not always ensure successful implementation as various historical, political and social situations may hinder successful implementation in the specific context. Three alternative implementation models have been considered and informed, together with the positive inclusive attributes of the approaches, the development of an implementation model that may be used to analyse the implementation of the Investment Incentive Policy in the City of Cape Town. The next chapter introduces the general City of Cape Town context, as well as the specific design process of the Investment Incentive Policy. In further chapters the monitoring of the actual implementation of this policy is reported towards offering conclusions and recommendations regarding the implementation process.

CHAPTER 3: THE CoCT INVESTMENT INCENTIVES POLICY

3.1 Introduction

As stated in Chapter 1, Economic Development that is aimed at enhancing the economic and social wellbeing of people has become increasingly difficult for economies due to the changing nature of the international political economy. The changes in the international political economy, which include a more liberal economy, among other things, now forces economies to become more innovative in increasing economic growth that enables it to provide increased and sustained socio-economic structures that deliver improved living standards to people. The Investment Incentive Policy is an example of such innovative policy interventions in its endeavour to enhance the economic and social wellbeing of the people of Cape Town, by the City of Cape Town (CoCT) – the entity responsible for ensuring the economic development of the people of this metropole.

The responsibility of economic development is bestowed on the municipality by national legislation and regulations which will be the next topic of the discussion. The innovative ways in which the CoCT has restructured itself to respond to the mandate of national legislation is also documented in this report, after which the focus will move to the Investment Incentive Policy, which is the focus of this study. The policy itself will then be disassembled to enable greater understanding of the policy intervention, but not before a discussion is presented on the context in which this policy finds itself.

3.2 National Economic Development policy directives to stimulate Economic Development at local municipality levels

As mentioned above, the Investment Incentive Policy (IIP) is a product of the Economic Development Department of the City of Cape Town (CoCT). Broadly speaking, economic development is a national priority as it is believed to be the lever for realising job opportunities to absorb the unemployed masses and reduce poverty in the mist of the county's lacklustre current and projected growth rates. Numerous legislative and regulatory frameworks have thus been developed around economic development and the roles the different players should play to facilitate the needed job creation and

poverty reduction. Some of the legislative and regulatory interventions aimed at facilitating economic development are discussed below.

The Constitution (1996), which is the supreme law of the country, recognises the importance of economic development and assigns municipalities, in Section 152 (c), with the responsibility “to promote social and Economic Development”, and in Section 153 with the obligation to “structure and manage its administration, and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community” (Republic of South Africa, 1996: 74-75). Here, the highest law in the land provides delegated authority to municipalities to be involved in economic development activities.

The White Paper on Local Government (1998), which introduces the concept of developmental local government, states that “Local government commit [itself] to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs, and improve the quality of their lives.” (Republic of South Africa, 1998:8) It further states that, even though Local government is not directly responsible for creating jobs, it has a responsibility to proactively take steps to ensure that the overall economic and social state of affairs of the district are conducive to employment creation (Republic of South Africa, 1998:23). This serves as further encouragement to municipalities to be involved in activities that will stimulate economic empowerment of the citizenry.

The Municipal Systems Act (2000) promulgates a number of key Local Economic Development functions, roles and responsibilities for municipalities and provides key principles, instruments and methods that would enable municipalities to gradually move towards the social and economic improvement of local communities. Essentially, the Municipal Systems Act sets out legislation that enables municipalities to uplift their communities by ensuring access to essential services; defines the legal nature of a municipality; and clarifies the executive and legislative powers of municipalities while seeking to improve effective local government by establishing a framework for municipal planning, performance management and use of resources. It also makes it compulsory for municipalities to develop five-year plans (Integrated Development Planning – IDP), to address the development needs of communities whether through

policies, programmes or projects - and to reconsider amending these plans annually (Republic of South Africa, 2000:3).

The Local Economic Development Guidelines of 2000 and the Policy Guidelines for Implementing Local Economic Development in South Africa of 2005. The former guidelines deem local government responsible for creating an enabling environment for business development in partnership with strategic stakeholders, but are very vague about how local economic development fits into broader government initiatives and how local economic development should be attained (Republic of South Africa, 2000:3). The latter document, which provides a more adaptable approach to local economic development than the 2002 document, clearly spells out how local economic development fits into the broader parameters of government policy while also explaining how it proposes the shifts in the approaches should take place to attain the economic growth and poverty reduction objectives - what the 2002 guidelines lacked. The 2005 guidelines also expedited a shift towards enterprise development; the rejection of the term community economic development in favour of local economic development; and enshrined the importance of competitiveness and competitive advantage in boundaries. Investment promotion features more prominently in this range of guidelines, as does business retention and support for a range of enterprises and growth sectors, not just the smallest firms. The latter section on not just supporting smaller firms to increase investment and retaining firms seems to be a stimulus for the development of the Investment Incentives Policy as discussed later (Hindson, 2005).

Refocusing Development on the Poor: Draft Local Economic Development Policy (2002). This is the regulation that most prominently recalled the developmental and pro-poor responsibilities of local government in terms of the Reconstruction and Development Programmes, amongst other things, as it was raised that the neoliberal policies were not facilitating the big economic development changes that were needed. Here municipalities were encouraged to consider providing basic services subsidies and to support community organisations and policies that facilitate growth and investment that could be redistributed to communities. It also, most importantly, put forth that, in the light of the country's economic and social situation, overtly 'pro-poor' development interventions should be made a priority for local governments to pursue. This document tasks local government to address both poverty and entrenched inequality while

simultaneously challenging them to establish a job-creating economic growth path, to embark on sustainable rural development and urban renewal and to bring the poor and disadvantaged to the centre of development. This, as we will discover, strongly influenced the development of the Investment Incentives Policy (Republic of South Africa, 2002).

The **National Framework for Local Economic Development in South Africa (2006)**, which aims to build a shared understanding of good local economic development practice and motivates for more effective implementation, provides a guide to the strategic implementation approach that municipalities, provinces, national government, state-owned enterprises and communities may use to improve local economic development implementation. This framework further promotes a strategic approach to the development of local economies and a shift away from narrow municipal interests focused only on government inputs into ad-hoc projects.

All the above policies, frameworks and strategies simply indicate that local government plays the role of the agent that promotes economic development. Many different ways to attain this agent status are proposed and integrated development planning, structuring its administration, budgeting and planning in a way that creates an enabling environment for business development, driving competitiveness and competitive advantages through policies that facilitate growth and investment that could be redistributed to communities especially through employment creation as exemplary ways are cited. The regulations are contradictory at times, but this might be because the local economic development discipline is fairly young in comparison with other disciplines, and government and academics that research and write on local economic development, is still growing its gen and understanding of the discipline, how to apply it and how to implement the doctrine.

3.3 Economic Development in the City of Cape Town

Following the development of Local Economic Development and its regulations, the CoCT municipality, in compiling its Integrated Development Plan (IDP) as prescribed by National Government developed an Economic Growth Strategy (EGS) that sought to transform the economic development of the CoCT. What was always a small under-resourced department that focused on isolated projects was transformed into an entity

that has to assist in the growing of the economy and the creation of jobs by taking a whole organisational approach and converging all its resources into five (5) strategic areas:

Building a globally competitive city through institutional and regulatory changes; Providing the right basic service, transport and ICT infrastructure; Utilising work and skills programmes to promote growth that is inclusive; Leveraging trade and sector development functions to maximum advantage; Ensuring that growth is environmentally sustainable in the long-term. (City of Cape Town, 2012)

The CoCT planned to do this through building an enabling regulatory and institutional environment which accelerates regulatory modernisation and business improvement processes to establish an institutional environment that is conducive to entrepreneurial activity. It also intended to provide quality infrastructure to enable development, use policy levers to encourage job creation, poverty reduction and skills development and take part in trade promotion and development of key catalytic growth sectors to make the city more competitive (City of Cape Town, 2012:25).

The strategic planning exercise was then followed by massive restructuring of the economic development into a department with four units. The first businesses unit, the Business Support unit, was developed to provide small business support services to Small, Medium and Micro Enterprises (SMMEs). The second unit, called the Local Area Economic Development (LAED) unit, was developed to focus on economic area regeneration, leveraging under-utilised CoCT assets for business incubation, and informal trade management. The two other units, the Investment Facilitation unit and the Economic Information and Research Unit were respectively developed to provide investment advice to businesses wanting to invest in Cape Town and make available financial support to catalytic sector bodies, as well as providing economic research to the Economic Development Department and to the greater population of Cape Town.

Furthermore, as part of the restructuring, the CoCT started to develop policies to support the functionalities of its Economic Development Department. It firstly developed an Informal Trading Policy to regulate the street trading within the CoCT

boundaries. The Economic Development Department then undertook to develop an Investment Incentives Policy (IIP) in which it proposed to provide incentives to businesses starting and expanding operations in Cape Town to, firstly, give effect to the national mandate to develop policies that facilitate growth and investment that could be redistributed to communities, and secondly, to give effect to the stipulations of the EGS that mandates the Economic Development Department to facilitate the process of making CoCT a globally competitive city through institutional and regulatory changes, and leveraging trade and sector development functions to enable the CoCT's competitive advantage.

3.4 Range of Investment Incentives available in the South African economy

When developed, the IIP followed many preceding legislative initiatives that offered incentives to businesses for starting and expanding in South Africa, in all the provinces and all the cities.

The Department of Trade and Industry, for instance, offers financial support to qualifying companies in various sectors of the economy. This financial support is offered for various economic activities, including manufacturing, business competitiveness, export development and market access, as well as foreign direct investment. It also offers Black Business Supplier Development incentives, which involves a cost-sharing grant offered to small black-owned enterprises to assist them to improve their competitiveness and sustainability. This helps black-owned businesses to become part of the mainstream economy and to create employment. Furthermore, it offers co-operative assistance through the Co-operative Development Financial Assistance Programme which comprises a 90% cost-sharing grant towards qualifying expenditure to be incurred by the co-operative. The target audience here is registered co-operatives operating in the emerging economy and these co-operatives are eligible for a total grant not exceeding R300 000 (Department of Trade and Industry, 2014).

Other incentives available to businesses across the country include the Urban Development Zone incentives (UDZ), a tax incentive administered by the South African Revenue Services (SARS) aimed at addressing the negligence and decay in

South Africa's largest cities and promoting urban renewal and development by promoting investment by the private sector in the construction or improvement of commercial and residential buildings, including low-cost housing units, situated within demarcated city areas (South African Revenue Services, 2009:1). Research and development incentives are also offered by SARS to encourage and incentivise private sector investment in the research and development of scientific or technological activities (Department of Trade and Industry, 2014:1). SARS, in addition, offers an Employment Tax Incentive, which is a tax incentive aimed at encouraging employers to employ work-seeking youth by reducing the employer's cost of hiring young people through a cost-sharing mechanism with government. This allows the employer to reduce the amount of Pay-As-You-Earn (PAYE) that has to be paid, while leaving the wage received by the employee unaffected (Department of Trade and Industry, 2014:2).

3.5 City of Cape Town's Investment Incentives Policy

The CoCT's investment incentives aim to attract investment to Cape Town with a specific focus on making it a preferred business destination. Primarily, the policy was developed to encourage investment that meets the CoCT's vision and objectives of being a city of opportunity that has ample job opportunities for its residents and alleviates poverty in the process. The policy was also designed to address the objectives and development challenges articulated in key documents such as the Integrated Development Plan, the Spatial Development Framework and the Economic Growth Strategy. Furthermore, the development of the IIP would also enable alignment with the National Development Plan and New Growth Path for the South Africa and the other legislative regulations discussed earlier in this chapter (City of Cape Town, 2013a:1).

The IIP was designed in 2013 after a pilot investment scheme project was implemented in the Atlantis industrial area. The investment scheme in Atlantis offered any prospective investor who wanted to start a business, and any business looking to expand, with incentives. These incentives were largely unconditional; except for the Development Contribution (DC) incentives, according to which businesses were required to create at least 50 new permanent full-time jobs within two years if they

wanted the Economic Development up to R1m deferral / debt to be written off (City of Cape Town, 2013b:1).

The Atlantis investment scheme offers non-financial and financial Economic Development incentives. The non-financial incentives include dedicated investment facilitation support; development application fast-tracking; and biodiversity offset incentives. The financial incentives offered to businesses wanting to start or expand in Atlantis included development application fee exemptions, electricity tariff subsidies and a development contribution (DC) as incentives (City of Cape Town, 2013b, 3-4).

Following the implementation of the Atlantis Industrial Investment Incentives scheme, the IIP was developed for the rest of the city. The IIP differed from the scheme implemented in Atlantis. According to the policy document, the IIP also offered financial and non-financial incentives packages, but the incentives offered, differ. The non-financial incentives being offered to existing businesses wanting to expand and new businesses wanting to start in Cape Town include single-point investment facilitation; development application fast-tracking; regularly updated spatial economic information; and skills development facilitation (City of Cape Town, 2013b, 3-4).

The financial incentives offered to businesses wanting to expand and new businesses wanting to start operations in Cape Town include development application fee exemption; development contribution deferral / debt write-off (capped to a maximum of R1m per investment); electricity tariff reductions of 10% subject to the National Energy Regulator's approval; and broadband connection fee waiver (City of Cape Town, 2013b, 3-4).

In addition, unlike the incentives offered in Atlantis industrial, the financial incentives in the IIP are subject to conditions. These conditions for starting or expanding a business in designated spatial areas identified by the CoCT include that the business either has to operate in nine priority sectors identified by the CoCT or in manufacturing; the business must provide 30 to 50 new permanent full-time jobs within two years of establishment, with 75% of the jobs being occupied by South African citizens; the businesses or the prospective investor must be tax compliant with SARS; and the premises from which the business is operated or intends to operate from must possess

an occupation certificate in terms of the National Building Regulator issued by the CoCT (City of Cape Town, 2013b, 3-4).

It should be noted that the designated spatial areas included as a condition to the financial incentives are not approved as yet, thus the financial incentives are not implemented city wide. The non-financial incentives are implemented, however.

3.6 Institutional arrangements for the IIP

Institutional arrangements that enable the IIP implementation include two implementing agents from the Economic Development Department who constitute as the entry point for prospective investors and existing businesses, and as the middle persons who facilitate incentives between the prospective investors and existing businesses and the administrative departments. There are five officials in the service departments who administer the incentives. Selected officials in the Planning & Building Development Management Department (PBDM) enable the waiver of the development application fee and, subsequently, the fast tracking of building plans. The Environmental Resource Management Department (ERMD) manages the biodiversity offsets while the designated Utilities Services officials provide the electricity tariff discounts. Following this, the Utilities Services Directorate budget for the revenue lost to the CoCT (City of Cape Town, 2013b, 6).

3.7 Conclusion

In summary, National Economic Development directives have led to the transformation of economic development in the CoCT. CoCT's Economic Development Department transformed from a small under-resourced department that focused on small random projects, to a department that focuses on the whole ecosystem of businesses with programmes to develop all types of businesses. The Economic Development Department was further structured around five strategic objectives and restructured to be able to attain these objectives. The transition involved creating an enabling regulatory and institutional environment which accelerates regulatory modernisation and business improvement processes to improve its regional competitiveness and attract international investment in order to facilitate job creation and establish an institutional environment that is conducive to entrepreneurial activity. One such regulatory

innovation was the development of the Investment Incentives Policy (IIP). The IIP, which, as mentioned above, was developed after a pilot investment scheme in Atlantis, mainly aims to attract investment to Cape Town with a specific focus on making it a preferred business destination. The IIP policy documents and operational framework (implementation plan) mostly outlines what incentives are available to which target markets and under which conditions. Following the review of the policy documents it was established that, due to one of the conditions of the financial incentives not being fully developed yet, only the non-financial incentives have been implemented by the CoCT to date.

The next chapter comprises a discussion of the research methodology and the research design chosen to enable the evaluation of the policy intervention discussed above.

