



POLICY PAPER · CAPE TOWN

# Cape Town Digital Infrastructure and AI Strategy

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Building Africa's cleanest, smartest and most competitive digital economy, without subsidising it with scarce water, constrained electricity or unpriced public infrastructure.

**A Government That Plans. Delivers. Accounts.**

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**Service Delivery Party, Western Cape**

Revised edition · October 2026

[sd-p.org](http://sd-p.org)

SERVICE DELIVERY PARTY



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## SUMMARY

## The Strategy at a Glance

Cape Town is courting hyperscale data centres whose combined demand could equal about a third of the city's current peak electricity demand. It is approving them under rules written for warehouses, without publishing the load it has allocated and without signing the international standard that Johannesburg and Tshwane have already signed. This strategy sets out how SDP would change that.

*Cape Town welcomes digital investment. Cape Town will not subsidise it with scarce water, constrained electricity or unpriced public infrastructure.*

### Ten headline commitments

| #  | Commitment                                                                                                              | Type               |
|----|-------------------------------------------------------------------------------------------------------------------------|--------------------|
| 1  | Sign the C40 Global Urban Data Centres Pact within 30 days and adopt standards that go beyond it                        | SDP WILL DO        |
| 2  | Create a separate land-use category for hyperscale and AI facilities so they are no longer assessed as warehouses       | SDP WILL DO        |
| 3  | Publish every electricity and water allocation above the hyperscale threshold within 100 days                           | SDP WILL DO        |
| 4  | No routine potable-water cooling for hyperscale facilities, and no claim on reclaimed water reserved for drought supply | SDP WILL DO        |
| 5  | A household tariff guarantee: no residential cross-subsidy of large-load connections                                    | SDP WILL DO        |
| 6  | Bring Your Power: large loads must add generation, storage or grid capability                                           | SDP WILL DO        |
| 7  | An AI and Digital Skills Academy and Compute Access Hub on the Spine Road corridor                                      | SDP WILL DO        |
| 8  | A binding Digital Economy Compact for every major facility, reported on a public dashboard                              | SDP WILL DO        |
| 9  | A national digital-energy transmission corridor serving the Western Cape                                                | SDP WILL PRESS FOR |
| 10 | A national data-centre policy and coastal cooling permits that are fit for purpose                                      | SDP WILL PRESS FOR |

Commitments marked "SDP will do" fall within municipal powers and would be carried out directly by an SDP-led administration or moved by SDP in Council. Commitments marked "SDP will press for" depend on national or provincial government, state entities or negotiated agreement, and SDP will campaign for them.



## PART ONE

# The Case

## 01

## The Proposition

*Electricity is becoming the infrastructure of intelligence.*

Electricity may be the closest thing humanity has come to magic. We learned to capture the force of lightning, carry it across great distances and turn it into light, heat, movement and computation. Today it powers machines that process information, learn from it and produce something that increasingly resembles intelligence.

Reliable electricity, renewable energy, computing capacity, fibre, water security and artificial intelligence are becoming inseparable, and data centres sit at the physical centre of that change. They are also among the most infrastructure-intensive developments a city can host. The International Energy Agency estimates that data centres used about 415 TWh of electricity in 2024 and expects that demand to more than double to about 945 TWh by 2030.<sup>[6]</sup>

The problem is not that data centres consume resources. Every productive economy does. The problem is timing. A data centre can be operational within a few years, whilst generation, transmission, water and bulk infrastructure take far longer to plan and build. Cape Town must therefore plan before the demand arrives and price it honestly when it does.

## 02

## Cape Town Today: The Evidence

*The investment is already arriving. The planning framework is not.*

**580 MW**

Combined demand of four planned large facilities

**34%**

Share of the City's current maximum demand of 1,676 MW

**5 + 2**

Data centres approved, plus two under assessment

**0**

Dedicated land-use categories for hyperscale facilities

Reporting during 2026 has established the following facts about Cape Town's data-centre pipeline:

