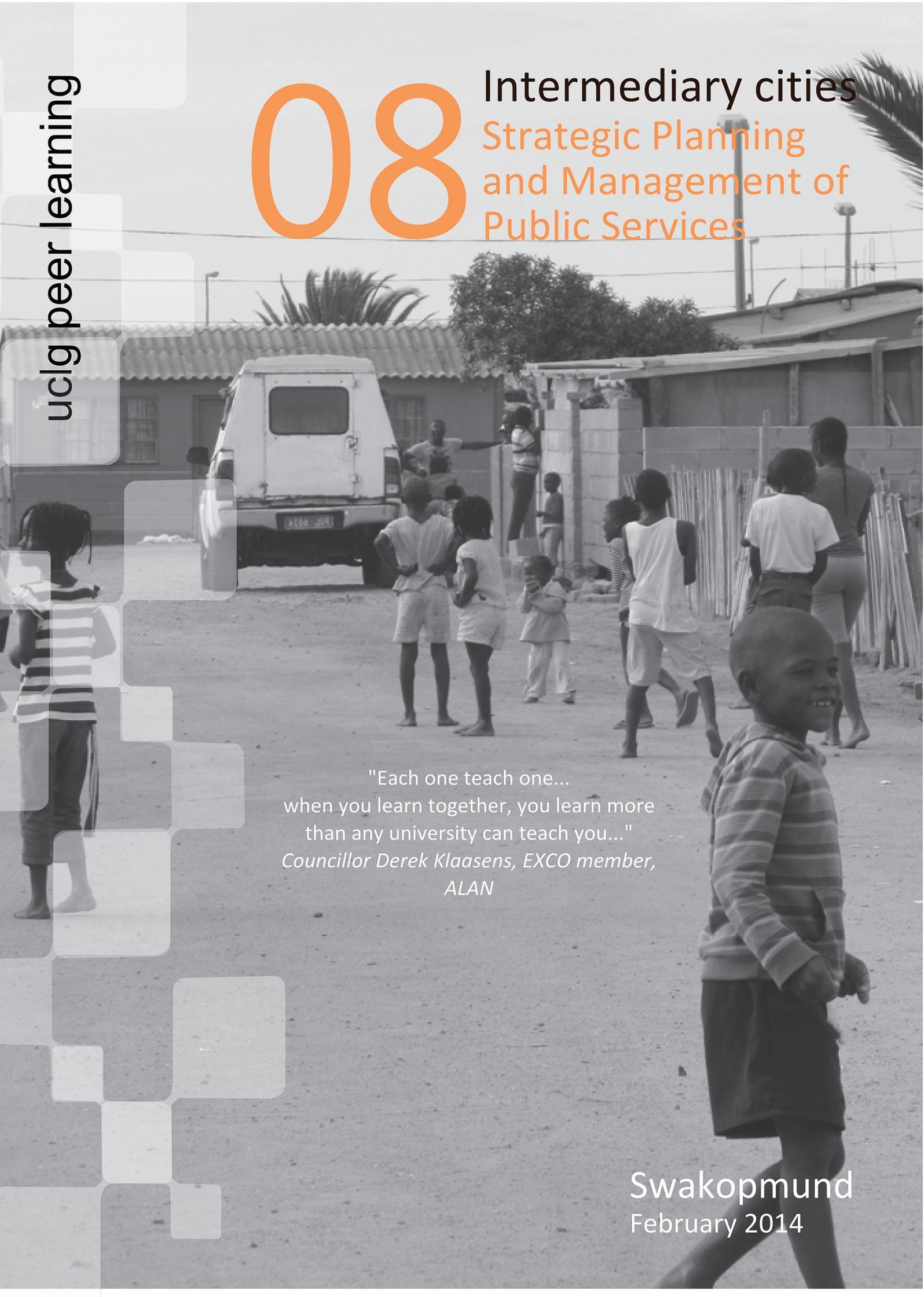


08

Intermediary cities Strategic Planning and Management of Public Services



"Each one teach one...
when you learn together, you learn more
than any university can teach you..."
Councillor Derek Klaasens, EXCO member,
ALAN

Introduction

Decentralized cooperation and learning between cities are powerful tools to improve urban management and delivery of basic services, as it allows local governments to network between peers, exchange knowledge and best practices. The African cities experience is indicative of the fact that decentralized cooperation can work well in the South-South dimension since many lessons, frustrations and successes can be shared between peers who feel equal. Decentralized cooperation is also a way to highlight commonalities of challenges across countries and governments.