CHAPTER 4: RESEARCH DESIGN AND METHODOLOGY

4.1 Introduction

In this chapter, the methodology used for the study is explained, and the research methods and choices are justified by presenting a justifiable and objective research process, which was essential to answering the research questions (Babbie and Mouton, 75:2006). The nature of the study required the use of a mixed-methods approach, which can arguably be referred to as a multi-method research approach that not only synthesises qualitative and quantitative data, methods, methodologies, and/or paradigms in a research study, but also comprises a paradigm in which the research questions, not the methods, dictate the orientation of the study (Creswell, 2009). Triangulation is generally considered to be one of the best ways to enhance validity and reliability in qualitative research, and can enhance the confidence of result as two or more methods are used in a study in order to check the results of one and the same subject (Merriam, 2002; Neuman, 2006). In this study, as the latter part of this chapter will demonstrate, data is considered from both qualitative and quantitative sources to assess the implementation process followed by the City of Cape Town during the implementation of the Investment Incentives Policy (IIP).

As an evaluation of the implementation of the IIP, this study goes beyond descriptive questions to explore the policy implementation process within its context, using a variety of data sources to answer the “how and why” questions (Baxter and Jack, 2008: 544). This ensures that the issue is not explored through one lens, but rather a variety of lenses, which allows for multiple facets of the policy implementation process to be revealed and understood. This study is not a theoretical exercise, but exploratory in nature as it assesses the influence of several forms of oversight on the case study of the Investment Incentives Policy, to understand the internal processes. The mixed-methods approach allows for a range of insights to be conveyed in the assessment.

4.2 Evaluation design

The purpose of this study was to evaluate the implementation of the IIP of the CoCT. It was aimed at understanding how a policy was implemented while simultaneously working towards an improved implementation process. The methods used to inform the implementation process evaluation consisted of an initial review of local and international literature presented in Chapter 2; a review of documents relevant to the IIP in Chapter 3; primary qualitative data collection through semi-structured interviews and emailed questionnaires to stakeholders of the policy; as well as the results of a design evaluation conducted of the policy in 2015 – all of which are discussed in this chapter. The focus of the implementation evaluation design is on accurately describing the implementation process rather than on proving any specific hypothesis or demonstrating relations between variables. To enable this, a thorough examination of the implementation process followed by the CoCT during policy implementation had to be conducted.

4.3 Analysis approach

The implementation model developed in Chapter 2 served as the analytical framework of the study for the analysis of the policy implementation. The model discussed in Chapter 2 basically theorises that the goals of the intervention needs to be ascertained; the status quo of the environment in which the intervention is going to be implemented needs to be determined; different implementation methods should be considered before selecting the most suitable one; the needed capacity should be assessed and built; and implementation planning should be conducted before implementation can be conducted. Implementation can only take place after this. The model in Chapter 2 also suggests that, following implementation, an evaluation of the implementation process should be undertaken to assess whether the implementation was implemented as proposed and to determine where the weak elements of the implementation process are, to strengthen them in an attempt to improve the implementation process. This chapter captured the tools and methodologies used to evaluate the implementation process undertaken to implement the IIP.

4.4 Securing co-operation and ensuring acceptable ethical conduct

Participants are necessary to acquire primary data for this study. In order to ensure that the relevant stakeholder participate in the exercises required to fulfil the study, their co-operation should be sought. Academia further requires that when the participants are engaged, that this be done in an ethical, professional and acceptable manner. The section below discusses the measures undertaken to ensure that co-operation was secured in an ethical and acceptable manner.

4.4.1 Securing co-operation

The researcher works as a Survey Specialist at the City of Cape Town and is a part-time Master's student at Stellenbosch University. As it was important to not abuse the position in the organisation to secure co-operation for her personal academic research, a letter of permission was requested from the relevant Director, prior to conducting the research, to secure permission to do research. The existence of this letter was communicated to all relevant parties when engaging on matters relating to the evaluation of the IIP.

4.4.2 Ensuring acceptable ethical conduct

Certain steps were taken to ensure that the study was conducted according to accepted academic principles. The steps to ensure reputable ethical conduct are listed below.

- The policy developer and the implementing agents of the IIP were consulted during the development of the questionnaires and the content thereof to facilitate a transparent process.
- All the respondents to the semi-structured interview provided informed consent prior to the interviews.
- All the respondents to the semi-structured interview were ensured complete privacy and confidentiality.
- The primary data collected were coded in a manner that precluded tracing the respondents.
- The identity of the respondents to the questionnaires was kept confidential throughout the study. The information provided by the respondents was

combined with that from other respondents and presented as percentages or averages and was not quoted directly.

- Data collected from the individual respondents were not accessible to anyone except the study team consisting of the researcher's immediate subordinate and the researcher's two interns. The data were saved in a password-protected file on the researcher's personal computer.
- The secondary data obtained from the records of services and facilities are not being used to identify individuals.
- The incentives provided to the respondents in the questionnaire were 'reasonable' and did not amount to a perverse incentive to be identified as a respondent to the questionnaire.

4.5 Research approaches

As described above, several research approaches were used. Given the comprehensive nature of the research, processes worked simultaneously, with data gathering and analysis for the empirical chapters taking place alongside one another. This helped to restrict the research to reasonable time-frames, and prevent research fatigue as the researcher did not have to return to the same respondents and experts repeatedly as issues emerged from the research.

4.5.1 Literature review and content analysis

The literature review was undertaken using the methods proposed by Hart (2005). Here, the complete body of literature was reviewed systematically, by collecting information on the subject – investment incentives and implementation evaluation – and then identifying and appraising the debates in the field. The latter was done through internet searches. This process assisted with the systematic and critical review of the literature in terms of its quality. The quality, especially in terms of the evaluation of the IIP and implementation evaluation, was established on the basis of whether the studies had been peer reviewed, and the extent of the citations within the reports. Furthermore, Fereday and Muir-Cochrane's (2006:1) hybrid approach to content analysis was used where data was read to establish patterns. Once these patterns were established, commonalities were identified; themes and trends were acknowledged and colour codes were applied

using Excel, which enabled the digestion and understanding of the large amount of narrative data (Richards, 2005: 85).

4.5.2 Documentary analysis

The various documents used for this study were systematically examined, interpreted, classified and coded according relevance and the different themes pertaining to policy cycles, approaches to successful policy implementation, policy implementation failure, and models of successful implementation.

4.5.3 Thematic analysis

The questionnaires used for determining the implementing agents' and end users' experience of the implementation process were designed around themes. This was mostly based on the research questions. This allowed for the responses to be quantified in relation to the categories offered. The narratives from the various questionnaires were handled according to the guidelines for qualitative analysis (Black, 1999).

4.5.4 Sampling size and procedures

The research used a purposive sample in that the potential respondents were known in advance, and their selection was based on the fact that the groups had the relevant knowledge and experience to contribute to the study (Morra Imas & Rist, 2009). In this case, it was the entire implementation agent team of the IIP and the end users of the IIP. The respondents within this cohort could choose to exercise their right to participate or not.

4.6 Research instruments and administration of questionnaires

4.6.1 Questionnaires

Three questionnaires were used to acquire information from the relevant stakeholders. The questionnaires were structured and open-ended. The questions were planned and worded to ensure that there was no ambiguity, and were clearly laid out (Babbie and Mouton, 2006). The respondents were assured in the statement of purpose that their responses would be confidential and they were informed that they were welcome to skip questions they did not wish to answer. The questionnaire also strove to be brief,

hence the limited number of questions. The data were assessed at an aggregated and disaggregated level. The questionnaires were emailed to the respondents, allowing them to reflect on the questions being asked and permitting respondents to complete the questionnaires according to their own time schedules. In most instances, the questionnaires were filled in and were used for purposes of analysis, using Excel.

The questionnaires were divided into sections that became the basis for analysis. The first questionnaire administered to the implementing agents (Annexure 1) asked questions relating to the thematic areas on the process followed by the implementing agents; their perceived effectiveness of the implementation process of the policy; the challenges faced by the implementing agents; facilitative mechanisms of the implementation process; and suggestions for the improvement of the implementation process. The purpose of this questionnaire was to solicit the experience of implementing the IIP from the implementing agents.

The second questionnaire, which was administered to the end users of the IIP (Annexure 2) centred around the businesses' general opinion of the CoCT's IIP; their experience with the CoCT's Development Facilitation Unit; their major challenges or problems experienced with regard to the incentive process; and their opinion of how the Investment Incentive Policy affected their decision to invest in Cape Town. This questionnaire's main function was to determine the experience of the end users of the implementation of the IIP. The third questionnaire's (Annexure 3) themes were similar to the themes in the model for successful policy implementation which was constructed by the researcher and is presented in Chapter 2 – ascertaining the goal; determination of the status quo; selection of implementation method; capacity building; implementation planning; implementation; and policy implementation evaluation. The purpose of administering this questionnaire was to enquire into the implementation planning of the implementation process, the actual implementation process of the IIP and the evaluation of the IIP implementation process.

The questionnaires, being self-administered, had great strength, which included making large samples feasible; enabled defined descriptive affirmations; and being fairly

flexible, among other things. It also presented a few challenges. The biggest challenge was non-responsiveness. Even though the questionnaire was administered to the entire sample with reasonable incentives, the response rate of actual respondents was poor. The questionnaire administered to the end-users, for instance, was sent via email to 47 business representatives, but only four (4) businesses completed the questionnaire, the questionnaire for the implementing agents was administered to seven officials, but only five responded, and the third questionnaire was administered to two officials and not one of them responded. The second challenge was that the respondents did not complete the entire questionnaire, leaving out crucial questions, while another challenge was that respondents chose to respond to topics outside the focus of the questionnaire, expressing concerns and issues not questioned in the questionnaire. The manner in which the questionnaire was answered, and in most cases not answered, made it difficult for the data to be generalizable to the population, even though the entire population was surveyed.

Attempts were made to minimise the effects of the challenges to the questionnaires on the generalizability of the data. One was to attain data from other sources that asked similar questions to those posed in the original data questionnaire. Another attempt was made to acquire secondary data sources that could answer some of the questions asked in the questionnaire, while an additional method was to attain data through interviews that could reconfirm the data in the questionnaires. The interviews are discussed below.

4.6.2 Interviews

The researcher conducted a group interview with the implementing agents to validate the questionnaire. The interview was conducted in person. The interview was manually recorded, in the form of notes, which the researcher used in the analysis. The interviewees were purposefully chosen as the people who possessed both the experience and knowledge of the area under consideration. The themes of the interview comprised the implementing agents' involvement in the IIP development and implementation phases; the resources of the IIP; their experience of the implementation process; and challenges and the facilitating mechanisms of the IIP implementation process.

4.6.3 Secondary data

Data were gained from a design evaluation that was completed by the researcher in 2015. This design evaluation was informed by 14 evaluation questions suggested by the National Department of Monitoring and Evaluation (DPME) as guidelines to undertake and manage design evaluation in 2014. The questions were themed around the diagnostic analysis of status quo for the policy; consideration of options for the policy; the theory of change; the target group for the policy; the log frame and implementation planning. It covered the historical context, the conceptualisation and the design of the policy. The researcher, in an attempt to answer the guiding questions, reviewed the secondary documents relevant to the IIP and conducted interviews with the relevant officials to gain clarity on issues about which the secondary data were vague or ambiguous (Joja, 2015:5).

As the scope of the design evaluation covered a similar scope and themes to the questions in the questionnaire that were put to the officials responsible for the policy and implementation development, the results of the design evaluation were used to provide information on the different phases of the proposed model for successful implementation, which included determination of status quo, selection of the implementation method, capacity building, implementation planning, implementation and policy implementation evaluation, where possible.

4.7 Ensuring validity

Given that this study fell within the qualitative approach, the question of validity is important. The use of multiple sources of information to assess a particular area thus was important, and increased the validity of the findings. All of the data were treated with due care.

4.8 Data storage, organisation, retrieval and analysis

The research study required that the extensive qualitative data be properly organised for analysis. The researcher organised the data according to three sets of data files for each of the empirical chapters. The design for each of the three chapters was informed by the research problem and questions, in accordance with the steps prescribed on research design by Babbie and Mouton (2006).

The manner in which the data for the empirical chapters were managed was as follows. The data for Chapter 2 were classified into the following areas: methods for policy development and analysis; evaluation of implementation; approaches for successful implementation; instances of policy implementation approaches having failed; and models for successful policy implementation. In Chapter 3, the data were classified as regulatory and legislative provisions of economic development; investment incentives and IIP design; and implementation documentation.

Methods for undertaking content analysis involved considering what data were being analysed; how it was defined; what population the data were drawn from; the relative context of the data; and the target of the data's inferences. This also involved scanning the data systematically and providing a written description of the data; creating different classification code categories for the different data; and organising data accordingly. Microsoft Excel was used to graphically display the data in tables and graphs for analysis. The qualitative data was managed in a manner which ensured that the data was broken into noticeable units to show patterns and trends and the use of Excel allowed for this data to be quantified, in terms of comparing cohorts (Bogdan & Biklen, 1982).

In terms of the qualitative data derived from the questionnaires that were sent to end users, the implementing agents, and policy developers, the researcher undertook content analysis using Excel to code and summarise responses. The data from this chapter were heavily reliant on the perspectives of individual respondents, which were viewed as valuable as these represented lived experiences, and thus constitute valuable insights. This part of the research sought to understand how the different stakeholders experienced the implementation process. These perceptions as based on a real world setting, has allowed for greater explanation and more in-depth study (Leedy & Ormrod, 2005).

4.9 Strengths and limitations of the data collection processes

Broadly speaking, the strength of the evaluation is embedded in the fact that evaluation is an applied research method that addresses whether an intervention was well conceptualised and properly implemented. The study was limited, however, by the fact that the evaluator of this policy intervention, the researcher, has not been involved from the formation stage of the policy and was dependent on information that could be obtained from the sources that had been involved. The researcher was therefore obliged to make use of the interpretation, views and opinions of others in reports submitted by them. The measurement was also deduced from interpretations as the evaluator made the assumption that, although information was collected for monitoring purposes, no means of evaluation has been put in place since the commencement of the policy. Further limitations include issues such as access to the implementation information and the implementation sites and coverage regarding the number of sites covered in the study in relation to the total number of sites where implementation took place.

The primary data collection tools also had strengths and limitations. The strengths of using emailed questionnaires is that it is easily standardised, is time and cost efficient and enables one to reach a geographically dispersed sample. It does, however, have the limitations of achieving a low response rate, questionnaires not being fully completed and difficulty to check whether the respondents understood and interpreted the questions correctly.

CHAPTER 5: ANALYSIS OF THE IIP IMPLEMENTATION AGAINST THE MODEL FOR POLICY IMPLEMENTATION

5.1 Introduction

This study was intended to be an implementation evaluation of the Investment Incentives Policy (IIP) with four main objectives. The first objective was to review available literature on policy implementation to develop an implementation evaluation framework that could be applied to the case study. This is presented as Chapter 2 of this research paper. The three remaining objectives involved the collection and studying of primary and secondary data to establish how the policy was being implemented at the time, comparing the ongoing implementation process with the implementation evaluation framework presented in Chapter 2 and providing recommendations on how the implementation process could be improved. This chapter deals with two of the three objectives outlined above in presenting the results of the primary and secondary data that were collected to establish how the policy was being implemented and comparing the ongoing implementation process with the implementation evaluation framework by presenting the results against the proposed model of implementation success. In line with the above, the sections that follow thus include an outline of the implementation process that was being followed by the City of Cape Town according to the policy documents and by the presentation of the results from the data collected during the study. The results from the different sources are presented together to communicate the results of the different phases of the proposed model for implementation developed by the author. This is done to accommodate duplicate responses where the instruments overlap, and to build stronger conclusions where individual sources fall short by combining different sources of information to enable triangulation

5.2 Overview of the implementation process for the Investment Incentives Policy (IIP)

As outlined in Chapter 3, the only incentives that were being implemented city-wide were the non-financial incentives, which included single-point investment facilitation; development application fast-tracking; regularly updated spatial economic information; and skills development facilitation (City of Cape Town, 2013b: 3-4). The implementation processes used to implement these incentives are documented in the

IIP operational framework which can also be called the implementation plan, as it served the same purpose, according to the policy team.