- **Scale.** Four large planned facilities would together require about 580 MW, equal to just over a third of the City's current maximum demand.<sup>[3]</sup>
- **Classification.** The City has confirmed that data centres are grouped with commercial and industrial users and assessed under existing industrial or warehousing rules. South Africa has no national data-centre policy.<sup>[4]</sup>
- **Disclosure.** The Deputy Mayor has confirmed five approvals and two applications under assessment. The City declined to name the companies, citing POPIA, without explaining why project-level electricity loads could not be released.<sup>[4]</sup>
- **The King Air approval.** In July 2026 the Municipal Planning Tribunal approved a land-use application at King Air Industria for two data centres that planning documents link to Equinix. Tribunal papers put demand at about 157 MW and record R33 million already paid in shared



network charges for 144 MW. One tribunal member dissented because the water and electricity requirements had not been placed before the panel.<sup>[4]</sup>

- **Water.** The Legal Resources Centre's appeal estimates that, with conventional evaporative cooling, the two facilities could use as much water each day as about 68,500 Capetonians.<sup>[4]</sup>
- **The neighbours.** In June 2026 the Public Protector found maladministration in the City's provision of water, sanitation and electricity to Khayelitsha and Langa, both within about ten kilometres of the King Air site.<sup>[4]</sup>

The City's position deserves a fair hearing. It argues that developers fund the network investment their demand requires, that high-use facilities are encouraged to use alternative water sources and that, after two decades of declining electricity sales, large new customers strengthen the utility's revenue base.<sup>[3][5]</sup> SDP accepts the revenue argument. The objection is not to the investment. It is to approving it without published loads, without a fit-for-purpose land-use category and without enforceable standards.

### 03

## Johannesburg Signed. Tshwane Signed. Cape Town Did Not.

*The international standard exists. Cape Town has not put its name to it.*

On 23 June 2026, during London Climate Action Week, mayors of 41 cities on six continents launched the Global Urban Data Centres Pact, coordinated by C40 Cities. The founder signatories represent more than 90 million people. They include Johannesburg and Tshwane, as well as Abidjan, Freetown and Nairobi. Cape Town, the city most often promoted as Africa's data-centre capital, is not on C40's published list of founder signatories.<sup>[1]</sup>

The Pact does not reject data centres. It asks that they be strategically integrated into cities, sustainable and resource efficient, engaged with local communities and focused on lower costs and shared prosperity.<sup>[1]</sup> It calls for data centres to fund the energy, water and network upgrades they require.<sup>[2]</sup> C40 has invited further cities to join before COP31.<sup>[1]</sup>

*If Johannesburg and Tshwane can commit to these standards, the city carrying the largest hyperscale pipeline in the country should be first in line, not absent.*

**SDP WILL DO** Sign the Global Urban Data Centres Pact within 30 days of taking office, or table a Council motion calling on the Executive Mayor to sign it.

**SDP WILL DO** Adopt this strategy as Cape Town's implementation of the Pact, with standards that go further than the Pact on disclosure, water and household tariff protection.

### 04

## The Constitutional Foundation

*Sections 152 and 153 are binding duties, and hyperscale growth tests them directly.*

This strategy is not a policy preference. It gives effect to obligations the Constitution already places on the City.



| Provision                         | What it requires                                                                                    | What it means for data centres                                                                                |
|-----------------------------------|-----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| <b>Section 152(1)(b)</b>          | Provision of services to communities in a sustainable manner                                        | Grid and water capacity may not be committed in ways that put existing services at risk                       |
| <b>Section 152(1)(c)</b>          | Promotion of social and economic development                                                        | Investment must leave lasting capability, skills and economic participation                                   |
| <b>Section 152(1)(d)</b>          | Promotion of a safe and healthy environment                                                         | Water, heat, noise, diesel backup and emissions must be assessed and limited                                  |
| <b>Section 152(1)(e)</b>          | Involvement of communities in local government matters                                              | Loads, allocations and compacts must be public, not withheld                                                  |
| <b>Section 153(a)</b>             | Administration, budgeting and planning that prioritise the basic needs of the community             | Allocations to hyperscale demand cannot outrank basic services in Khayelitsha, Langa and the Metro South-East |
| <b>Schedule 4, Part B</b>         | Municipal planning, electricity reticulation, water and sanitation services are municipal functions | The City already holds the main levers this strategy uses                                                     |
| <b>Municipal Systems Act, s74</b> | Tariffs must treat users equitably and reflect the costs reasonably associated with the service     | Large-load costs must sit with large loads, not households                                                    |

The Public Protector has already found that budget constraints do not excuse the City from its constitutional duties in Khayelitsha and Langa.<sup>[4]</sup> The same logic applies here. A City that cannot yet deliver basic services to its poorest neighbourhoods must be able to show that every megawatt and every kilolitre it allocates to new hyperscale demand is priced, sustainable and consistent with Sections 152 and 153.