In general, the objective of mutual learning, which is promoted by the Urban Strategic Planning Committee of UCLG and further supported by the Municipal Institute of Learning (MILE), is to improve technical and leadership capacities. To be able to draw lessons from other municipal experiences, it is necessary for the participants to understand the national context and the level of autonomy and outreach of each of the cities. The level of autonomy or outreach is particularly relevant to medium sized cities, since they operate in interdependence with other spheres of governments. For example, the comparison between Namibia and South Africa highlight the different degrees of autonomy: towns and cities function more independently in Namibia than in South Africa. Intermediary Cities usually operate in an economic, political and cultural particular context, defined by a national or regional reality. In this sense, the Namibian experience is of particular interest to South Africa, as the cultural background and history are similar.

The partnership between Swakopmund and Kwadukuza was first considered in an international learning exchange in Kwadukuza in March 2013 on Intermediary Cities. The experience of Swakopmund in service provision seemed very relevant for Southern African Intermediary cities. It is timely that the cities chose the topic of strategic planning and service delivery as UCLG is about to launch the 3rd GOLD Report on Basic Services for All in an Urbanizing World. As well expressed by the councillors and mayors during this learning session, basic services are a core task of every local government; they have to deliver them to meet the expectations of their citizens. Supported by the German Development Cooperation (GIZ), Cities Alliance and the Government of Norway, the cities came together in Swakopmund in February 2014. The associations UCLG, ALAN and the eThekweni/MILE supported the exchange methodologically. One of the main challenges of the Kwadukuza municipality is on service delivery, and during this learning exchange, employment policies of Swakopmund were identified as a way forward to overcome the gap between performance and response.

A milestone of success for the event was the way forward in the creation of **SMILE!** Read more in the note to come!

Some abbreviations:

NALAO: Namibian Association of Local Authority Officers

ALAN: Association of Local Authorities in Namibia

SMILE: Swakopmund Municipal Institute of Learning and Exchange

MILE: Municipal Institute of Learning

UCLG: United Cities and Local Governments

GIZ: Deutsche Gesellschaft für Internationale Zusammenarbeit

Preface and political address

The mayor of **Swakopmund, Mr Juuso Kamueshe**, chaired this learning event. He personally received the South African delegates at the airport and led a city tour during which he explained the challenges and realities of his city, which is very particular as it is a coastal city in the desert, where water is a main asset and limitation for development. Some of the projects sites visited where the **Democratically Reallocated Communities, DRC**, and the first world golf course nurtured by recycled sewerage water.

The mayor warmly welcomed the delegates at the municipal premises and explained that his expectations were to share lessons, to connect with others cities and construct a long term municipal agenda for national and international engagement. **What better way than starting this journey with South African colleagues?**



Councillor Derick Claasens EXCO member of ALAN, expressed his support and excitement about the learning exchange, acknowledging that learning together is more powerful given the common challenges faced by both municipalities. As ALAN, the value of such exchanges was invaluable, and he urged all participants to maximise the opportunities presented over the three days.