According to this operational framework, the initial screening meeting was the first step in the IIP implementation process. During the screening meeting, the Investment Facilitation Unit (IFU) officials of the Economic Development Department discussed and explained the incentives available; qualifying and counter-performance criteria; what information was required to apply for the incentives; and the administrative processes and timeframes going forward to the interested parties. Following this, IFU officials then established whether a candidate qualified for incentives, what incentives the candidates qualified for and were advised and communicated with accordingly. If the candidate decided to take up incentives, the IFU officials would facilitate the access to the investment incentives through CoCT departments and provide economic information as another incentive. Depending on the incentives chosen, either, the development application fee would be waived and, subsequently, the building plan would be fast tracked by the Planning & Building Development Management Department (PBDM), the Environmental Resource Management Department (ERMD) would manage the biodiversity offsets, or the Utilities Services Directorate would provide the electricity tariff discount. Following this, the Utilities Services Directorate would budget for the revenue lost (City of Cape Town, 2013b: 6).

Following the implementation, the IFU officials would be tasked with creating, housing and keeping a database of the different incentives taken up by the different businesses up to date as part of monitoring. Such monitoring data were expected to enable evaluation.

5.3 Detailed presentation of the IIP implementation process

The following section reports the results obtained from the primary and secondary data sources on the current implementation process against the proposed model of policy implementation presented in Chapter 2. Results are reported on the processes undertaken during ongoing implementation; the achievement of goals in the process, the determination of the status quo; the selection of the method for implementation; capacity building; implementation planning; implementation; and policy implementation evaluation.

5.3.1 Ascertaining goals

In terms of the ascertaining the goal, where the clarity of the definition of the intended outcomes, impacts and target market of the Investment Incentives Policy was being questioned for evaluation, relevant information was found in the design evaluation and policy documents. According to the policy documents, the desired outcome of the Investment incentives policy was to “... attract investment to Cape Town with a specific focus on making it a preferred business destination” (City of Cape Town, 2013:29), with the ultimate goal of supporting and enhancing job-creating private sector investment that would lead to the creation of sustainable employment opportunities for the population of Cape Town (City of Cape Town, 2013:33). According to the “Modelling the impact of the implementation of the financial component of the City-wide investment incentives” (2015) paper, all of this would be done to enable the CoCT ultimately to have an impact on direct and indirect job creation.

In terms of ascertaining the target population for the policy, the policy documents clearly state, as reaffirmed by the Design evaluation, that the target of the IIP is new investors looking to start a business and existing businesses who are looking to expand facilities in the Cape Town municipality parameters (Joja, 2015: 10; City of Cape Town, 2013: 29).

Therefore, considering the above, the Investment Incentives Policy is in good standing in terms of ascertaining the goals of the policy as the intended outcomes, impacts and target market are clearly defined.

5.3.2 Determination of the status quo

In terms of the determination of the status quo, where the readiness of the social, economic, political, institutional and technical environments as well as the stakeholders is questioned, the Design evaluation provided clarity on the performance of the ongoing implementation process on this. The Design evaluation, following the content analysis and interviews with the policy developers, found no evidence of any analysis being conducted on the environment external to policy that impact on the policy and its implementation (Joja, 2015:10; City of Cape Town, 2013a:29). In respect of analysis being conducted on the stakeholders in these different environments, and the

determination of their appetite, willingness and possible contributions the implementation of the policy; no certainty could be achieved, even after a thorough review of the policy documents. Draft copies of the IIP (City of Cape Town, 2013b: 2) do, however, show lists of stakeholders consulted on the policy, but it cannot be ascertained whether their willingness, appetite and their proposed contributions to the implementation of the policy were discussed, as none of the policy documents suggests that. Thus, considering the fact that the review of the policy documents failed to produce evidence of a status quo analysis being conducted of the social, economic, political, institutional and technical environments of the IIP and no evidence exists to prove that the stakeholders of the IIP were approached and solicited for their willingness and appetite to assist in the implementation of the IIP, the status quo determination component of the current implementation process of the IIP does not meet the requirements of the proposed model of successful implementation as it has not been done.

5.3.3 Selection of the method for implementation

On the subject of implementation method selection, during which different alternative methods of implementation are considered and evaluated before choosing the current one is being interrogated, the policy development team confirmed that no alternative implementation method was considered due to insufficient time for such an exercise (Personal interview, 28 May 2015) after the policy document, delivered no proof of such an exercise taking place. Thus, considering the fact that no alternative implementation methods were considered before the current implementation method was chosen, the current implementation process does not meet this specific criterion of the requirements in the model for successful implementation.

5.3.4 Capacity building

With reference to capacity building, where the model for successful implementation proposes that human resources, financial, technological and monitoring and evaluation capacity to implement the policy is considered, both the primary and secondary data sources provide insights. In terms of human resources, the designed evaluation found that the human resources were identified but whether it is realistic, and whether it suffices for the programme to be implemented successfully, was doubted. This was

mainly because the theory of change and the log frame was lacking in the policy documents (Joja, 2015:12). Furthermore, the results from the semi-structured interview suggested that the existing implementing agents do not regard the current human resources as sufficient, as they find it difficult to handle the workload by themselves. Also mentioned by the implementing agents, in results from the questionnaire, a lack of both financial and human resource planning for the policy and the implementation thereof may be preventing the IIP from attaining its full potential.

Implementing agents (as shown in the results from the survey questionnaire supplied to these agents) were also of the opinion that the lack of financial planning (thereby confirming the lack of financial planning and capacity of the intention to be sustained financially) for the policy implementation was putting strain on the resources of the City and its revenue. Moreover, even though financial modelling was done for the policy in retrospect, the modelling has only assessed the cost of providing the incentive (in terms of income foregone) in the light of the additional revenue that could be expected from the resulting investment and the impact of the incentive in terms of direct and indirect job creation (CoCT, 2015:1).

With regard to the technological capabilities needed for adequate policy implementation, no reference was made to any technical capabilities being assessed or ensured in the policy documents. Thus, uncertainty exists in the assessment and insurance of technological capabilities for policy implementation.

The policy documents make reference to the Economic Development Department (EDD) conducting Monitoring and Evaluation (M&E), but there is no reference to how the capacity of the staff will be built and ensured to enable successful M&E of the policy, for instance by sending staff members for M&E training or peer learning from M&E practitioners in the department.

Thus, with the lack of evidence of the human resources, financial, technical and M&E capacity being assessed and ensured, the current implementation process does not meet the capacity building component that is required for successful policy implemented according to the proposed model.

5.3.5 Implementation planning

The next component to be assessed was the implementation planning for the policy. The proposed model for implementation developed by the researcher (see Chapter 2) suggests that a project plan document should be prepared for the policy to ensure that the policy's outcomes and impacts are effectively realised. The proposed model suggests that the project plan should house an executive summary that sets the context for the policy and project to be implemented; the purpose for the policy being implemented as a project; and a business case for the project, that would justify the implementation of the policy as a project. Furthermore, the proposed model suggests that the project plan hosts *a scope management plan, a communication plan, work breakdown structure/ activity sequencing, a cost management plan, a resource plan, a staffing management plan, stakeholder analysis, an implementation plan, a risk management plan and an evaluation plan.*

The stakeholder engagement is discussed in section 5.3.2 and will not be rehashed in this section. The elements of the project plan not discussed earlier form part of this section. Here, again, the primary and secondary data collection sources were vital in assessing the status of the existing implementation processes of this phase.

No *project plan* document was found during the review of the range of policy documents relating to the IIP. The policy documents do contain an executive summary and purpose and business case that can stand as the contextual purpose and rationale for the project (City of Cape Town, 2013a:1). What is not easily detectable in the policy documents are the scope management plan, a communication plan, work breakdown structure/ activity sequencing, a cost management plan, a resource plan, a staffing management plan, stakeholder analysis, implementation plan, a risk management plan and an evaluation plan.

In terms of a *scope management plan*, there is no evidence in the policy documents (City of Cape Town, 2013a:1) that the scoping exercise was done for this policy, hence, a scope management plan was also not detectable in policy documents.

In terms of the *communication plan* and *activity sequencing* for effective implementation of the policy through a project, the Design evaluation found that no

communication plan and planned activities to communicate the policy information to the target group is evident in the policy document (Joja, 2015:10). This may mean that knowledge of the incentives was not well communicated, which compromises the outcomes of the policy (Joja, 2015:11). It was found that the policy's operational framework does provide a list of activities to be executed to implement the policy, but the activity list was found to be incomplete as it is only prepared for scenarios in which interested parties approach the CoCT for incentives (Joja, 2015: 11). Here the lack of a communication plan, as mentioned above, comes in. There is no indication of activities communicating the policy to the target market, but the target population is expected to know about the policy and to approach the CoCT for incentives. This leaves the attainment of the policy outcomes to chance, as stated before (Joja, 2015: 11).

The questionnaire presented to the end user confirmed the lack of streamlined communication of the policy; when end users were questioned about their source of information on the IIP, the majority (65%) of the respondents cited Wesgro, the City of Cape Town's investment promotion partner, as their source. The remaining 35% of the respondents sourced their information on the Investment Incentives from other sources, such as the sub-council. These sources are not proactive communicators of policy information or news. Rather, policy information, especially that of the IIP, could only be accessible if a business were to engage, enquire from, be actively involved or be affiliated with the specific organisations. The sources of information are graphically presented in Figure 5.1.

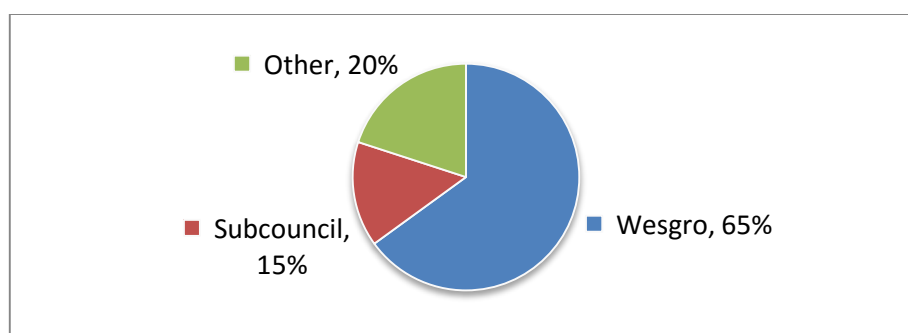


Figure 5.1: Communication sources

As discussed earlier in this chapter under section 5.3.4, no costing or *financial planning* was done for the policy; hence no cost management plan was developed. Likewise, other resources, like the *human and technological resources and staffing* for the project, as discussed earlier in this chapter under section 5.3.4, were not planned for and ensured

in the policy documents. As mentioned in section 5.3.2, the different stakeholders were given an opportunity to give input in the policy document, but it is uncertain whether the role, willingness, an appetite for the policy and implementation was discussed with the stakeholders.

The policy developers regard the operational framework as their *implementation plan*. Even with this being the case, the operational framework lacks the most important component of an implementation plan – a proactive approach to project management.

In terms of the *risk management plan*, the Design evaluation (Joja, 2015), following the review of the policy documents and interviews with the policy developers, found that the policy also lacks a risk management component. This conclusion was reached following the observation that the policy documents do not take into consideration the risks that might deter the CoCT's endeavours to reach the desired outcomes, and also has not identified, assessed and prioritised these risks to enable them to be minimised, monitored or controlled (Joja, 2015:13).

The policy documents furthermore did not provide evidence of an *evaluation plan*. This concurs with the earlier design evaluation that found that the policy documents lacked indicators, targets, planned resources, milestones and outputs, hence leading to uncertainty about what would be monitored and evaluated (Joja, 2015:13). The policy documents also did not reveal any Monitoring and Evaluation processes and procedures, guidelines or methods.

From all of the above, it seems as if inadequate implementation planning was done for the implementation process of the IIP.

5.3.6 Implementation

In terms of the second last component on the proposed model for implementation, the implementation of the policy involves rolling out the incentives to the target population. It should again be noted, as stated in Chapter 3, that, due to the designated spatial areas not having been identified yet, only the non-financial incentives are currently implemented in the city. These non-financial incentives include single-point investment

facilitation; development application fast-tracking; regularly updated spatial economic information; and skills development facilitation.

The first incentive, the single-point investment facilitation, is an incentive available to all parties who make contact with the IFU. According to the implementing agent (Respondent 1), this service/incentive is obtained by contacting and setting up a meeting with the IFU. During this meeting the following is discussed:

- available incentives,
- qualifying and counter-performance criteria,
- what information is required,
- where the Development contribution / charge (DC) debt deferral incentive is contemplated, the nature and contents of the acknowledgement of debt and suretyship agreement that the investor will be required to sign upon taking up the incentive, and
- the administrative process and timeframes going forward (City of Cape Town, 2013b:5).

The purpose of this meeting is to elucidate the IIP and its details and to remove all ambiguity, should there be any.

Furthermore, this single-point investment facilitation incentive includes the IFU:

- Facilitating access to DTI to incentives
- A “One Stop” Shop solution that will co-ordinate the various City processes and act as the interface between the investor and the City.
- A dedicated investment facilitation officer to walk the investor through the various administrative processes
- Pre-indications of likelihood of approval of proposed investment and advice on the requirements of the application process
- Provision of guidance and advice to investors considering investing in the city.

There are two qualifying criteria for accessing the non-financial incentive: firstly, the interested party should be an existing businesses owner wanting to expand operations in the CoCT, or a new investor wanting to start businesses in Cape Town. Secondly,

interested parties have to be in a sector that enhances the value-added production capacity of the City of Cape Town. These sectors include Oil & Gas, Boat Building, Business Process Outsourcing, Information and Communications Technology, Creative Industries, Agro processing, Green Technology, Finance and Insurance, and the Manufacturing sector (City of Cape Town, 2013b:4).

In terms of the first criterion, data was collected to see how many of the IIP incentive recipients qualified for the incentives. The collected data revealed that three of the 12 respondents confirmed that they had received incentives due to starting new businesses in Cape Town, while one business indicated that they received incentives for being an existing business planning to expand. The remaining respondents failed to confirm why they received incentives. Figure 5.2 depicts the percentage breakdown of prospective investors or existing businesses intending to start or expand their business.

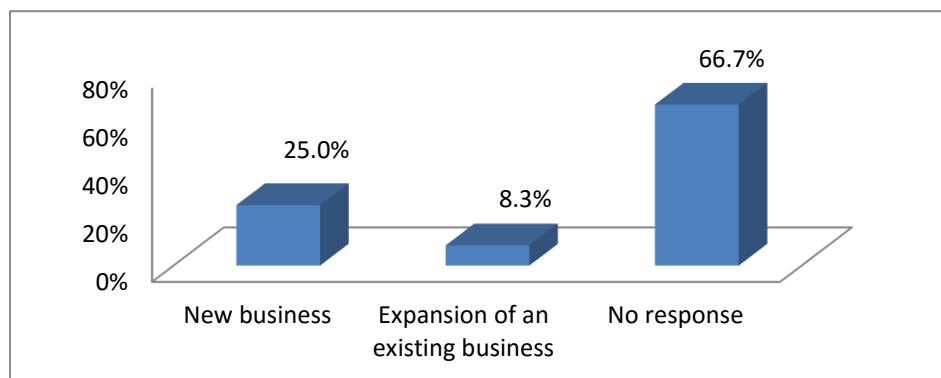


Figure 5.2: Response to “Why are you receiving incentives?”