## 05

### What SDP Will Do and What SDP Will Press For

*Honest about powers, so every commitment can be tested.*

A municipal strategy that promises what only national government can deliver is not credible. Every commitment in this document is therefore labelled.

| <b>SDP WILL DO</b> Municipal powers                        | <b>SDP WILL PRESS FOR</b> Other spheres or agreement                                             |
|------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| Land-use category, zoning and Digital Infrastructure Zones | Transmission corridors (Eskom and the National Transmission Company)                             |
| Development charges and infrastructure contributions       | Seawater intake and discharge authorisations (national and provincial environmental authorities) |



| SDP WILL DO | Municipal powers                                                       | SDP WILL PRESS FOR | Other spheres or agreement                                                |
|-------------|------------------------------------------------------------------------|--------------------|---------------------------------------------------------------------------|
|             | Distribution connection conditions and large-load tariffs              |                    | A national data-centre policy                                             |
|             | Water supply conditions and the cooling hierarchy                      |                    | Compute access agreements, which can only be negotiated                   |
|             | Publication of allocations, the Atlas and the Dashboard                |                    | Cybersecurity standards for private facilities beyond planning conditions |
|             | The Delivery Unit, municipal AI, the Data Trust and the Skills Academy |                    | Wheeling and generation rules set by NERSA and national law               |

## PART TWO

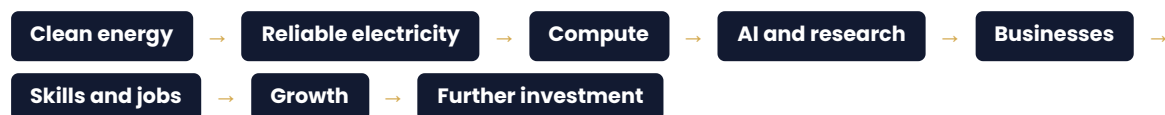
## The Framework

## 06

### The Ambition: Build the Economy Around the Compute

*The data centre is infrastructure. The prize is the economy around it.*

The objective is not to collect data centres. It is to make Cape Town the place where Africa's energy transition and digital transition meet, competing on clean power, secure water, reliable infrastructure, world-class connectivity, predictable regulation and exceptional people. Each part of that system should strengthen the next.



A port creates value through the trade networks around it. Digital infrastructure can do the same for fintech, cybersecurity, cloud services, health technology, software, gaming and digital exports. The test SDP will apply is simple: what economy becomes possible because the compute is here, and who in Cape Town gets to take part in it?

## 07

### Five Principles

*SDP's own principles, mapped to the C40 Pact's four standards.*

| SDP principle             | Meaning                                                                             | C40 Pact standard                  |
|---------------------------|-------------------------------------------------------------------------------------|------------------------------------|
| <b>Strategic</b>          | Located according to the City's long-term spatial, energy, water and economic plans | Strategically integrated           |
| <b>Resource efficient</b> | Minimal use of scarce electricity, potable water, land and municipal infrastructure | Sustainable and resource efficient |



| SDP principle              | Meaning                                                                            | C40 Pact standard                     |
|----------------------------|------------------------------------------------------------------------------------|---------------------------------------|
| <b>Accountable</b>         | Measurable resource, environmental and economic data, published                    | Engaged with local communities        |
| <b>Mutually beneficial</b> | The investor and the City both gain, and costs fall where they arise               | Lower costs and shared prosperity     |
| <b>Developmental</b>       | Contributes to skills, research and capability, especially in the Metro South-East | SDP addition, grounded in Section 153 |

Every commitment that flows from these principles must have an owner, a budget, a milestone, a measurable outcome and a public deadline. Section 29 applies that standard to SDP's own plan.

## 08

### A Data Centre Is Not a Warehouse

*Recognise large-scale digital infrastructure as strategic infrastructure.*

A hyperscale campus is closer to a power station, industrial plant, telecommunications exchange and digital port combined than to a storage shed. Assessing it under warehousing rules means the questions that matter most, about load, water, heat and diesel backup, are not asked at the point of approval.

**SDP WILL DO** Amend the Development Management Scheme to create a dedicated land-use category for hyperscale data centres, AI compute facilities and large colocation campuses, with its own assessment criteria.