In response, **Councillor Dolly Govender** who deputised on behalf of Mayor Councillor Ricardo Mthembu -who could not attend due to provincial commitments- summarised the journey over the last year since Kwadukuza hosted the [UCLG Learning Exchange](#). In her opening comments, she explained the progress made with regard to the policy paper on Intermediary Cities, initiated at the Kwadukuza Learning Exchange and further refined in [Lleida, Spain](#). The paper was also tabled at the [UCLG Congress in Rabat](#). She reminded all participants that it was at the Kwadukuza Learning Exchange on Intermediary Cities that the presentation made by the Swakopmund CEO, which caught the attention of the Kwadukuza team and gave impetus to the present partnership. Her first impressions of the city she was very encouraged and overwhelmed by the high standards, levels of cleanliness and pride in the city.

“The inputs from all the attendees were really a source of pride when delivered and I am assured that even though we come from different walks of life that we share some common goals. We all face our own challenges but it was clear that we all have the luxury of support from institutions such as UCLG, GIZ, MILE and others.” *Clive Lawrence*



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01 NAMIBIAN AND SOUTH AFRICAN BACKGROUND

The Learning exchange in Swakopmund focused on the provision of basic services in two cities of Africa and the role that local governments play in its governance. This topic is a significant challenge intimately related to the institutional framework which is in turn, strongly binds to the political history of the countries and their decentralization processes.

The relatively recent independence of Namibia (in 1990) and South Africa (in 1994) make their frameworks for basic service provision quite young therefore it seemed interesting to share about two different places which, nevertheless, have a lot in common. Due to a mutual history, their institutions have been mostly a colonial legacy that has been transformed recently to fit the actual challenges and realities of the countries. The main institutional changes were the adoption of a democratic political system and the implementation of decentralized governance.

	Namibia ⁱ	South Africa ⁱⁱ
Independence and political system	Republic of Namibia 1990: independence from South Africa	Republic of South Africa 1960: independence from British rule 1994: formation of a democratic government
Population 2013	2.1 million 2.56 population/km ²	53 million 40.19 population/km ²
Economy, GDP/capita. 2013	US\$ 5 656 Industry 30.9% of the GDP, Service 59.4%, Agriculture 9.6%	US\$ 6 847 Services 68.3 % of the GDP, industry 29.2%, agriculture 2.4%, mining industry 9%
Administrative division	14 regions and 121 municipalities	9 provinces and 55 districts: 9 metropolitan areas and 46 district municipalities subdivided into 284 local municipalities
Role of local government	Services provider to citizens: water supply, cemeteries, sewerage and drainage, tourism promotion, street and public spaces, buy and sell land and buildings...	Water and sanitation services, refuse collection & disposal, town planning, urban roads, gas services, district heating, electricity, health infrastructures, tourism promotion...
Sources of local government revenue	<ul style="list-style-type: none"> - Rates 30% - Electricity supply charges 30% - Water rates 30% - Other 10% 	<ul style="list-style-type: none"> - Grants and subsidies 50% - Own contribution 24% - External loans 18% - Other income and donations 8%

For the learning, the differences in the two contexts have led to empirical lessons on municipal levels that deserve national and regional attention.

Namibia -South Africa relations refers to a current and historical relationship that shares language, cultural and political roots. However, for the learning, the differences in the two contexts have led to empirical lessons on municipal levels that deserve national and regional attention. The

Learning Exchange held in Swakopmund permitted Namibian and South African actors to learn from their different experiences in terms of Service Delivery, Urban Management and Planning. And as they are currently economic partners, the meeting also appeared as an opportunity to consolidate and renew the existing bounds between the two countries.

Contextual issues for urban development

In sharing about achievements and challenges in terms of South-South learning, Swakopmund and Kwadukuza make a good match because of the shared history of apartheid colonialism in both South Africa and Namibia. The consequences of this history have led to highly divided cities with the formerly white suburbs with excellent services and facilities and previously disadvantaged areas with service delivery backlogs. The challenge of transforming apartheid cities into inclusive cities is therefore a common challenge that Swakopmund and Kwadukuza share.