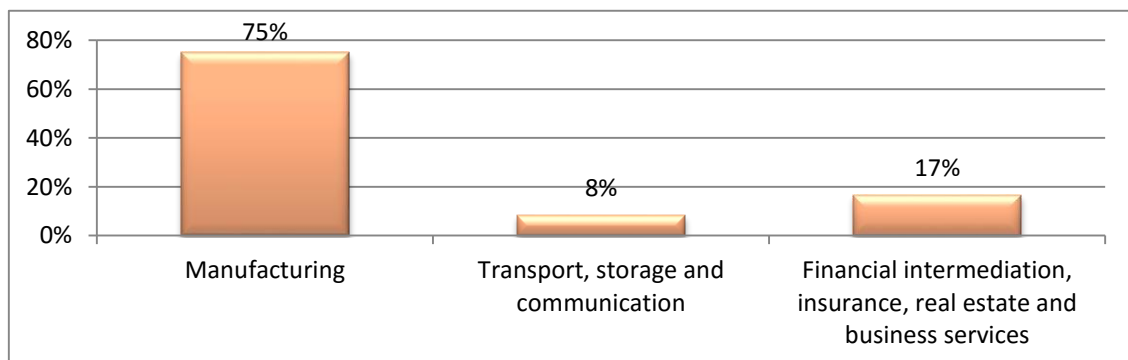


Figure 5.3: Response to "Which of the following categories best describes your business activities?"

Data was also collected to determine whether all the recipients of the incentive were in the required value adding sectors. If the graph in Figure 5.3 is considered, 75% of the businesses that received incentives were in the manufacturing sector, 8% in the transport, storage and communication sector, and the remaining 17% in the financial services sectors.

The results indicate that 92% of the end users who received incentives were eligible for incentives and 8% of those who received incentives, were not necessarily part of the target population of the IIP.

According to the operational framework (City of Cape Town, 2013b:4), once it had been established, an investor would qualify for incentives and the specific incentives qualified for, the investor will be advised accordingly.

Should any interested party qualify for a Development application fast tracking incentive, their land use planning applications and building plan approval would be fast tracked. Here the IFU was to set up pre-consultation meetings between investors/their architects and various commenting line departments to ensure that land use and building plan applications were complete and “clean” before submission. Following the submission of the complete and clean submissions, the prospective investors’ land use planning application which could take up to seven months would be fast tracked to three months and their building plan approval, which could take up to 60 days, would be fast tracked to five days (pers. com: 8 March 2016).

Figure 5.4 shows that 17% of the respondents in the end-user survey received the development application fast-tracking incentive and 59% received the one-stop investment shop incentive.

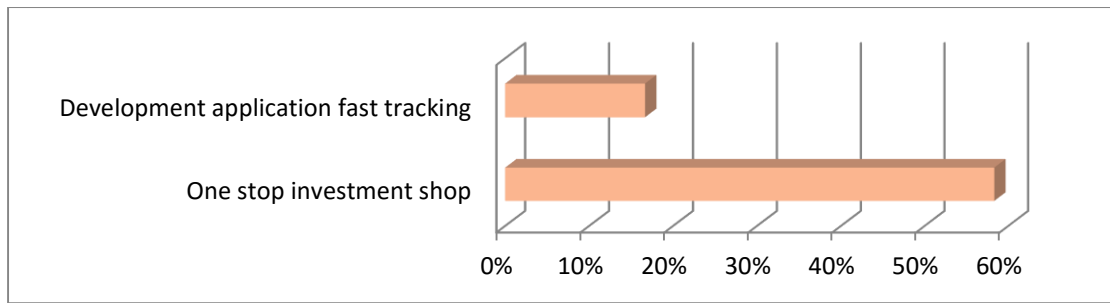


Figure 5.4: Response to "Please indicate which of the following incentives you are receiving from the City of Cape Town?"

Businesses were asked whether the incentives were delivered to them as proposed to be delivered according to the policy documents – fast tracked to five days and three months respectively in the case of the development application fast tracking and co-ordination between the various City processes and interface given between the investor and the City as proposed by the one-stop-shop solution offered by the single-point investment facilitation incentive. Twenty-five percent (25%) of the respondents indicated that they did receive the incentives as proposed and within the timelines.

Results from the questionnaire for the implementing agents showed, however, that only 60% of the officials (Respondents 2, 4 and 5, 2015) were implementing their incentives as directed by the operational framework (Figure 5.5).

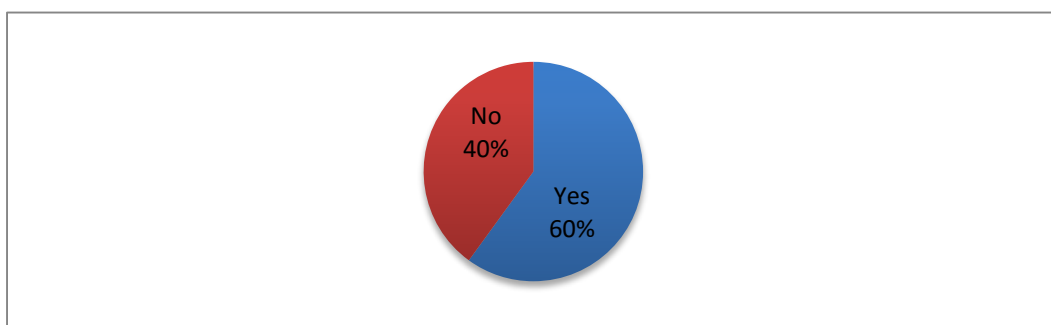


Figure 5.5: Response to "Is the process outlined by the implementation framework identical to the one executed by you?"

The results from the questionnaire indicated consensus amongst those who did not implement their incentives as directed. They explained that the operational framework does not sufficiently explain the processes to be followed to enable successful implementation of their respective incentives. The lack of relevant guidelines to ensure

that incentives are delivered effectively also was a common reason given by those responsible for implementing the policy, for not implementing it as directed by the operational framework. The above-mentioned was echoed by three of the five officials that took part in the survey administered to the implementing agents when they were asked whether the operational framework effectively outlines what needs to be done to implement the incentives effectively.

In terms of the regularly updated spatial economic information incentive, it is expected that investors contact the IFU and ask to be added on the mailing list for this particular incentive. The IFU, in turn, proposed to ensure that they were added to the mailing list to receive either the, publication of the CoCT that presents and analyses economic (and related) trends in Cape Town on a quarterly basis, and/or ECAMP, which is a web dashboard application that enables one to explore spatial information on the over sixty business locations which anchor the Cape Town metropolitan region's space economy (personal communication: 8 March 2016).

The skills development incentive is accessed and implemented when the qualifying investors contact the Sector Support Organisation (SSO) relevant to the particular sector/industry. Here the implementing agent advises qualifying investors to contact the SSO directly as part of the incentive, and provide them with the relevant contact details. The SSO advises investors on relevant training programmes/courses to be presented and how these courses can be accessed. Thus, from the CoCT side, the implementation of the skills development incentive provides the contact details of the relevant SSO to qualifying investors (personal communication: 8 March 2016).

In terms of challenges experienced during implementation, information that was solicited through the questionnaire for the implementing agents (Respondents 2 and 5, 2015) indicated that the policy's ambiguity made it difficult to implement. Other challenges such as slow responses from line departments on implementing the incentives; lack of coordination of the implementing process; and lack of financial planning for implementation were also highlighted as challenges to implementing the policy effectively. An implementing agent (Respondent 2, 2015) suggested Service Level Agreements as part of the solution to the problems, as well as better

communication of the policy and the implementation of it to the line departments, including better financial planning, for the above-mentioned challenges.

Implementing agents (Respondents 2 and 4, 2015) were also asked for their opinions on mechanisms that currently facilitate or impede successful implementation. The facilitating mechanisms are considered the pre-consultation meetings held with prospective investors and the electronic building application system that is to soon be implemented in the CoCT.

Furthermore, 60% of the implementing agents (Respondents 2, 4 and 5, 2015) are of the opinion that the IIP is not being implemented to its optimum effectiveness and see the lack of awareness of the IIP in its target market; its limited scope; its lack of financial planning; and the fact that it is not implemented holistically, as the reasons.

The implementing agents provided final suggestions for making the IIP implementation process more effective and recommended that the current operational framework be re-looked at and reworked; more staff be deployed for implementation; financial planning be applied; and better communication be realised about the policy, its target markets, its requirements and the process.

In terms of a work authorisation system that sanctions project work and ensures that the right work is done at the right time, the implementing agents made it abundantly clear in the questionnaire that the operational framework does not provide clear instruction how, where and when the different incentives should be implemented. Rather, it provides a broad guideline on what is presumed and envisions how the incentives should be implemented. Scrutiny of the policy documents also failed to reveal a work authorisation system that could lead implementation.

With regard to the last component of the implementation element, namely status review meetings: no evidence to prove that status review meetings were planned to take place were to be found in the policy documents.

This stance is supported by the following considerations:

- incentives were not given to businesses in the value-adding sectors only, as the requirement stated;
- only 25% of the end users of the incentives indicated that they had received incentives in the desired time frames in the way they should have received it;
- only 60% of the implementing agents communicated that they implement incentives as directed in the operational framework;
- the implementing agents indicated that the ambiguity of the policy makes it difficult to implement and the policy is not being implemented to its optimum effectiveness due to the lack of awareness of the IIP amongst its target market; its limited scope; its lack of financial planning; and, due to the operational framework not providing clear instructions concerning how, where and when the different incentives should be implemented;
- there is no work authorisation system to lead implementation;
- there is no evidence in the policy documents to prove that status review meetings are planned.

The implementation aspect of the current implementation process cannot be considered successfully implemented because it does not meet the requirements of the successful model of implementation that is proposed; because it is not being implemented as proposed; and because it cannot facilitate the successful attainment of the set goals for the intervention.

5.3.7 Policy implementation evaluation

The evaluation process is the phase in the implementation process that encourages the policy team to use collected data to evaluate the implementation process. This involves the assessment of the implementation process to consider what the factors are that create changes in the implementation. The implementation evaluation process also functions to determine the effect on the implementation process of changes that have occurred and how these changes are being managed.

Thorough reviews of the policy documents and further enquiries through discussions with the policy team have revealed that such an exercise has not taken place to date ((Personal interview, 28 May 2015).

5.4 Conclusion

In conclusion, this chapter has performed the function of presenting the primary and secondary results collected in this study to determine how the IIP is currently being implemented for comparison with the standards of the proposed model of implementation developed by the researcher (Chapter 2). In summary, the results showed that the policy documents satisfactorily present the goal that the IIP attempts to reach. The results from the collected data furthermore established that the status quo and the readiness of the different environments in which the IIP is deemed to flourish have not been assessed successfully. The different stakeholders, their willingness and appetite to be involved in the implementation of this policy and their different possible contributions to the implementation process likewise have not been assessed. In terms of the selection of the method for implementation, the results revealed that the policy documents do not provide evidence that alternative methods of policy implementation have been considered. Results for the enquiry about whether human resources, financial, technical and M&E capacity for policy implementation were considered and ensured revealed that the different capacities necessary for successful implementation of the IIP were not considered and ensured. Furthermore, the results showed that insufficient implementation planning was done for the implementation, as the main implementation planning document, the project plan, was missing from the policy documents.

The chapter describes how the policy is being implemented on the ground, but also reports on the experiences of the end users who received the incentives; the challenges experienced by those responsible for implementing the IIP; and the nonexistence of a work authorisation system and lack of status review meetings.

Recommendations on how to improve the policy implementation process are presented in the next chapter. This is done to not only satisfy the final objective of the study but also to encourage the policy team to take forward and implement the suggested changes to improve the implementation of the IIP.

CHAPTER 6: RECOMMENDATIONS FOR IMPROVED IMPLEMENTATION OF THE IIP POLICY

This chapter serves to provide recommendations on how to improve the implementation of the IIP by suggesting alternatives to the existing implementation process according to the proposed model for implementation that was developed and presented in Chapter 2. This is done to give effect to the final objective of this study which involved presenting alternative methods to the existing methods being used for implementation to facilitate the outcomes of the intervention being achieved successfully. This is done according to different phases of the proposed model of implementation, namely ascertaining the goal, determination of the status quo, selection of the method for implementation, capacity building, planning of the implementation, implementation and evaluation of the implementation.

6.1 Ascertaining Goals

In terms of ascertaining the goals of the policy, for which the clarity of the definition of the intended outcomes, impacts and target market of the Investment Incentives Policy (IIP) was being questioned for evaluation, the researcher found the IIP in good standing. as the intended outcomes, impacts and target market are clearly defined in policy documents. It is suggested, though, that the policy developers, in terms of the intended outcomes and impact, compile a theory of change, a log frame, outcome mapping or any other visual stimulus in consultation with the stakeholders and those tasked to implement the policy to clearly illustrate what the CoCT desires to change for the businesses, the unemployed population and economy of Cape Town, and how it intends going about doing this. The proposed exercises will also enable the policy team and its stakeholders to determine what is needed in terms of resources to attain the goals; the actions that need to be taken in order to reach the intended outcomes; what the different deliverables from the activities undertaken will be; and to assess whether the resources, activities and deliverables will lead to the intended outcomes and eventual impacts. Kusek and Rist (2004:57) substantiate this argument by arguing that collective agreement on outcomes is very important as it illustrates what success looks like and will assist the project team by showing them which road should be taken to attain success.

Furthermore, it is recommended that, even though the target is clearly identified in the policy documents, the policy development team, in consultation with the relevant stakeholders, define who the target population of the IIP is, more clearly. The IIP does provide qualifying criteria for incentives, but it remains unclear whether the IIP is targeted towards micro, small, medium, large, multi or transnational enterprises to meet the CoCT's vision and objectives of job creation. A target definition exercise can be undertaken by firstly researching what available support there is for the different sizes and sectors of businesses in the market. Based on that research, the national definitions of micro, small, medium and large should either be eased into the policy documents or their own size quotas and sectors should be created, clearly stipulating the sizes and types of businesses that comprise the target population of the IIP, and why. The research will also enable the policy developers to direct those types and sizes of businesses excluded from the IIP to the right regulations or to bodies that can support them. Furthermore, the suggested research, in addition to the above, will not only provide context and rationale to the target population, but will also remove all ambiguity concerning the target market from the policy.

6.2 Determination of the status quo

In Chapter 5, in which the readiness of the social, economic, political, institutional and technical environments, as well as the stakeholders, was questioned, the researcher found that the existing IIP implementation process does not meet the requirements of the proposed model for successful implementation, as this was not done. To ensure that the policy does attain its intended outcomes, it is recommended that the policy developers and policy implementing teams conduct research and assess the social, economic, political, institutional, and technological environments that the policy is planned to be engaged in, to determine factors that may exist and have potential to facilitate or hinder the success of the implementation process in these environments. The identification of factors that have the potential to influence the implementation process could also indicate the readiness of the different environments for implementation. It would also be useful here to develop a strategy for managing factors that have the potential to influence the implementation process to capitalise on those factors that could facilitate implementation and minimise the risk of those that have the potential to hinder successful implementation.

It is further recommended that the policy team, both the implementing agents and the policy developers, determine the different stakeholders in the social, economic, political, institutional, and technological arenas of the IIP, while also determining their appetite for and willingness to be involved in the IIP implementation process. This can be done by conducting a stakeholder mapping exercise, which is a four-phase collaborative process of research, debate, and discussion that draws from multiple perspectives to determine a list of potential partners across the entire stakeholder spectrum.

Contextually, stakeholders refer to those individuals or organisations that are directly or indirectly affected by an intervention; those who have vested interest in the outcome of the intervention; and those who possess the ability to influence the intervention's outcome, either positively or negatively (International Finance Corporation, 2007:10). It can either refer to those already serving the organisation from within, like officials, volunteers, politicians or volunteers, or those external to the organisation who are impacted by the work of the organisation, such as community members, the public, private organisations or interest groups (Los Angeles Department of Children and Family Services, 2013:1).

Determining the stakeholders and their roles in the policy intervention has benefits for the policy intervention, the policy teams and organisation, as well as for the stakeholders. The policy team and the CoCT can benefit from stakeholder engagement in that it can lead to a better-informed and a more effective policy, project plan, programmes and services. Meanwhile stakeholders can experience increased inclusivity; the opportunity to contribute to the policy, programme development and implementation; and have their issues heard and attended to while also having the opportunity to participate in the decision-making process (Los Angeles Department of Children and Family Services, 2013:3). This can be experienced by following the four-phase model that has been compiled from a variety of stakeholder engagement models to compensate for the shortfalls of individual models.