**SDP WILL DO** Treat internet exchanges, cable landing infrastructure and strategic fibre as strategic infrastructure in spatial planning.

**SDP WILL DO** Require energy and water directorate reports to be tabled with every application above the hyperscale threshold before a planning decision is taken.

## 09

### The Digital Infrastructure Atlas and Zones

*Make the rules clear before billions of rands are committed.*

A permanent Digital Infrastructure Atlas and Capacity Register would map substations, distribution capacity, planned upgrades, wheeling and storage; potable, reclaimed and industrial water and drought risk; fibre routes, cable landings and existing data centres; brownfield land, flood and fire risk, residential proximity and transport; and universities, skills centres and economic nodes. It should answer the investor's real question: can I build here, how much capacity can I obtain and when?

From the Atlas the City would designate Digital Infrastructure Zones, prioritising brownfield and underused industrial land, each with a published maximum strategic capacity:

- **Green:** suitable, subject to defined capacity and performance conditions.



- **Amber:** potentially suitable, subject to additional infrastructure or mitigation.
- **Red:** inappropriate for major digital infrastructure.

**SDP WILL DO** Publish version one of the Atlas within nine months and designate the first zones within twelve.

## 10

### The Hyperscale Threshold

*Assess the ultimate campus, not the first phase.*

A small facility should not carry the obligations of a 200 MW campus. SDP proposes, for public consultation, that the full framework applies where any one of the following is met:

| Trigger                               | Proposed threshold                          |
|---------------------------------------|---------------------------------------------|
| Ultimate connected electricity demand | 10 MW or more                               |
| Critical IT load                      | 5 MW or more                                |
| Water demand from any source          | 200 kilolitres per day or more              |
| Expansion of an existing facility     | Any expansion that crosses one of the above |

A developer proposing 50 MW now, 50 MW later and another 100 MW after that is proposing a 200 MW campus, and will be assessed as one from the start.

## 11

### Conditional Capacity Reservation

*Capacity for credible investment, not speculative demand.*

Scarce grid and water capacity should not be held indefinitely against projects that may never be built. Reservations above the threshold will be released in tranches, each tied to a defined investment, construction or commercial milestone, and will lapse if milestones are missed. A project might receive 50 MW at approval, with further capacity released only as it proves itself. Investors gain certainty about the path. The City keeps control of its infrastructure plan.

## 12

### The Impact Statement, Resource Budget and Public Disclosure

*What is consumed is published, measured and checked.*

Every facility above the threshold will file a standardised Digital Infrastructure Impact Statement covering electricity (connected, ultimate and annual consumption, renewable supply, storage, grid impact); water (daily and annual use, source, cooling technology, Water Usage Effectiveness, drought contingency); environment (emissions, diesel backup, noise, heat, e-waste, construction impacts); and economy (capital, construction and permanent jobs, local



procurement, skills investment, research partnerships). Approval then sets a resource budget for electricity, water, land and municipal infrastructure, and actual performance is reported against it.

**SDP WILL DO** Publish, within 100 days, the electricity and water capacity allocated to every approved or pending facility above the threshold.

**SDP WILL DO** Make consent to publication of load, water and resource-budget data a standard condition of every future approval, so that confidentiality can no longer be cited as a reason for silence.

*Capacity on the public grid is a public decision. The public is entitled to know who has been allocated it.*

### PART THREE

## Water and Energy

### 13

#### The Water Principle

*No routine potable-water cooling for hyperscale facilities.*

Cape Town came within weeks of Day Zero in 2018. Water decisions taken now will shape the city's resilience for decades. The City will set a binding cooling hierarchy:

- **First:** closed-loop and highly efficient air cooling.
- **Second:** treated effluent, but only volumes that are surplus to the City's own drought supply and potable-reuse programme.
- **Third:** other non-potable industrial water.
- **Fourth:** seawater or other engineered alternatives, subject to environmental authorisation.

Reclaimed water is not spare water. It is one of the City's most important drought reserves. Data-centre use of treated effluent will therefore rank below the City's own allocations, as set out in SDP's Water and Sanitation IDP submission. Potable water will be available only for defined emergencies such as fire suppression or a major cooling failure.

*Scarce potable water must not become the cooling subsidy for the digital economy.*

**SDP WILL DO** Write the hierarchy into water supply conditions and require every new hyperscale facility to show it can operate without routine potable-water cooling, at its ultimate capacity.