The challenge also includes a two pronged dilemma. One is the fact that the vast majority of the people were previously excluded from having a say in how their cities were governed, not taking into account that the population wanted a participatory democracy. On the other hand, due to the neglect in terms of service delivery in former “black” areas, there was also a demand for bringing services to historically neglected zones. It appears that in some respects, Namibia and South Africa have responded differently to these challenges. This was also evident in terms of the management and leadership approaches between Kwadukuza and Swakopmund.



“I am impressed by the dynamic created in this partnership. Discussions are brave, self criticism is constructive, and the arguments are confirmed by real experiences and evidences. “ *Sara Hoeflich*
UCLG

02 BACKGROUNDS OF THE CITIES

The case of Swakopmund, a model for African intermediary cities



Illustration 1: Localisation of Swakopmund

Swakopmund (for mouth of the Swakop River) is a city on the coast of north western Namibia about 280 km west of Windhoek, Namibia's capital city. It is the seat of the Erongo Regional Council. The city has almost 60 000 residents and covers 193 km². It is an example of German colonial architecture and a beach destination which attracts many tourists.

The municipal council has been in existence for over 105 years while the new local government system is now about 20 years old. Many smaller local authorities in Namibia, especially those proclaimed after the Local Authorities Act, Act 23 of 1992, have relied a lot on Swakopmund for advice and technical

assistance on municipal service delivery and administration governance. This is partly because over the years, the Swakopmund municipality has demonstrated itself as one of the torchbearers of sound administration, management and service delivery.

Due to increased urbanization, Swakopmund, like other bigger cities, is faced with challenges of making the city accessible and inclusive for new low income communities while, applying town planning, service delivery, budgeting and fiscal discipline principles. It has developed transferable learnings in the area of planning and service delivery as well as strategic planning budgeting and



Illustration 2: Swakopmund a town in the desert

financial management. It is one of the very few local authorities that prides itself in the fact it can finance its capital projects from its own internal revenue base. The council has consistently received reports of a clean bill of health from the Office of the Auditor General.

The Case of Kwadukuza

Kwadukuza is located along the east of KwaZulu-Natal – KZN - province and is bordering the EThekweni Metro on the South. The name epitomises the historical background of the area. The town is home to King Shaka's memorial monument and was also the home to the first African to win the Nobel Peace Prize, Chief Albert Luthuli. The

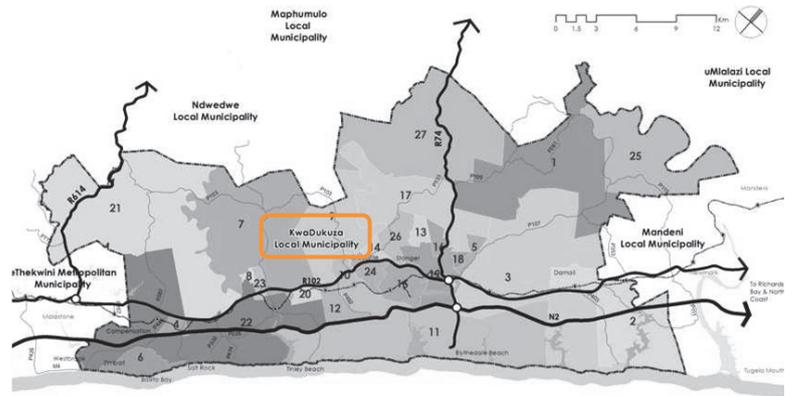


Illustration 1: Kwadukuza Local Municipality map

Kwadukuza area of jurisdiction is 750 km² and its resident population is about 170 000 but can grow to over 200 000 during peak holiday seasons. The area stretches from the Zinkwazi River in the north, to the Tongaat River in the South. It is one of the four municipalities that makes up the Ilembe District Municipality. Kwadukuza is an area of very productive agriculture, mainly sugar cane, which historically attracted a large Indian population. Nowadays, the district is a node and dominant commercial centre. Kwadukuza occupies a coastal and inland stretch of approximately 50 km in length and 14 km in width. A variety of clusters, ad hoc settlements and small towns exists and are quite disconnected of the public transports, although there is a well developed network of roads and rail infrastructures.