6.2.1 Identifying and listing relevant groups, organisations, and people

The first phase of this model involves identifying and listing relevant groups, organisations, and people. Here the suggestion is to determine the different categories of stakeholders there are, and listing the different organisations that are in those categories (Morris, 2012:9). A table such as Table 6.1 would be advantageous.

Table 6.2: Table for list of different stakeholders created by author

Type of stakeholder	Organisation
Social stakeholders	
Economic stakeholders	
Political stakeholders	
Institutional stakeholders	
Technical stakeholders	
Other stakeholders	

6.2.2 Analysing and understanding stakeholder perspectives and interests


The second phase in the stakeholder mapping exercise involves analysing the stakeholders and attempting to understand stakeholders' perspectives and interests. Once a list of stakeholders has been identified, it is useful to do further analysis to better understand stakeholder relevance and perspective (Deloitte & Touche, 2014:1).

Morris (2012) suggests a list of five criteria to help analyse each identified stakeholder:

- **Contribution:** It assesses whether the stakeholder has information, guidance, or expertise on the issue that could be helpful to the CoCT and the IIP.
- **Legitimacy:** Assesses how legitimate the stakeholder's claims are for engagement.
- **Willingness to engage:** Assesses how willing the stakeholder is to engage by consulting them.
- **Influence:** Assesses the level of influence the stakeholder has on say for instance other businesses, organisations, NGOs, consumers, investors, etc.
- **Necessity of involvement:** Here one determined whether the stakeholder is an entity that could for instance derail or delegitimize the process if they were not included in the engagement. (Morris, 2012:10).

The five above-mentioned criteria can then be used to create and populate a chart with short descriptions of how stakeholders fulfil the criteria. Values are then assigned (low,

medium, or high) to these stakeholders. Figure 6.1 provides an example for the policy team. If the first criteria should be grouped it can be grouped as the expertise of the stakeholders, their willingness and their presumed value.



Stakeholder	Contribution	Legitimacy	Willingness to Engage	Influence	Necessity of Involvement
Social stakeholders	High: Knowledge in X issue is of value to IIP	High: Directly affected by our activity	High: Proactive group that is already engaging	Low: Relatively unknown group	Low: Not an outspoken stakeholder
Economic stakeholders	High	Low	High	Low	Medium
Political stakeholders	Medium	Low	High	High	Medium
Institutional stakeholders	High	High	Low	High	High
Other stakeholders					

Figure 6.1: Stakeholder assessment criteria adapted from Morris, 2012

6.2.3 Mapping and visualisation of relationships to objectives and other stakeholders

The third phase involves mapping and visualising the relationships to objectives and other stakeholders. The mapping of stakeholders is a visual exercise and an analysis tool that can be used to further determine which stakeholders would be most useful to engage with. Mapping allows one to see where stakeholders stand when evaluated by the same key criteria for comparison with one another. Here, drawing a quadrant using two axes labelled “low” to “high” is suggested. The criteria, now grouped as “Expertise”, “Willingness” and “Value”, are added to the criteria chart. After a criterion

is assigned to an axis, discussions and debates within the policy team that determines stakeholders will have to be facilitated. The policy team will determine in which quadrant each stakeholder falls. What is then left to do is to plot the stakeholders on the grid using small, medium, and large circles to denote their “Value”. (Morris, 2012:11). An example illustrating the plotting is constructed below (Figure 6.2).

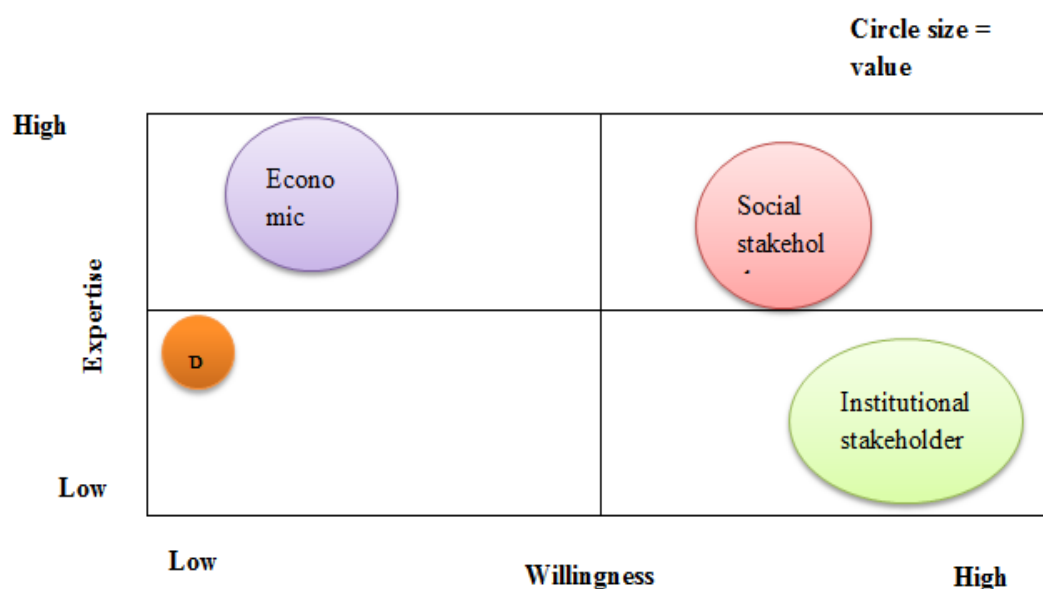


Figure 6.2: Mapping and visualisation of relationships to objectives and other stakeholders created by author

6.2.4 Level /tactics for engaging the stakeholders

Following the mapping exercise it is suggested that the policy staff strategize on which level (tactics) to engage the stakeholders, either through informing, consulting, involving or collaborating.

It is recommended that the four-quadrant map developed in phase three be revisited and that quadrants, instead of being labelled “willingness” and “expertise”, be labelled informing, consulting, involving or collaborating.

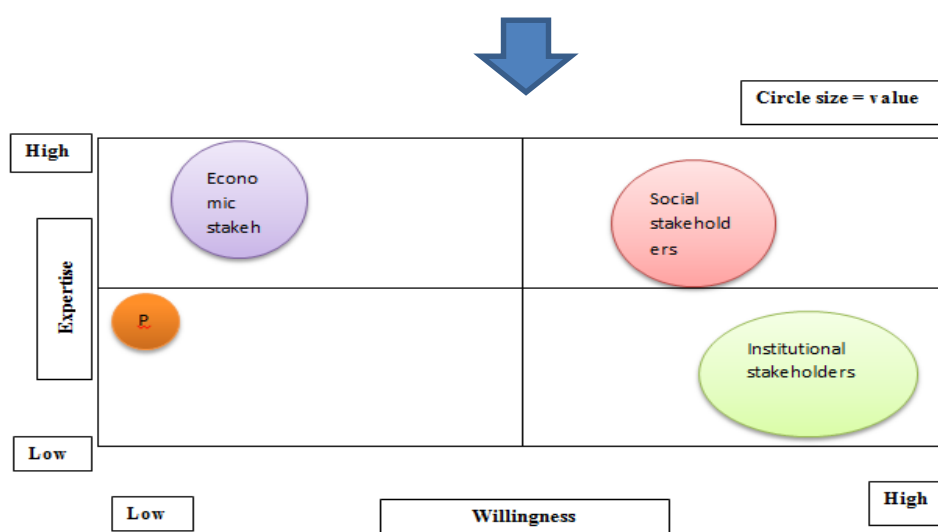
All stakeholders that have low presumed willingness and high expertise should preferably be placed in the consulting quadrant. The goal here is to benefit from stakeholders’ greater knowledge of local conditions and opinions, so that their inputs, for instance through presenting proposals and options to these stakeholders and requesting that they provide feedback to be incorporated in planning, can help the implementing procedure (Los Angeles Department of Children and Family Services,

2013:11). Consulting with these stakeholders might make them value engagement more and increase their willingness to engage in the next round of implementation.

The stakeholders with high willingness to participate and low expertise should be considered for becoming involved and placed in the relevant quadrant. At this level of engagement the stakeholders should be genuinely engaged in generating options and carrying out actions that emerge from their input, even though their participation would not formally result in collaborative decision-making authority (Morris, 2012:12). Communicating more with these stakeholders will help with the value of engagement.

Furthermore, it is suggested that stakeholders with high expertise and high willingness should be considered as collaborative partners who can empower the implementation process. Here the CoCT and the stakeholders should decide to act together on the basis of shared goals. This would involve longer, more complex processes of engagement, which will require more preparation and support for stakeholder involvement (Los Angeles Department of Children and Family Services, 2013:13).

Finally, if stakeholders are ranked low in willingness and low in expertise, it is suggested that they be informed of the policy and its implementation process. This would essentially be a one-way communication stream by which stakeholders receive information without any expectation of two-way dialogue (Los Angeles Department of Children and Family Services, 2013:13; (Deloitte & Touche, 2014:2). The suggested process is illustrated graphically in Figure 6.3.



<p>Consult:</p> <p>Stakeholders with low willingness to engage and participate in dialogue but with high levels of expertise should be consulted.</p>	<p>Collaborate/empower:</p> <p>Stakeholders with high levels of willingness and a high level of expertise and knowledge should be considered collaborative partners.</p>
<p>Inform</p> <p>This category is for stakeholders who have low willingness to participate and low levels of knowledge on the subject matter.</p>	<p>Involve</p> <p>Stakeholders with high willingness to engage and/or a low level of expertise should be involved.</p>

Figure 6.3: Level /tactics for engaging the stakeholders created by author

Once the appropriate involvements are determined, the format of the relationship between the policy developers and the different stakeholders should be considered (Los Angeles Department of Children and Family Services, 2013:13; Deloitte & Touche, 2014:2; Morris, 2012:13). Examples of possible tactical relationships are shown in Figure 6.4.

Table 6.4: Examples of possible tactical relationships created by author

Involvement Tactics	Formats of relationships with stakeholders
Consult	Focus groups
	Individual interviews
	Surveys
Involve	Funding surveys
	Workshops
Collaborative partners	Research collaboration
	Implementation partner
Inform	Mass email or newsletter
	Press releases
	Prepared position statements
	Announcements

The four-phased exercise will also allow the policy team to examine stakeholders in depth to understand their interests, concerns and positions and to build assumptions on

their willingness to participate and their appetites for involvement based on this knowledge of them.

Following this, it is advised that the policy staff engage with the different stakeholders to propose and discuss the format of the relationships with them. Once agreement is reached, a Monitoring and Evaluation (M&E) plan should be compiled for each relationship. The M&E plan is suggested because stakeholder relations are not an end in themselves, but rather a formation to achieve goals. The M&E plan is a necessity as it cannot be ascertained whether the stakeholder relations are attaining the set goals for the relationship effectively if it is not developed. It is suggested that indicators that measure the effectiveness of stakeholder relationships should be set to provide guidance on where to improve performance; to demonstrate the stakeholder relationships rationale; provide feedback on meeting objectives; and to ensure that impacts are maximised. These objectives should then be measured and improved when necessary (Caplin & Jones, 2002:2).

The ultimate goal of this exercise is not to get stakeholder buy-in for the implementation process only, but to also encourage combining public and private sector resources, networks, strategies and services to allow for an implementation process that is less bureaucratically rigid.

6.3 Selection of the method of implementation

Selecting a method for implementation where different alternative methods of implementation are considered and evaluated before choosing the current one is discussed in Chapter 5. As the researcher indicated that the implementation process currently followed does not meet the specific requirement of the model for successful implementation, recommendations are needed to ensure that the selection process enables goal attainment of the IIP. Thus it is recommended that the policy team study this paper to follow the suggested route. This would involve studying the monitoring data collected during the current phase of implementation; considering whether the implementation is sustainable; conducting research on other ways in which incentives can be rolled out to compare the existing implementation process with other implementation processes, and then to choose the most efficient and effective method that would in all probability achieve the intended outcomes. Particular attention should

be given to sections 6.5, 6.6 and 6.7 where detailed recommendations are given in terms of planning for implementation, actual implementation and the evaluation of implementation, given that implementation is the core focus of this paper.

6.4 Capacity building

In terms of capacity building, it was found, as reported in Chapter 5, that no evidence of any assessment of human resources, financial, technical and M&E capacity was found or ensured in the IIP policy and implementation documents. In order to ensure that the IIP meets the capacity building component needs required for successful policy implementation according to the proposed model, suggestions for improving the capacity needs of this intervention are offered.

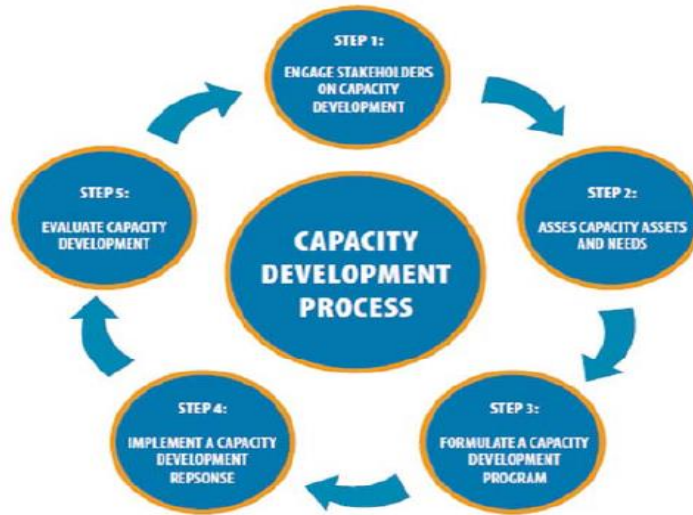
It is suggested that the policy team assess the existing human resources, financial, technological and M&E capacity reserved for implementation. The assessment should preferably involve the policy development team engaging with the current implementing agents to solicit from them their experiences with the human resources, financial, technological and M&E capacity of the implementation process and statistical analyses. Following this assessment, it should be determined whether a **capacity building** exercise or a **capacity development** exercise should be undertaken. Freeman (2010:17) distinguishes between the two phrases. According to Freeman, **capacity building** needs to take place where there is no capacity to begin with, and so must be introduced or built. Freeman (*ibid.*) sees this exercise as a more traditional top-down exercise of knowledge transfer and technical co-operations. **Capacity development**, according to Freeman (2010), is an acknowledgment of existing capacities and he suggests capacity development as a collaboratively approached exercise focused on strengthening what is there already, rather than starting something new, and encouraging ownership of the process.

The United Nations Development Programme (UNDP) and the United States Agency for International Development (USAID), both prestigious organisations, provide easily adaptable processes for undertaking capacity building and capacity development processes.

These models were chosen because they take into consideration the context of the unique African environment, both being based on case studies from Africa. The models were also chosen because it takes cognisance of the fact that, due to the history of the

continent, the countries within the continent struggle to sustain quality evidence-based interventions, and for the reasons that the models understand the urgency with which organisations in Africa need to ensure capacity in order to acquire and efficiently use investment; strengthen service delivery; and increase performance. These models acknowledge that capacity should be built/developed before an intervention is implemented in order to secure successful outcomes and also that capacity has three levels – the individual level, the organisational level and the system level (USAID, 2013: 3; Freeman, 2010:23).

To begin with capacity building:, The model in Figure 6.5 shows the USAID suggestion that, in order to start building capacity, the internal stakeholders, usually the senior managers, organise the process; identify the internal and external stakeholders; and form enabling partnerships that could potentiate capacity building successes. It is then suggested that the different stakeholders collectively develop and define the vision for the capacity building intervention. Furthermore, it is proposed that the baseline of the capacity is assessed using qualitative methods of research to collect in-depth information on the specific areas in which capacity building is necessary, preferably by a Capacity Assessment team. Following this assessment, the capacity building focus areas should be clearly identified. Strategies should then be formulated to address these areas of intervention; priorities should be set regarding which areas to address first; and broad goals should be set for the capacity goals of the intervention, the organisation and the system. The strategized interventions should then be implemented and evaluated to see whether the capacity goals are attained (USAID, 2013: 8-9).