14

## The Blue Cooling Programme

*Test coastal cooling on evidence, not assumption.*

A technical feasibility programme will assess seawater heat exchange, closed-loop systems, corrosion, biofouling, marine ecology, intake and discharge, pumping energy, storm resilience, permitting and lifecycle cost. It will not assume seawater is best. It will establish where seawater, air cooling or other technologies are superior. Candidate areas include Paarden Eiland, Montague Gardens, Atlantis and the N7 corridor. The programme will also identify where waste heat can be recovered for industrial or commercial use.

**SDP WILL DO** Commission the feasibility programme within 100 days and publish findings within 18 months.

**SDP WILL PRESS FOR** A coordinated national and provincial authorisation pathway for coastal cooling projects.

15

## Bring Your Power

*The larger the load, the greater the infrastructure responsibility.*

Cape Town should not bar large data centres from the grid. It should ensure their growth strengthens the system. A hyperscaler should not arrive and request hundreds of megawatts of existing capacity. It should show how its incremental demand will be met without undermining households, businesses or the City's energy-security objectives, through renewable power purchase agreements, wheeling, private generation, battery storage, demand response or long-term contracts. The rule is technology-neutral. The responsibility is explicit.

*If you require extraordinary quantities of electricity, you must help bring extraordinary quantities of electricity into the system.*

The most advanced campuses carry large batteries, backup generation and predictable demand. Those assets should be contracted to serve the grid through demand response, peak reduction and emergency load management, moving data centres from electricity consumers to partners in the energy system.

**SDP WILL DO** Make an approved energy supply plan a condition of connection for loads above the threshold, built on the City's existing wheeling framework.

**SDP WILL DO** Offer grid-support contracts so that campus storage can be dispatched during peaks and emergencies.



16

## Household Tariff Protection

*Data centres must never raise the cost of switching on a light in Mitchell's Plain.*

The question residents will ask first is whether this raises their bill. SDP's answer is a guarantee, grounded in Section 74 of the Municipal Systems Act, which requires tariffs to be equitable and cost-reflective.

**SDP WILL DO** Create a ring-fenced large-load tariff class, so that connection, reinforcement and network costs attributable to hyperscale demand are recovered from that class alone.

**SDP WILL DO** Publish an annual tariff impact statement showing, in rands per household, whether large-load connections have raised or lowered residential tariffs.

**SDP WILL DO** Direct a defined share of net large-load revenue to network renewal in under-served areas, starting with the Metro South-East.

Handled this way, the City's revenue argument becomes a benefit residents can verify, rather than a promise they are asked to accept.

17

## Plugging Into SDP's Electricity Plan

*Data-centre demand should help finance cheaper electricity for Capetonians.*

SDP has already submitted a four-level plan to reduce electricity costs: new generation, better use of existing City assets, household technology and citizen ownership. Hyperscale demand should reinforce each level rather than compete with it.

| SDP electricity plan                   | How data-centre obligations connect                                                                                                                     |
|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Athlone green energy hub</b>        | Long-term offtake contracts from large loads can underwrite new generation on the Athlone site                                                          |
| <b>Steenbras pumped storage</b>        | Campus storage and demand response add flexibility alongside Steenbras at peak                                                                          |
| <b>Wave and tidal study</b>            | The Blue Cooling Programme and ocean-energy study share coastal data, permitting work and partners                                                      |
| <b>Cape Town Community Energy Bond</b> | Data-centre power purchase agreements can serve as anchor offtake for bond-funded generation, so that residents co-own the plants hyperscalers buy from |
| <b>Co-operative microgrids</b>         | Compact contributions can fund microgrid infrastructure in the Metro South-East                                                                         |



18

## The Digital Energy Corridor

*The City organises demand. National government builds transmission.*

The City cannot build the national transmission grid and should not pretend to. It can aggregate demand from hyperscalers, ports, industry and neighbouring municipalities and make the investment case for corridors that connect South Africa's renewable resources to coastal digital and industrial demand.

**SDP WILL PRESS FOR** A Western Cape digital-energy corridor in national transmission planning, working with Eskom, the National Transmission Company, the Western Cape Government and neighbouring municipalities, with the City acting as demand organiser and anchor customer.