In terms of service delivery and social infrastructure the council has won several awards



Illustration 2 : a municipality with almost 50km of coast

including the provincial and national housing authority award and has been leading in providing housing for low income communities with an average of 17 800 housing units over the last eleven years. The council also has sound financial management with seven consecutive unqualified audit opinions and is rated as the most financial sustainable local authority for 2012 in the country. However, the municipality is currently struggling with service delivery performance and is willing to overcome management gaps in order to fulfill the promises made to the communities in their participatory processes.

The council also faces challenges in the area of managing immigration, the consequent slum development and illegal invasion of municipal lands. Another challenge includes the fragmented and unregulated development which hampers the revenue collection. Some of these developments are private sector led and have caused a number of 'gated estates'.

City to City Exchange going to scale

An increasing number of requests for assistance and visits come from smaller local authorities in Namibia who wish to learn from the experiences and challenges of Swakopmund. The national associations ALAN and NALAO manage a project funded by the Cities Alliance, which identifies the high potential of mutual learning and influencing planning frameworks introducing strategic planning into the urban planning policies.

With this city to city learning, Swakopmund would like to concretise its thinking around setting up SMILE (Swakopmund Municipal Institute for Learning and Exchange) as a platform for focused learning and exchange, inspired by the eThekweni MILE. At the same time, Swakopmund offered its experience in planning and service delivery as well as financial and revenue management to South African cities, while drawing lessons from Kwadukuza on issues around social inclusion. Kwadukuza has a public participation framework including a strong ward committee system and mayoral *izimbizos* (gatherings) which could provide interesting learnings for Swakopmund.

	Swakopmund, Namibia	Kwadukuza, South Africa
Legal Framework:	fairly minimalist : The Local Authorities Act, Act 23 of 1992 and the Regional Council's Act, Act 22 of 1992 governing the operations of local authorities	highly regulated: Organized Local Government Act Act No. 52 of 1997, Municipal Demarcation Act, Act 27 of 1998, Municipal Structures Act No 117 Of 1999
Local Democracy and Governance	proportional system	proportional system and a ward (constituency) system
Territory	Urban area	Rural and urban areas
Strategic and urban Planning	Strategic planning is linked to strategic implementation and relies on the 5 year budget council decision. Master plans detail infrastructure for timely service provision	regulated by legislation and has specific requirements for community and public participation land use planning entailing strategic guidelines and neighborhood infrastructure planning
Performance Management	The Namibian legislation is silent on this issue. Swakopmund has internal performance of monitoring, outreaching all the staff	governed by the Local Government Municipal Performance Regulations of 2006
Spatial Development Framework	National spatial development framework for infrastructure	comprehensive spatial development analytical framework

Illustration 5: Comparative Table

Exchange on strategic topics: planning service delivery

The two councils can share lessons on dealing with influx of people into the towns and organising service delivery. There are also valuable experiences in the area of social inclusion as well as a strong practice on Integrated Development Planning (IDP) that can be useful learning for Kwadukuza.

“The way forward seems to have potential for developing excellent learning structures and platforms to share experiences between the visiting Local Authorities and NGO.s.”



03 THE SWAKOPMUND EXPERIENCE

Service delivery is clearly the goal.

The CEO, Mr Eckhart did an overview presentation on Swakopmund to set the scene and context. In his overview he captured the hearts of all participants who were impressed with the style and business-like approach of the city – **Swakopmund knew exactly what it wanted and how to get there.**



“- we use a simple strategic planning exercise with ALL our Councillors and complete it in half a day!”

- Sure, when we come into power, the first thing is to recognize our limitations and duties”.

Mr Jusuu Kambueshe and Eckhart Damasius, mayor and CEO, Swakopmund

During this short overview, Mr Eckhart noted that Swakopmund has over 60 000 residents and is predominantly tourism-focussed thanks to an inherited German colonial architecture which gives the city its own unique character. The Council is very proactive in tourism and a 300 million Namibian dollar development on the coast is an example of the serious approach to get investment into the city.