[source: UNDP 2009]

Adopted from the 143rd Annual Conference Boston USAID (2013)

Figure 6.5: Capacity Building model

If there is existing capacity for an intervention and capacity does not need to be developed from scratch, capacity development should take place. Capacity development, which involves strengthening and maintaining capabilities necessary to attain a set goal, can be achieved through a five-step process as presented in the graph in Figure 6.6.

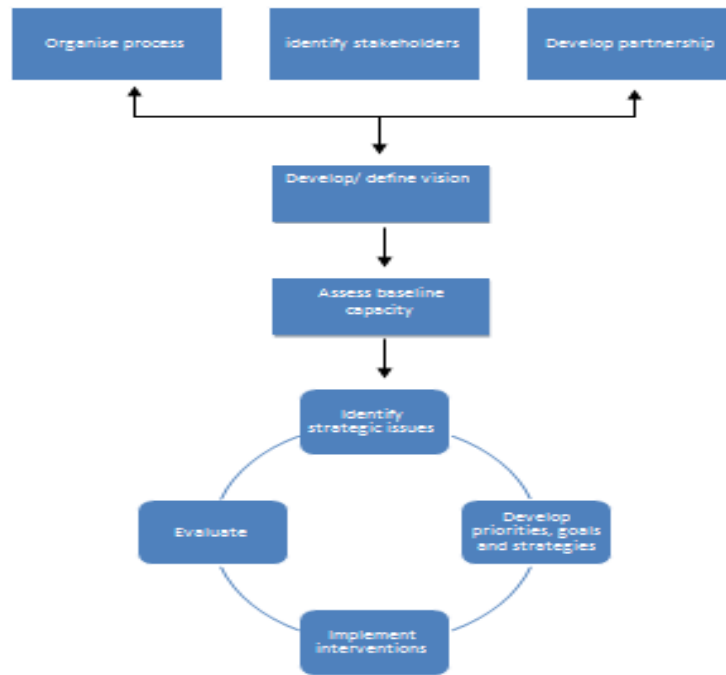


Figure 6.6: Capacity development model

The model developed by the UNDP (2009) suggests that stakeholders should be engaged in discussion on the capacity development exercise as an initial engagement in the capacity development exercise. Following this, an assessment should take place on the capacity assets needed for the intervention and those that exist. A capacity development programme should then be developed. This will comprise a list of the different interventions that need to be undertaken to get the capacity on the level needed to ensure that the outcomes of the intervention is attained. Subsequent to this, the capacity development programme should be implemented and the different identified activities and interventions should be executed. The capacity development intervention should then be evaluated to assess whether the programme that was identified was successful, or whether adjustments should be made to the programme for it to successfully attain its goals (Freeman, 2010:23).

6.5 Implementation planning

Considering the finding in Chapter 5 that inadequate implementation planning was done for the implementation process of the IIP, it is suggested that the policy development team, together with the policy implementing team and some of the essential stakeholders who will assist the department in implementing the policy,

develop a project plan to improve the implementation planning component for the IIP. This project plan should demonstrate how the causal relationship between the efforts of the implementation teams and the resources reserved for implementation will be exerted to deliver the specific outputs of the policy intervention; how it will lead to the outcomes envisioned by the policy; and how it will impact on the different target populations.

The scope of policy and its implementation should be outlined in the plan. The plan should also contain a work breakdown structure that outlines the different activities that need to be undertaken by the different parties, in their specific sequences to ensure that the policy outputs, outcomes and impacts will be achieved. It is also suggested that a plan for the resourcing of the financial, human and technical capabilities should be developed and embedded in this project plan to demonstrate that the suggested resources planned to be injected into the project are sufficient to sustain the implementation process. Furthermore, it is recommended that the policy developing team, the policy implementation team and the stakeholders together develop a communication plan to ensure that all the different stakeholders and target markets have access to information about the policy. It is furthermore advised that a risk management plan, that identifies all the different risks faced by the implementation process and the different strategies on how to manage these risks, should be developed by the policy development team, policy implementation team and all the relevant stakeholders. This should be included in the implementation plan, together with an evaluation plan that outlines how the implementation process, outcomes and impact of the policy will be evaluated and what data would be needed to inform such evaluations. The final suggestion, in terms of the project plan, is for a theory of change / logical framework document to be developed and inserted into the project plan. These proposed documents should demonstrate how the resources invested in this project and the activities that are undertaken are envisioned to change the investment patterns that exist to reach the CoCT's vision and objectives of creating an opportunity city with sustainable job opportunities. This plan should preferably be informed by the monitoring data, the inputs from the implementing agents and the results of the suggested forecasting exercise.

6.6 Implementation

The implementation phase of the policy intervention is assessed in Chapter 5. The finding of the investigation was that it did not to meet the required standards of the proposed implementation model; it was not implemented as proposed; and it did not facilitate the successful attainment of the set goals for the intervention.

It is thus suggested that the following should be in place for the IIP to be implemented successfully:

- the goals of the policy, its intended outcomes, impacts and target market are clearly defined in the policy document.
- the readiness of the social, economic, political, institutional and technical environments is assessed and the different environments are ready for the intervention's implementation
- the different stakeholders who have been identified to be consulted, involved, collaborated with and informed are engaged as was proposed
- the most efficient and effective method of implementation is chosen
- the necessary human resources, financial, technological and Monitoring and Evaluation capacity to implement the policy is built or developed
- a project plan demonstrates how the causal relationship between the efforts of the implementation teams and the resources reserved for implementation will be exerted to deliver the specific outputs of the policy intervention; how it will lead to the outcomes envisioned by the policy; and how it will impact on the different target populations.
- the project plan document has the a fully developed scope; a work breakdown structure that outlines the different activities that need to be undertaken by the different parties, in the specific sequences, to ensure that the policy outputs, outcomes and impacts are achieved; a resource plan of the financial, human, technical and M&E capabilities needed; a communication plan; a risk management plan; an implementation plan; an evaluation plan; and a theory of change / logical framework in the document.

It is further recommended that the policy development staff, the line departments in the CoCT and all the other parties involved in delivering incentives workshop Standard Operating Procedures for all the different incentives to be delivered. This will not only

result in more defined and clear incentives delivery processes, but will also ensure consistency and build institutional memory, to prevent an instance where one official responsible for implementing an incentive leaves the department and another official substituting that official implementing incentives completely differently. The work shopping of the procedures to deliver the incentives might also enlighten the policy developers with regard to all the different procedures and time necessary to deliver certain incentives. In addition, it would facilitate amendment of the current timeframes to deliver incentives that the policy implementers deem irrational and unattainable.

The policy team and the relevant stakeholders should then collectively develop a work authorisation system that clearly states when which activities should take place.

The different resources reserved for policy implementation should then be injected into the project; the different activities outlined in the work authorisation system, the implementation plan and the theory of change/logical framework (all of which should be the same) should then be undertaken as planned to realise implementation.

It is important that the activities that are undertaken are noted according to the procedure that is followed; that time is taken to undertake the activities; that resources are used; and that outputs are delivered.

6.7 Policy implementation evaluation

Since it was found that an implementation evaluation of the IIP had not taken place to date, it is recommended that the changes and suggestions of this study be taken forward by the IIP policy team; be placed in a monitoring and evaluation dashboard; and tracked and assessed to determine whether it has contributed to the ultimate goal of the IIP. It is also suggested that the policy team undertake another policy implementation evaluation exercise in the next two years to assess the implementation process; to identify where changes should be made; to effect the necessary changes and to track the changes as well as the outcomes from the changes.

The implementation evaluation exercise should aim do to the following:

- Understand how the policy was implemented
- Identify critical differences between planned and actual implementation
- Identify barriers to and facilitators of implementation
- Document and compare different intensities or variations of policy

- Collect information to support interpretation of future evaluations of policy impact
- Document the relationships between logic model components and external influences
- Improve the implementation process
- Inform future policy development (The Presidency of Republic of South Africa: 2012:2).

This policy implementation evaluation may focus on a number of different areas, including:

- Components of the logic model, such as inputs, activities and outputs.
- Stakeholder attitudes, knowledge, and awareness.
- Facilitators of and barriers to implementation (The Presidency of Republic of South Africa: 2012:3-4).

The policy team should preferably employ a professional evaluator or capacitate a policy team member to conduct evaluations. The chosen evaluator should collect and use descriptive qualitative and process evaluation data for the policy implementation evaluation. Such data can provide detailed information about how a policy was implemented and provide insight as to why certain things happened during implementation.

Proposed sample questions when considering the implementation evaluation include:

- Was the policy implemented according to the policy requirements?
- What inputs and resources were required to implement the policy?
- What key activities were completed during policy implementation?
- Did the activities result in the anticipated outputs?
- Were there any unintended consequences?

The indicators for implementation evaluations should measure activities or accomplishments that are part of the policy implementation and can include:

- Awareness of policy
- Uptake of incentives

6.8 Conclusion

As demonstrated in Chapters 2 and 5 and now in Chapter 6, implementation is more than just applying the policy to an environment. Implementation involves preparation, planning, analysis, assessments and organising to ensure that the environment and the population is ready for the application when the policy is applied to a population and environment, and that the population has some involvement in implementation. The implementation process also needs to be assessed on a regular basis to ensure that the process remains relevant and meets a standard that will facilitate the attainment of the policy goals. Thus, it is suggested that the IIP team becomes involved in the implementation planning activities outlined above and adopts the recommendations advised in the different phases of the proposed implementation model for successful implementation to attain the Investment Incentives Policy goals.

CHAPTER 7: SUMMARY AND CONCLUSIONS

7.1 Introduction

This chapter presents a high-level synopsis of the study that was undertaken to evaluate the implementation process of the Investment Incentives Policy (IIP) the City of Cape Town (COCT). The ultimate goal of the evaluation was to enhance the policy's performance. The study set out to answer three important questions: (1) What are the practical processes through which the Investment Incentives Policy are being implemented? (2) Does the current implementation process support the likelihood of the achievement of the intended goals of the policy? (3) What recommendations can be offered to improve the current and future policy implementation processes of the Investment Incentives Policy and other similar policies? To answer these questions, the researcher undertook to examine the current implementation process and to produce an operational framework constituting a model for successful policy implementation through reviewing literature of successful implementation; to assess the current implementation process being used by the COCT in relation to the proposed model for successful implementation; and to provide recommendations about how to improve the current implementation process.

7.2 Contextual reflection

Contextually, the researcher described the economic transformation in the global economy which has made it increasingly difficult for cities, regions and counties to meet the development needs of the communities they serve. This has forced governments to undertake more creative approaches to stimulate economic growth, with investment incentives being one such stimulant. The COCT has also taken this approach and adopted an IIP in an attempt to foster economic growth that could lead to increased employment opportunities and, ultimately, economic development. This study sought to assess the process by which the IIP is being implemented to determine whether it would effectively lead to the attainment of the policy goals.

7.3 Reflecting on the conceptual framework

Two conceptual frameworks are presented in this thesis: Implementation evaluation and project management. The interrelationship between the two concepts was illustrated in relation to the fact that project management plays an important role in policy implementation, and that thorough planning is needed for a policy to be implemented successfully. This was further demonstrated in the proposed model for successful implementation in which different project management principles for successful implementation are imbedded. These principles include determination of the goal; determination of the status quo; selection of the implementation method; capacity building; implementation planning; implementation; and implementation evaluation as different phases. A model for successful implementation was developed with the help of multiple national and international literature sources and the combination of implementation and project management models, approaches and theories. The model of implementation is proposed as a tool through which successful policy implementation can be facilitated.

7.4 Reflecting on the study's objectives

The study was set out to evaluate the current implementation process being undertaken to implement the COCT's IIP. There were four objectives through which the study aimed to attain this. These objectives are briefly discussed below.

7.4.1 Review available literature on policy implementation to develop an implementation evaluation framework that may be applied to the case study

Literature around policy cycles and the implementation of policies presented significant changes over the years, with many approaches, models and theories being suggested as ideal models for implementing policies. The most significant change introduced in policy evaluation literature came with the increased reliance on Monitoring and Evaluation (M&E). Unfortunately, the models proposing successful implementation mostly stemmed from European contexts without consideration of the challenges facing developing countries, including South Africa. Policy implementation especially that of investment incentives, has thus never borne fruit and enabled economies to attain set goals. In an attempt to prevent the same happening to the COCT IIP, the benefits of

the different models, approaches and theories were combined to develop a model of implementation to fit the South African context, which could facilitate successful policy implementation.

7.4.2 Collect and study primary and secondary data to establish how the policy was implemented.

The intention here was to collect data that could clearly demonstrate how the IIP is currently being implemented. Questionnaires, semi-structured interviews and emails formed part of the primary data collection tools, while other evaluations and policy documents formed part of the secondary data collection tools used to obtain the relevant data. The collected data indicated that only the non-financial incentives are currently being implemented by the COCT and provided a clear depiction of the current implementation process; the challenges it holds; areas where improvements can be made; and suggested changes to the implementation process.

7.4.3 Compare the implementation process to the implementation evaluation framework developed.

Here the current implementation process was assessed against the proposed model of successful implementation developed and presented in Chapter 2. Broadly, the assessment indicated that there is a lot of room for improvement in the current implementation process. Some of the results include:

- The goals and outcomes of the Investment Incentives Policy are clearly defined in the policy.
- No evidence was found that an environment assessment of the policy environment was conducted before policy implementation.
- Stakeholders were consulted on the policy, but it is uncertain whether their willingness, appetite and proposed contributions to the implementation of the policy were assessed.
- No evidence to suggest that alternatives to the existing implementation plans were considered was found.
- The human resources, financial, technological and Monitoring and Evaluation capacity has not been thoroughly considered and adequately provided for in terms of the implementation process.

- Implementation was not adequately planned for.
- The policy document does not reveal a proper work authorisation system; this has dire implications for the implementation process.
- No effort has been undertaken to conduct an assessment of the implementation process of the IIP, nor have provisions been made to conduct such an assessment.

7.4.4 Provide recommendations on how the implementation process could be improved.

Following from the results, the following suggestion are made to enhance the chances of the policy attaining its goals:

- Compile a theory of change, a log frame, outcome mapping or any other visual stimulus to clearly illustrate what the CoCT desires to change for businesses, the unemployed population and the economy of Cape Town and how it intends doing this.
- The policy development team should more clearly define who the target population of the IIP is. This must be done in consultation with the relevant stakeholders.
- The policy development and policy implementing teams should conduct research and assess the social, economic, political, institutional, and technological environments where the policy is planned to be applied to determine which factors in these environments have the potential to facilitate or hinder the success of the implementation process.
- A stakeholder mapping exercise should be conducted to determine the appetite and willingness of stakeholders to take part in the implementation process and to determine which tactics will be used to engage the different stakeholders.
- The policy team should study this paper; study the monitoring data collected during the current phase of implementation; consider whether this implementation process is sustainable; conduct research on other ways in which incentives can be rolled out; compare them to the existing implementation process; and then choose the most efficient and effective implementation method that will in all probability induce the intended outcomes.

- The policy team should assess the existing human resources and financial, technological and M&E capacities reserved for the implementation process and conduct either a capacity building or a capacity development exercise to ensure that the capacity to sustain the implementation process is sufficient.
- It is suggested that the policy team develop a project plan that demonstrates how the causal relationship between the efforts of the implementation teams and the resources reserved for implementation will be applied to deliver the specific outputs of the policy intervention; how it will lead to the outcomes envisioned by the policy; and how it will impact on the different target populations.
- It is also suggested that the policy development staff, the line departments in the CoCT and all the other parties involved in delivering incentives should workshop Standard Operating Procedures for all the different incentives to be delivered. The policy team and the relevant stakeholders should then collectively develop a work authorisation system that clearly states when which activities should take place.
- It is suggested that, following this, the different resources set aside for policy implementation be injected into the project. The different activities outlined in the work authorisation system, the implementation plan and the theory of change/logical framework (all of which should be the same) should then be undertaken as planned to realise implementation. As the activities are executed, the policy team should note all the activities undertaken and record them according to the procedure followed. The time taken to undertake the activities, the resources used and outputs delivered should also be recorded. The policy team should develop a work authorisation system that clearly states when which activities should take place, be developed and placed into the project planning document.
- It is recommended that the changes and suggestions from this study that are taken forward by the IIP policy team be tracked and assessed to determine whether it has contributed to the ultimate goal of the IIP. It is also suggested that the policy team either employ a professional evaluator or capacitate a team member to undertake an implementation evaluation in the next two years. This evaluation should, among other things, attempt to understand how the policy was implemented; identify critical differences between planned and actual

implementation; identify barriers to and facilitators of implementation; document and compare different intensities or variations of policy; collect information to support interpretation of future evaluations of policy impact; document the relationships between logic model components and external influences; improve the implementation process; and inform future policy development.