### PART FOUR

## Shared Prosperity

19

### Honest Numbers on Jobs

*Data centres are capital-heavy and employ relatively few people directly.*

A hyperscale campus can cost billions of rands and generate significant construction work, yet run with a small permanent staff relative to its cost. SDP will not oversell data centres as a mass employer. The case for them rests on what they make possible around them, which is why the Impact Statement must report construction and permanent jobs separately and why the strategy's economic obligations focus on skills, compute access, procurement and the wider digital economy.

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### Servers in Atlantis, Skills in Khayelitsha

*The servers need the coast. The opportunity belongs in the Metro South-East.*

Data centres will cluster near the coast, fibre and heavy grid capacity. The economy around them does not have to. SDP's polycentric vision for Cape Town, and its commitment to transforming the townships to end the spatial legacy of apartheid, require that the skills, startups and digital services the compute makes possible are deliberately located where most Capetonians live.

**SDP WILL DO** Establish the Cape Town AI and Digital Skills Academy on the Spine Road economic corridor, building on the Maths, Science and Technology Park motion moved by SDP's Farouk Cassim as a City councillor and adopted by Council.

**SDP WILL DO** Co-locate a Compute Access Hub and startup incubator with the Academy, linking schools, TVET colleges, universities and employers.



**SDP WILL DO** Require compact contributions for high-capacity fibre into Khayelitsha, Mitchell's Plain and the wider Cape Flats.

The Academy would train for cloud and network engineering, AI, data engineering, cybersecurity, electrical engineering, cooling systems, data-centre operations, robotics and advanced manufacturing.

*Cape Town should not merely host the infrastructure of the digital economy. Its people must participate in it.*

## 21

### The Compute Access Programme

*Capability as well as capacity.*

Hosting foreign compute is not enough. Through the Digital Economy Compact, SDP will negotiate defined quantities of cloud and AI compute at preferential rates for universities, TVET colleges, researchers, local startups and approved public-interest projects, including African-language AI, civic technology, health research, climate modelling, education technology and cybersecurity.

**SDP WILL PRESS FOR** A first Compute Access agreement with a major operator within 18 months, administered through the Spine Road hub.

## 22

### The Digital Economy Compact

*Capability over charity. Infrastructure over publicity.*

Every facility above the threshold will enter a published Digital Economy Compact with measurable commitments on infrastructure, energy, water, skills, local procurement, innovation and community outcomes. A once-off donation disappears. A training centre or a fibre network produces value for decades. The City will seek productive obligations, not philanthropic gestures, and every Compact commitment will carry an owner, a budget, a milestone, a deadline and a measure, reported on the public dashboard.

**SDP WILL DO** Adopt a standard Compact template within twelve months, with consequences for missed commitments, including the withholding of further capacity tranches.



## PART FIVE

## Accountable Digital Government

## 23

### Predictive Government

*From reactive government to predictive government.*

The City must become a sophisticated user of the infrastructure it attracts. Municipal AI should predict water demand, identify pipe and substation failures before they occur, optimise electricity systems, improve traffic and emergency response, detect procurement anomalies and, above all, reveal patterns in service-delivery failure. The Public Protector's findings on Khayelitsha and Langa show what is at stake. A City that can see failures coming in informal settlements can fix them before residents are forced to report them.

**SDP WILL DO** Launch a first predictive service-delivery pilot in the Metro South-East within 18 months.

## 24

### AI Governance and the Cape Town Data Trust

*AI must improve government, never remove accountability from it.*

Every municipal AI system will be governed by a Cape Town AI Governance Standard covering lawfulness, transparency, privacy, human oversight, model testing, cybersecurity, audit rights, vendor transparency, data portability and exit provisions that prevent vendor lock-in. A Cape Town Data Trust, grounded in the Constitution, POPIA and PAIA, will classify municipal data, set lawful sharing and retention rules and release anonymised datasets to researchers and entrepreneurs, turning public data into public value without turning citizens into products.

**SDP WILL DO** Adopt the AI Governance Standard within nine months and establish the Data Trust within twelve.

## 25

### Connectivity, Cybersecurity and Resilience

*Compute without connectivity is stranded capacity.*

The City will map cable landing stations, backhaul and fibre routes, identify single points of failure and encourage diverse routes, with satellite links built into emergency planning. Minimum cybersecurity standards will cover municipal networks and the water, electricity and transport control systems the City runs directly. For private facilities, resilience against grid failure, water interruption, fibre cuts, cyberattack, flood, fire and extreme weather, together with disclosure of critical dependencies, will be applied through planning and connection conditions.