7.5 Concluding remarks

Considering the above, the objectives of this thesis have been achieved. An evaluation of the CoCT's IIP has been conducted and this has found that the process is not suitable for attaining the set goals. Considering the proposed model for successful implementation and the recommendations made in Chapter 6, it is assumed that the IIP would have an increased chance of attaining the intended outcomes and goals if the CoCT officials adopt the suggestions.

References

- African Development Bank. 2000. *Policy on Population and strategies for Implementation* [Online]. Available: <http://www.afdb.org/fileadmin/uploads/afdb/Documents/Policy-Documents/10000010-EN-POLICY-ON-POPULATION-AND-STRATEGIES-FOR-IMPLEMENTATION.PDD> [2015, September 01].
- Akindele, S.T. & Olaopa, O.R. 2004. *A theoretical review of core issues on public policy and its environment*. Journal of Human Ecology, 16(3): 173–180.
- Ali S. 2006. *Why does policy fail? Understanding the problems of policy implementation in Pakistan - A neurocognitive perspective* [Online]. Available: http://ecommons.aku.edu/pakistan_ied_pdck/10 [2015, July 31].
- Ambrose, S. & Mosioma, A. *Tax incentives are draining Kenya of needed revenue for essential public services* [Online]. Available: http://www.actionaid.org/sites/files/actionaid/brief_-_kenya_report_-_kenya_tax_competition.pdf [2015, July 25].
- Babbie, E. & Mouton, J. 2006. *The practice of social research*. Cape Town: Oxford University Press.
- Barbour, P. 2005. *An assessment of South Africa's investment incentive regime with a focus on the manufacturing sector* [Online]. Available: <http://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/2515.pdf> [2015, March 02].
- Baxter, P. & Jack, S. 2008. *Qualitative case study methodology: Study design and implementation for novice researchers*. *The Qualitative Report*, 13(4): 544–559.
- Black, T.R. 1999. *Doing quantitative research in the social sciences: An integrated approach to research design, measurement and statistics*. London: Sage.
- Blair R. 2000. Policy implementation networks: The impact of economic development on new public management. *International Journal of Economic Development*, 2(4): 511–536.
- Blomström M. 2002. *The economics of international investment incentives* [Online]. Available: <http://www.oecd.org/investment/investment-policy/2487874.pdf> [2015, June 01].

- Bogdan, R. & Biklen, S.K. 1982. *Qualitative research for education: An introduction to theories and methods* (3rd edition). University of Syracuse. Pearson.
- Brouwer, R. & Georgiou, S. 2012. *Animal waste, water quality and human health* [Online]. Available: http://www.who.int/water_sanitation_health/publications/2012/ch12.pdf [2016, January 06].
- Brynard, P.A. 2005. Policy implementation: Lessons for service delivery. *27th AAPAM Annual Roundtable Conference*. African Association for Public Administration and Management, Visual proceedings Zambezi Sun Hotel. Livingstone, Zambia, 5th - 9th December, 2005, pp. 1-25 [Online]. Available: <http://unpan1.un.org/intradoc/groups/public/documents/AAPAM/UNPAN025756.pdf> [2015, July 01].
- Caplin, K. & Jones, A. 2002. *Partnership indicators: Measuring the effectiveness of multi-sector approaches to service provision* [Online]. Available: <https://www.google.co.za/search?q=BPD+WATER+AND+SANITATION+CLUSTER+PRACTITIONER+NOTE+SERIES%3A+PARTNERSHIP+INDICATORS&oq=BPD+WATER+AND+SANITATION+CLUSTER+PRACTITIONER+NOTE+SERIES%3A+PARTNERSHIP+INDICATORS&aqs=chrome..69i57.389j0j7&sourceid=chrome&ie=UTF-8> [2015, March 20].
- Cerna, L. 2013. *The nature of policy change and implementation: A review of different theoretical approaches* [Online]. Available: <https://www.google.co.za/search?q=%E2%80%A2+Cerna%2C+L.+2013.+The+Nature+of+Policy+Change+and+Implementation%3A+A+Review+of+Different+Theoretical+Approaches&oq=%E2%80%A2+Cerna%2C+L.+2013.+The+Nature+of+Policy+Change+and+Implementation%3A+A+Review+of+Different+Theoretical+Approaches&aqs=chrome..69i57.779j0j7&sourceid=chrome&ie=UTF-8> [2015, November 10].
- Chukwuemeka, E.E.O & Ikechukwu. U.B 2013. The obstacles to effective policy implementation by the public bureaucracy in developing nations: The case of Nigeria. *Singaporean Journal of Business Economic and Management*, 1(8): 34–43.
- City of Cape Town. 2012. *Integrated Development Plan (IDP) 2012/13 Review* [Online]. Available:

- http://www.capetown.gov.za/en/IDP/Documents/IDP12_final_May12.pdf
[2015, April 27].
- City of Cape Town. 2013a. *Investment incentive policy* [Online]. Available:
https://www.google.co.za/search?redir_esc=&client=ms-android-om-lge&hl=en-GB&oe=utf-8&safe=images&q=investment+incentive+policy+city+of+cape+town&source=android-browser-type&qsubts=1433683613292 [2015, April 04].
- City of Cape Town. 2013b. *Operational framework for the administration of investment incentive report* [Online]. Available
[https://www.capetown.gov.za/en/Policies/All%20Policies/Investment%20Incentives%20-%20\(Policy%20number%2012506\)%20approved%20on%2028%20August%202013.pdf](https://www.capetown.gov.za/en/Policies/All%20Policies/Investment%20Incentives%20-%20(Policy%20number%2012506)%20approved%20on%2028%20August%202013.pdf). [2015, January 20].
- City of Tshwane. 2014. *Approval for City of Tshwane's incentive framework* [Online]. Available:
<http://www.tshwane.gov.za/sites/Council/Council%20Resolutions/98.%20Council%20Resolutions%2027%20November%202014/04.%20Approval%20for%20the%20City%20of%20Tshwane%20Incentive%20Framework.pdf> [2015, May 27].
- Cloete, F. 2009. Evidence-based policy analysis in South Africa: Critical assessment of the emerging Government-wide Monitoring and Evaluation system. *Journal of Public Administration*, 44(2): 293–311.
- Creswell, J.W. 2009. *Research design: Qualitative, quantitative, and mixed methods approaches* (3rd edition). Thousand Oaks, CA: SAGE.
- Davies, P. 2008. *Using monitoring and evaluation to improve public policy* [Online]. Available: <http://the-sra.org.uk/files-presentations/davies.pdf> [2015, August 07].
- Deloitte & Touche. 2014. *Stakeholder engagement* [Online]. Available:
http://www2.deloitte.com/content/dam/Deloitte/za/Documents/governance-risk-compliance/ZA_StakeholderEngagement_04042014.pdf [2016, May 13].
- Department of Trade and Industry. 2014. *A Guide to Incentive Schemes 2014/ 2015* [Online]. Available:
http://www.thedti.gov.za/financial_assistance/financial_assistance.jsp [2015, June 07].

- Department of Trade and Industry. 2015. Financial assistance [Online]. Available at: https://www.thedti.gov.za/financial_assistance/financial_assistance.jsp. [2016, February 02].
- Department of Trade and Investment Limpopo. 2005. *Developing a generic municipal incentive policy for Limpopo Province* [Online]. Available: <http://lieda.co.za/Wordpress/wp-content/uploads/reports/DevelopingGenericMunicipality.pdf> [2015, May 27].
- Department of Trade and Investment Gauteng. 2014. *Investing in Gauteng* [Online]. Available at: http://www.gautengonline.gov.za/Publications%20and%20Reports/Investing_in_Gauteng.pdf. [2015, November 18].
- Duncan WR. 1996. *A guide to the project management body of knowledge* [Online]. Available: http://www.softwareresearch.net/fileadmin/src/docs/teaching/SS06/PM/PMBO_KINTRO.pdf [2016, February 21].
- Dunn, W.N. 1995. *Public policy analysis*. 2nd edition. Englewood Cliffs, NJ: Prentice Hall.
- Dye, T.R. 1978. *Understanding public policy*. 3rd edition. Englewood Cliffs, NJ: Prentice Hall.
- Elson, P.R. 2006. Tracking the implementation of voluntary sector-government policy agreements: Is the voluntary and community sector in the frame? *The International Journal of Not-for-Profit Law*, 8(4): 11–14.
- Fereday, J. & Muir-Cochrane, E. 2006. Demonstrating rigor using thematic analysis: A hybrid approach of inductive and deductive coding and theme development. *International Journal of Qualitative Methods* 5(1): 1-10.
- Fitzpatrick, Jody L., Sanders, James R. & Worthen, Blaine R. 2004. *Program evaluation: Alternative approaches and practical guidelines*. 3rd edition. New York: Pearson Education.
- Fixsen, D.L., Naoom, S.F., Blase, K.A., Friedman, R.M. & Wallace, F. (2005). *Implementation research: A synthesis of the literature* [Online]. Available: <http://ctndisseminationlibrary.org/PDF/nirnmonograph.pdf> [2015, June 07].
- Freeman, K. 2010. *Capacity Development Theory and Practice*. Available at: <http://architecture.brookes.ac.uk/research/cendep/dissertations/KatherineFreeman.pdf>. [2016, February 12].

- George Town Council. 2013. *DRAFT Development Incentive policy* [Online]. Available: http://georgetown.tas.gov.au/client-assets/pdf/Draft%20policy/Draft%20Development%20Incentive%20Policy%20No.%2030_2015-.pdf [2015, May 27].
- Gertler, P., Martinez, S., Premand, P., Rawlings, L. & Vermeersch, C. 2011. *Impact evaluation in practice* [Online]. Available: http://siteresources.worldbank.org/EXTHDOFFICE/Resources/5485726-1295455628620/Impact_Evaluation_in_Practice.pdf [2016, January 06].
- Gholipour, R., Jandaghi, G. & Fallah, M.R. 2012. Introducing a model for implementation of industrial policies: A case study in Qom Province, Iran. *American Journal of Economics*, June 2012, Special Issue: 1-5. DOI: 10.5923/j.economics.20120001.01.
- Hadingham, T. 2015. Personal interview. 28 May 2015. Cape Town.
- Hanekom, S.X. 1987. *Public policy: Framework and instrument for action*. Johannesburg: International Thomson Publishing.
- Hart, C. 2005. *Doing a literature review: Releasing the social science research imagination*. Thousand Oaks, CA: Sage.
- Head, B. 2008. Research and evaluation: Three Lenses of Evidence-Based Policy. *The Australian Journal of Public Administration*, vol. 67, no. 1, pp. 1–11.
- Hindson, D. 2005. *Policy guidelines for implementing LED in South-Africa*. [Online]. Available at: <http://sds.ukzn.ac.za/files/hindson%20.pdf>. [2016, May 12].
- Hill, M. 2013. *The public policy process*. London: Routledge.
- International Finance Corporation, 2007. Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets [Online]. Available at: http://www.ifc.org/wps/wcm/connect/938f1a0048855805beacfe6a6515bb18/IFC_StakeholderEngagement.pdf?MOD=AJPERES .[2016, February 12].
- John, P., 2013. *Analyzing public policy*. Routledge.
- Joja, M. 2015. Design evaluation investment incentive policy. Unpublished paper. Stellenbosch University.
- Jordaan, D. 2012. *An overview of incentives theory and practice: A focus on the agro-processing industry in South Africa* [Online]. Available: [http://www.nda.agric.za/doaDev/sideMenu/AgroProcessingSupport/docs/An%](http://www.nda.agric.za/doaDev/sideMenu/AgroProcessingSupport/docs/An%20Overview%20of%20Incentives%20Theory%20and%20Practice.pdf)

- [20overview%20of%20incentive%20theory%20and%20practice%20%20A%20focus%20on%20the%20agro-processing%20industry%20in%20South%20Africa.pdf](#) [2015, March 03].
- Kakhbod, A. 2013. *Resource allocation in decentralized systems with strategic agents*. New York: Springer Science and Business Media.
- Kenyon, D., Langley, A. & Paquin, B. 2012. *Rethinking property tax incentives for business* [Online]. Available: <http://staging.community-wealth.org/sites/clone.community-wealth.org/files/downloads/paper-kenyon-et-al.pdf> [2015, May 27].
- Kettl, D.F. 1993. Sharing power: Public governance and private markets. *Journal of Policy Analysis and Management*, 13(4): 790–792.
- Khosa, M.M. 2003. *Towards effective delivery: Synthesis report on the project entitled 'Closing the gap between policy and implementation in South Africa* [Online]. Available: <http://www.cps.org.za/cps%20pdf/RR98.pdf> [2015, July 12].
- Koskela, L. & Howell, G. A. 2002. *The theory of project management - problem and opportunity*. Working paper. VTT Technical Research Centre of Finland & Lean Construction Institute.
- Koven, S. & Lyons, T. 2010. *Economic development: Strategies for state and local practices*. Washington, DC: ICMA Press.
- Kusek, J.Z. & Rist, R.C. 2004. *Ten steps to a results-based monitoring and evaluation system*. Washington D.C.: The World Bank.
- Leedy, P.D. & Ormrod, J.E. 2005. *Practical research: Planning and design*. 8th edition. Harlow, UK: Pearson.
- Los Angeles Department of Children and Family Services. 2013. *Stakeholder engagement tools for action* [Online]. Available: <https://www.google.co.za/search?q=Los+Angeles+Department+of+Children+and+Family+Services%2C+2013%3A3&oq=Los+Angeles+Department+of+Children+and+Family+Services%2C+2013%3A3&aqs=chrome..69i57.843j0j7&sourceid=chrome&ie=UTF-8#q=stakeholder+engagement> [2016, May 13].
- Matland, R.E. 1995. Synthesizing the implementation literature: The Ambiguity-Conflict model of policy implementation. *Journal of Public Administration: Research and Theory* 5(2) 145–174.
- Mazmanian, D.A. & Sabatier, P.A. 1983. *Effective policy implementation*. Lexington: Heath.

- Merriam, S.B. & Associates. 2002. *Qualitative research in practice: Examples for discussion and analysis*. 1st edition. San Francisco, CA: Jossey Bass.
- Morra Imas, M.L & Rist, C. 2009. *The road to results: Designing and conducting effective development evaluations*. Washington, DC: The World Bank.
- Morris, J. 2012. *Back to basics: How to make stakeholder engagement meaningful for your company* [Online]. Available: http://www.bsr.org/reports/BSR_Five-Step_Guide_to_Stakeholder_Engagement.pdf. [2015, March 20].
- Mthethwa, R.M. 2012. Critical dimensions for policy implementation. *African Journal of Public Affairs*, 5(2) September 2012: 36–47.
- Myerson Roger B. (1991). *Game theory: Analysis of conflict*. Cambridge, MA: Harvard University Press.
- Nagel, J. 1997. Radically reinventing government. *Journal of Policy Analysis and Management*, 15(3): 349–356.
- Nagel, S. 2001. Conceptual Theory and Policy Evaluation. *Public Administration & Management: An Interactive Journal* Vol. 6. No. 3 pp. 71-76.
- Neuman, W.L. 2006. *Social research methods: qualitative and quantitative approaches*. 6th edition. Boston: Pearson.
- Nilsen, P. 2015. *Making sense of implementation theories, models and framework*. [Online]. Available: <http://www.implementationscience.com/content/pdf/s13012-015-0242-0.pdf> [2015, December 23].
- Organisation for Economic Co-operation and Development. 2002. *Foreign Direct Investment for Development* [Online]. Available at: <https://www.oecd.org/investment/investmentfordevelopment/1959815.pdf>. [2016, February 12].
- Parfrey, T.S. 2002. *Handbook of Game Theory*. Vol. 3. Edited by R.J. Aumann & S. Hart. United States of America: Elsevier Science.
- Palumbo. D, Maynard-Moody. S, & Wright. P. 1984. Measuring degrees of successful implementation: Achieving policy versus statutory goals. *Evaluation Review*. 8 (1), 45-74.
- Republic of South Africa. 1996. *The Constitution of the Republic of South Africa*. Pretoria: The Presidency.
- Republic of South Africa. 1998. *White Paper on Local Government*. Pretoria: The Presidency.

- Republic of South Africa. 2000. *Municipal Systems Act*. Pretoria: The Presidency
- Republic of South Africa. 2007. *Policy Framework for the Government-wide monitoring and evaluation system*. Pretoria: The Presidency.
- Republic of South Africa. 2012. *Guideline on Implementation Evaluation*. Pretoria: The Presidency.
- Richards, L. (2005). *Handling qualitative data: A practical guide*. London: SAGE.
- Richter, L. 2012. Diagnostic Review of Early Childhood Development [Online]. Available at: <https://www.google.co.za/url?sa=t&source=web&rct=j&url=http://www.gov.za/sites/www.gov.za/files/ECD%2520Diagnostic%2520Report.pdf&ved=0ahUKEwigovzF9tzOAhWlCMAKHZg6BSgQFggdMAA&usg=AFQjCNGN0IKFFg1XfCvHtpcFUA27bTxQ> [2015, February 16].
- Rossi . P.H, Lipsey. M.W, & Freeman. 2004. H.E. Evaluation: A systematic approach. Sage Publication Inc.
- Russel, H. 2015. Neo Synthesis approach to policy implementation of social programs: An alternative approach to policy implementation. *Journal of Sociology and Social Work*, 3(1) June 2015: 17–26.
- Spicker. P. 2014. *Social policy: Theory and practice*. Chicago: University of Chicago Press.
- Stack, L. & Hlela, K. 2002. *Enhancing policy implementation: Lessons from the health sector*. Johannesburg: Centre for Policy Studies.
- South African Revenue Services, 2009. Guide to the Urban Development Zone Tax Incentive [Online]. Available at: <http://www.sars.gov.za/AllDocs/OpsDocs/Guides/LAPD-IT-G12%20-%20Guide%20to%20the%20Urban%20Development%20Zone%20Tax%20Incentive%20-%20External%20Guide.pdf> . [2016, January 20].
- The Presidency of Republic of South Africa. 2012. Guideline to implementation evaluation [Online]. Available at: <http://evaluations.dpme.gov.za/images/gallery/GL%202%202%2012%20Implementation%20Evaluation%2014%2003%2020.pdf>. [2015, May 25].
- The World Bank. 2010. *Excellent policies - unintended failures* [Online]. Available: http://siteresources.worldbank.org/INTSOUTHAFRICA/Resources/South_Africa_policy_briefs_overview.pdf [2015, December 20].

- Turner J. Rodney. 1999. Project management: A profession based on knowledge or faith (Editorial). *International Journal of Project Management*, 17(6): 329–330.
- Turner, J. Rodney. 1993. *The handbook of project-based management*. London: McGraw-Hill.
- United Nations. 1996. *Incentives and foreign direct investment*. United Nations: New York and Geneva.
- USAID. 2013. *Comprehensive capacity-building in a post-conflict country: The Liberian experience*. APHA 143rd Annual Conference 2nd to 6th November, 2013. Boston, MA [Online]. Available at: <https://apha.confex.com/apha/141am/webprogramadapt/Paper292133.html> . [2016, March 13].
- Venetoklis, T. 2001. *Business subsidies and bureaucratic behaviour* [Online]. Available at: http://www.vatt.fi/file/vatt_publication_pdf/t83.pdf. [2015, May 12].
- Whiteside, A. 1989. *Industrialization and investment incentives in Southern Africa*. Pietermaritzburg: University of Natal Press.
- Zhang, G., Zeller, N., Griffith, R., Metcalf, D., Williams, J., Shea, C. & Misulis, K. 2011. Using the context, input, process, and product evaluation model (CIPP) as a framework to guide the planning, implementation, and assessment of service-learning programs. *Journal of Higher Education Outreach and Engagement*, 15(4): 57–83.

Annexures

Annexure 1:
Questionnaire for the Implementing agents

Evaluation Questionnaire: Investment Incentive Policy 2015

As part of monitoring and evaluation the researcher is evaluating the Investment Incentive Policy.

The purpose of this questionnaire is to evaluate the City of Cape Town's Investment Incentive Policy through the perspective of implementing agents, mainly focusing on the implementation process. The survey also aims at acquiring the perception of implementing agents administering the policy and the challenges being faced by the policy implementing agents.

Confidentiality: All your answers to this survey will be kept confidential. The volunteer interviews have signed an undertaking to this effect. The information you provide will be combined with that from other respondents and presented as percentages or averages and you will not be quoted directly. The task team will respond to your requests for information or specific assistance but will not give your name to a third party without your permission.

"Skip it" Rule: If you do not wish to answer a particular question, please just say so. No explanation is required.

Instructions:

Please tick (X) the appropriate box or complete the answer. There is no right or wrong answer. Please choose the answer which best represents your opinion.

This will be kept confidential

Personal Information

Name and Surname:	
-------------------	--

Contact Number:	
Position:	
Department:	

Implementation Process

Q1. Please indicate from the list below the type of Investment Incentives you are responsible for administering

1	One stop investment shop	
2	Fast tracking of development applications	
3	Investment facilitation officers	
4	Facilitation with DTI to obtain relevant incentives	
5	Provision of spatial economic information	
6	Skills development assistance	
99	No response	

Non-Financial Incentives

Financial Incentives

1	Waived building plan application costs		4	Reduction in electricity service charges	
2	Waived land use management application cost		5	Waived broadband connection charges	
3	Rebates on Development Contribution		99	No response	

Q2. What process did you follow when implementing the incentive you are responsible for?

--

Q3. Is the process outlined by the implementation framework and the one executed by you identical?

1	Yes		99	No Response	
2	No				

Q4. If No, Please elaborate

--

Q5. In your opinion does the implementation framework effectively outline what has to be done with regard to the incentive you roll out? (Open-ended response)

--

Q6. What would you say are the key challenges (if any) in the implementation of the investment incentive policy? (Open-ended response)

--

Q7. What improvements do you feel could be made to address these challenges to the implementation of the Investment Incentive Policy? (Open-ended response)

--

Q8. What are the mechanisms that facilitated (made better or easier) the implementation process? (Open-ended response)

--

Q9. In your opinion, is the incentive being implemented at optimum effectiveness? (Open-ended response)

1	Yes	
2	No	

Why? Please specify

--

Q10. What would you suggest be done to make your current implementation process more effective? (Open-ended response)

--

Thank you for participating and completing this questionnaire.

Annexure 2:
**Questionnaire to the End users of the Investment Incentives
Policy**

Investment Incentive Policy

As part of monitoring and evaluation the researcher is evaluating the Investment Incentive Policy.

The purpose of this questionnaire is to determine whether the end user of the City of Cape Town's Investment Incentive Policy experienced the Investment Incentive as stated in the Investment Incentive Policy implementation plan.

Confidentiality: All your answers to this survey will be kept confidential. The information you provide will be combined with that from other businesses and presented as percentages or averages and you will not be quoted directly. The task team will respond to your requests for information or specific assistance but will not give your name to any third party without your permission.

“Skip it” Rule: If you do not wish to answer a particular question, you are welcome to skip it, no explanation is required.

Instructions

Please mark with an **X** in the highlighted box or complete the answer. There is no right or wrong answer, please choose the answer which best represents your opinion.

This will be kept confidential

Personal Information

Name and Surname:

Contact Number:

Occupation:

Business Information

Business Name:

Physical Address:

Telephone:

Sector:

Main business activity:

Number of people permanently employed due to Investment:

Eligibility for Investment Incentive

Q1. Please indicate from the list below which criteria your business falls under.
(Single response)

New business		1	Do not know		3
Expansion of an existing business		2	No response		99
Other (Please explain)					98

Q2. Which of the following categories best describe your business activities?

Agriculture, forestry, fishing,		1	Catering, accommodation		7
Mining, quarrying		2	Transport, communication		8
Manufacturing		3	Community or personal service		9
Electricity, water		4	Government services		10
Construction, building		5	Finance, insurance, property or business services		11
Wholesale, retail, motor trade		6	No response		99

Investment Incentive

Q3. What was your source of information on the City of Cape Town's investment incentive policy? (May have multiple responses)

Word of mouth		1	City of Cape Town website		6
Weekend newspapers		2	Government Gazette		7
Weekly newspaper		3	Other		98
Community centre/ Sub council office		4	No response		99
Wesgro		5			

Q4. (Answer Q4 and continue to your right to answer subsequent questions, Q5 and Q6)

Q4. Please Indicate which the following broad incentives you are receiving. (May have multiple responses)			Q5. Please Indicate which of the following subsequent incentives you are receiving. (May have multiple answers)			Q6. Please Indicate which of the following conditions were met by the City. (May have multiple answers)		
Non-Financial Investment Incentive								
Single-point investment facilitation		1	Facilitation with DTI to obtain relevant incentive packages		1			
			One Stop Shop for development applications that coordinates the various City approval processes for development and act as an interface between the investor and the City		2			
			Access to a dedicated investment facilitation officer to walk the investor through the various administration processes		3			
			Through consultation, pre-indications of likelihood of approval of proposed investment and advise on the requirements of the application process		4			
			Guidance to investors considering investing in the city. This may include recommending locations based on industry requirements		5			
Development application fast tracking		2	Development application fast tracking		6	Land use application in 3 months		1

						Building plan decisions in 5 months		2
Regular updated spatial economic information		3	Receive regular reports on the socio-economic and business environment in the City's economic and industrial nodes		7	Annual fact sheets outlining socio-economic conditions and state of the business environment reports		3
			Regularly updated market intelligence reports		8			
Skills development facilitations		4	Access facilitated to relevant skills bodies and support organisations		9			
Financial Investment Incentive								
Development application fee exemption		5	Full exemption for both land use and building plan application fees		10			
Discount development charges		6	Enhanced development rights granted		11	Validation of Incentive for 24 months from date of approval of application for investment incentives		3
			A maximum of R1 million of the DC owed is differed for 24 months and written off		12			
Electricity tariff reduction		7	A reduction of 10% in monthly electricity tariffs, from date of		13			

			application for investment incentive for a period of two years					
Broadband connection fee waiver		8	Free connection to the City of Cape Town's broadband fibre network if you are within 300m for the existing metro-area fibre optic network infrastructure		14	Liability of investor for full connection fee due to failure to meet the specified employment target within 24 months		4

Q7. What were the challenges, if any, that you experienced when receiving the incentives?

.....

.....

.....

Q8. How would you rate your overall Investment Incentive's experience?

Very good		1	Poor		4
Good		2	Very poor		5
Average		3	No response		99

Q9. As an end-user, does your company think the investment incentives need to be improved/ strengthened further to attract and/or promote new investments/ business expansions?

Yes		1
No		2
No response		99

Q10. Please elaborate on your selection above.

.....

.....

.....

Employment

Q.11 How many full time and part time employees did your business employ before the incentive was received and how many employees employed after the incentive was received?

Before receiving incentives

	Total	Male	Female
Full time			
Part time			
TOTAL			

After receipt of incentives

	Total	Male	Female
Full time			
Part time			
TOTAL			

Q12. Can the attribute this change in employment patterns, if any, to the receipt of the investment incentives?

Cape Town as a Business Destination

Q13. Please select from the options below which top three things attracted you to invest in Cape Town? (**May have multiple responses**)

Niche market		1	Domestic market growth potential		8
Industrial cluster		2	Incentives		9
Physical Infrastructure		3	Regional access to Africa		10
Access to markets or consumers		4	Quality of life		11
Skilled workforce availability		5	None of the before mentioned		97
Access to labour markets		6	Other		98
Good governance		7	No Response		99

Q14. Indicate which of the challenges (if any) you experienced when investing in Cape Town? (**Maximum three selections**)

Undervaluing the return on investment by excluding social return		1	Administrative infrastructure under-developed		5
Market and regulatory barriers to entry		2	International competition		6
Information asymmetries and uncertainty		3	Other		98
Inequitable distribution of the markets (economically depressed area)		4	No Response		99

Q15. Rate the level of impact that the investment incentive has on the operation of your business. (**Single response**)

High		1	Low		3
Medium		2	No response		9 9

Q16. Refer to answer above, please explain why you are giving this rating.

Thank you for your participation in completing this questionnaire, you will be incentivised with a value chain and a list of contact details of businesses found within the priority sectors.

Annexure 3:
Questionnaire to the Policy developers

Investment Incentive Policy

As part of monitoring and evaluation the Researcher is evaluating the Investment Incentive Policy.

The purpose of this questionnaire is to determine whether the policy developers considered certain elements during the policy and policy implementation development phases.

Confidentiality: All your answers to this survey will be kept confidential. The information you provide will be combined with that from other businesses and presented as percentages or averages and you will not be quoted directly. The task team will respond to your requests for information or specific assistance but will not give your name to any third party without your permission.

“Skip it” Rule: If you do not wish to answer a particular question, you are welcome to skip it, no explanation is required.

Instructions:

Please tick (X) the appropriate box or complete the answer. There is no right or wrong answer. Please choose the answer which best represents your opinion.

Q1. How was it ensured the intended outcomes, impacts and target market is clearly defined?

Q2. Did a status quo analysis take place before the implementation of the policy was implemented?

Yes		1
No		2
No response		99

Q3. How did it take place and is it still being refined on an annual basis?

Q4. Was a stakeholder analysis done before implementation?

Yes		1
No		2
No response		99

Q5. How was it done?

Q6. Were different methods of implementation considered and evaluated against each other before choosing the current one?

Yes		1
No		2
No response		99

Q7. How were the Human Resources, Financial, Technological and M&E capacity built and ensured for implementation?

--

Q8. How was capacity determined and ensured?

--

Q9. How was implementation planning done?

--

Q10. How was the following component considered and planned for?

Q10.1 Scope

.....
.....
.....

Q10.2 Communication

.....
.....
.....

Q10.3 Work breakdown structure/ activity sequencing

.....
.....
.....

Q10.4 Cost

.....
.....
.....

Q10.5 Resources plan

.....
.....
.....

Q10.6 Staffing

.....
.....
.....

Q10.7 Stakeholder Analysis

.....
.....
.....

Q10.8 Implementation Plan

.....

.....

.....

Q10. 9 Risk Management Plan

.....

.....

.....

Q11. Is there a project plan document that hosts all these things?

Yes		1
No		2
No response		99

Q12. How was it developed?

Q13. Is there a work authorization system put in place? (A collection of formal documented procedures that defines how work will be authorized to ensure work is done by the different departments, at the right time and in the proper sequence?)

Yes		1
No		2
No response		99

Q14. Do you conduct status review meetings?

Yes		1
No		2
No response		99

If Q13 = yes ask Q14 and Q15, if not, skip to Q16

Q14. How are these organised and how often do they take place?

--

Q15. How often do they take place?

Once a week		1	Biannually		4
Once a fortnight		2	Annually		5
Once a month		3	No response		99

Q16. Are there any processes in places to:

Q16.1 Use collected data to evaluate implementation?

Yes		1
No		2
No response		99

Q16. 2 Influence the factors which create changes and ensure the changes are beneficial?

Yes		1
No		2
No response		99

Q16. 3 Determine that the changes have occurred?

Yes		1
No		2
No response		99

Q16.4 Manage the actual changes when they occur just have a few other questions relating to the implementation of the IIP?

Yes		1
No		2
No response		99

Thank you for participating and completing this questionnaire.