*A digital city cannot have a digital single point of failure.*



26

## Fair Charges, Certain Rules and Existing Facilities

*Pro-certainty regulation, applied to everyone.*

Hyperscalers will pay the full incremental cost of the connections, substations, reinforcement, water, roads, emergency services and fibre their development requires. The City will not socialise those costs whilst others keep the benefits. Charges will be transparent, cost-reflective, predictable and the same for everyone, and never punitive or arbitrary.

In return, compliant projects receive predictable requirements, defined approval timelines, pre-identified zones, clear expansion rules, digital application tracking and a single strategic project team as their point of contact. The investor will know what Cape Town expects. Cape Town will know what the investor will deliver.

Existing operators will be given a reasonable transition period to begin disclosing consumption, cooling, renewable procurement, resilience and expansion plans. Any expansion that crosses the threshold triggers full assessment. A facility growing from 20 MW to 100 MW is a 100 MW facility.

27

## The Eight-Question SDP Test

*A government that plans only for success is not planning.*

Every application above the threshold will answer eight questions, and the answers will feed a standard Net Public Value assessment that sets benefits, such as capital, infrastructure funded, skills, renewable energy, water saved, procurement and compute access, against costs, such as infrastructure burden, resource use and environmental impact.

**1 What does it consume?**

Electricity, water, land and infrastructure.

**2 What does it bring?**

Capital, energy, technology and connectivity.

**3 What does it pay for?**

The full incremental infrastructure it requires.

**4 What does it build?**

Grid, fibre, skills, research and local capability.

**5 What does it create?**

Jobs, businesses and economic activity, reported honestly.

**6 What does it save?**

Water, energy and public expenditure.

**7 What does Cape Town get?**

A measurable, long-term public benefit, including for the Metro South-East.

**8 What happens if it fails?**

If demand exceeds approval, investment stalls, resources tighten or commitments are missed.



## PART SIX

## Delivery

## 28

### The Delivery Unit and Public Dashboard

*One team, one dashboard, quarterly reporting.*

A small specialist Digital Infrastructure Delivery Unit will coordinate Energy, Water and Sanitation, Spatial Planning, Economic Growth, Digital Services, Environmental Management, Finance, Legal Services and Disaster Risk Management. It will maintain the Atlas, manage Compacts and steer major applications. It will report quarterly through a live public dashboard showing:

| Dashboard area     | Indicators                                                                               |
|--------------------|------------------------------------------------------------------------------------------|
| Capacity           | Data-centre MW connected, committed and planned, and available grid capacity             |
| Water              | Consumption by source, water intensity, recycling and any potable use                    |
| Energy             | Renewable procurement, storage, wheeling and emissions                                   |
| Households         | Annual tariff impact per household and large-load revenue reinvested                     |
| Economy and skills | Investment, construction and permanent jobs, local procurement, Academy graduates placed |
| Innovation         | Compute access hours, startups supported and research partnerships                       |
| Compacts           | Each commitment shown as on track, at risk or missed                                     |

## 29

### The Costed Delivery Plan

*SDP applies its own standard to itself.*

This strategy asks every investor for an owner, a budget, a milestone and a deadline. The plan below does the same for SDP's commitments. Timings run from the date an SDP-led administration takes office.

| Commitment                              | Owner                        | Indicative cost | Deadline | Measure                              |
|-----------------------------------------|------------------------------|-----------------|----------|--------------------------------------|
| Sign the C40 Pact                       | Executive Mayor              | Nil             | Day 30   | Cape Town on the signatory list      |
| Publish all allocations above threshold | Energy; Water and Sanitation | Nil             | Day 100  | Register published                   |
| Delivery Unit established               | City Manager                 | R14m a year     | Day 100  | Unit staffed; first quarterly report |



| Commitment                                                      | Owner                        | Indicative cost                    | Deadline                              | Measure                         |
|-----------------------------------------------------------------|------------------------------|------------------------------------|---------------------------------------|---------------------------------|
| <b>Blue Cooling feasibility</b>                                 | Water and Sanitation; Energy | R6m once-off                       | Commissioned Day 100; report Month 18 | Findings published              |
| <b>Hyperscale land-use category</b>                             | Spatial Planning             | Existing budget                    | Draft Month 6; adopted Month 12       | Scheme amended                  |
| <b>Atlas version one</b>                                        | Delivery Unit                | R8m, then R2m a year               | Month 9                               | Atlas online                    |
| <b>AI Governance Standard</b>                                   | Digital Services; Legal      | Existing budget                    | Month 9                               | Standard adopted by Council     |
| <b>Impact Statement, resource budgets and cooling hierarchy</b> | Delivery Unit                | Existing budget                    | Month 12                              | Applied to all new applications |
| <b>Large-load tariff class and household guarantee</b>          | Finance; Energy              | Nil                                | Next tariff cycle                     | First tariff impact statement   |
| <b>Compact template</b>                                         | Delivery Unit; Legal         | Existing budget                    | Month 12                              | Template adopted                |
| <b>Public dashboard</b>                                         | Digital Services             | R3m, then R1m a year               | Month 12                              | Dashboard live                  |
| <b>Data Trust</b>                                               | Digital Services; Legal      | Existing budget                    | Month 12                              | Framework adopted               |
| <b>Spine Road Academy and Compute Hub</b>                       | Economic Growth              | R15m seed, plus Compact co-funding | Site Month 12; first intake Month 24  | Graduates placed in work        |
| <b>Predictive service pilot</b>                                 | Digital Services             | R10m pilot                         | Month 18                              | Pilot results published         |
| <b>First Compute Access agreement</b>                           | Economic Growth              | Negotiated                         | Month 18                              | Agreement signed                |

Costs are indicative SDP estimates, to be refined through the City's IDP and budget process and confirmed by the Finance directorate. Ongoing costs are expected to be offset over time by infrastructure contributions and Compact co-funding.



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## The Long Horizon

*Five, ten and twenty years.*

| Horizon      | Outcome                                                                                                                                                                                                                                              |
|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Five years   | Cape Town recognised as Africa's leading clean digital infrastructure hub; renewable and storage capacity expanded; Academy graduates in work; no routine potable-water cooling at any hyperscale facility; predictive government operating citywide |
| Ten years    | A resilient digital-energy system, renewable-backed compute, world-class fibre including the Metro South-East, major AI research capacity and globally competitive local digital businesses                                                          |
| Twenty years | An economy in which energy, compute, data, research, enterprise and skills reinforce one another, measured not by the number of data centres but by the number of Capetonians taking part                                                            |

### CONCLUSION

## Pro-Cape Town

The SDP position is neither anti-data-centre nor blindly pro-data-centre. It is pro-Cape Town.

Cape Town should compete hard for digital investment, through certainty, infrastructure, clean energy, talent, connectivity and intelligent governance, rather than by giving away scarce public resources. We will welcome companies that bring capital, technology and opportunity. We will require them to bring their share of the infrastructure their growth needs. We will make sure the water the digital economy uses does not come at the expense of households, that the electricity hyperscalers consume never raises the bills of homes and businesses and that the capabilities they create remain after the construction cranes leave, including in Khayelitsha, Mitchell's Plain and across the Cape Flats.

Do not simply attract the server farms. **Build the ecosystem.**

Do not simply sell electricity. **Build energy capacity.**

Do not simply consume water. **Build water resilience.**

Do not simply host compute. **Create access to compute.**

Do not simply digitise government. **Make government predictive.**

*Every promise must have a plan. Every plan must have a budget.  
Every resource consumed must have a measurable cost. Every  
outcome must have a public deadline. That is Service Delivery  
Government applied to the digital age.*



## Sources

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3. Daily Maverick (T. Carnie), New data centres set to swallow 34% of Cape Town's current electricity supply, 28 April 2026; EWN, 30 April 2026. [dailymaverick.co.za](https://dailymaverick.co.za); [ewn.co.za](https://ewn.co.za)
4. The Continent and Tech Policy Press (E. Masson, L. Comins and A. Saba), Cape Town is approving data centers with rules that still treat them like warehouses, 9 September 2026, part of the Big Tech's Invisible Hand investigation. [techpolicy.press](https://techpolicy.press)
5. EWN, Housing Assembly raises concerns over Cape Town data centres' water and power usage, 15 September 2026. [ewn.co.za](https://ewn.co.za)
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7. Constitution of the Republic of South Africa, 1996, Sections 152 and 153 and Schedule 4 Part B; Local Government: Municipal Systems Act 32 of 2000, Section 74.

*Facts are stated as reported at the date of publication. Cape Town's status as a non-signatory reflects C40's published list of founder signatories; further cities may join before COP31.*