The core mandate of the municipality is to ensure orderly urban development and to provide and maintain infrastructure and services. As a Part 1 Municipality, the Council has full autonomy, making its own decisions independent of the national Ministry, and generates its own revenue base entirely. Swakopmund has 10 Councillors, 4 of which are on the Management Committee and, different from South Africa, Councillors are part-time. The CEO is fully supported by 5 Managers responsible for Finance, Engineering, Corporate and

Human Resources, Community Development and Health Services. The Swakopmund vision is focussed on providing and maintaining sufficient and affordable services for all their residents and visitors. It is also what keeps them customer-focussed. This issue of providing professional services to its residents even before the tourists emerged as an important theme in the discussion.

Strategic planning critical, and driven by the Municipality

From the CEO’s presentation, the most important point that emerged is that long-term planning is a key driver which is firmly in place with the 5-10 years strategic development plan adopted by the Council.

“This tailor-made training is a good practice that could be replicated to benefit for others.” Nate Aereseb NALAO



It is used to measure progress, evaluate goals and objectives and also to influence budget control. It was explained that all new Councillors go through an intensive induction programme after the elections and spend time meeting staff and carrying out site visits. The General Manager and CEO dedicate a full week for this induction and training programme that creates an understanding of possibilities and constraints of the public administration, and equips Councillors with the necessary knowledge to take informed decisions. This training culminates in a critical process of hosting a compulsory half-day strategic planning session. In a workshop session, using a very simple participative process, development ideas are brainstormed and prioritised to determine key projects and ensure that the necessary budget is assigned. This process which acts as a team building exercise for the new Council and the staff, is driven entirely by the municipality. The five year plan emerges of the session and establishes guidelines for the Council.

A unique lesson: Representative Democracy in action

Swakopmund, Namibia	Kwadukuza, South Africa
Plan design (long term and 5 years)	Integrated Development Plan and 5 years plan
Budget approval	Budget approval
Progress Monitoring, evaluation	Service delivery, Tourism, housing

Illustration 6: Table on Councils functionsⁱⁱⁱ

From international experience, the issue of public participation in planning has been a central theme. More cities are recognising the importance of not just consulting stakeholders in planning processes but ensuring that they are central in designing and implementing the plan. What emerged from the Swakopmund experience however, is that the process is led by the Council leadership (politicians and the management team).

Legislatively too, participation in strategic planning is not required, as Councillors are regarded as the eyes and ears of the constituency. As there are no ward councillors, there is

Swakopmund visions

- to provide and maintain safe, sufficient and affordable services for residents and visitors
- to promote future development to the benefit of our community

no need for ward consultation or participation. This is not seen as a gap or challenge as it works for the Council and residents are satisfied. This is testified by the lack of service delivery protests that is widespread in other contexts.

Whilst citizens do not drive strategic planning, it was mentioned that Council meetings are public and planning resolutions are made publicly and fed to the press. For development projects however, there are clear public consultation processes but these are not well attended generally. For housing developments there are representatives from informal settlements and this works well. Complaints are invited and petitions are received from the community which are compiled by the administration and then tabled to the Management Committee confidentially.

Managing city finances: no such thing as a free lunch!

Income is generated through municipal rates and taxes as well as the sale of water and electricity. A good practice that emerged is the no-exceptions policy for water and electricity



“...all residents accept that if services are provided, they must be paid for...” *Mr Immanuel Gonteb Finance Manager*

disconnections that is applied across the board fairly without fear or favour, due to a computer-generated list of defaulters that ensure that all defaulters pay timeously. The key financial challenge is around water loss which is at 17% and the goal is to reduce to 10%. Interestingly too, no consultants are relied on to manage their services. There is apparently no corruption in the municipality and a clean audit and unqualified report are obtained every year for the municipality, since the inception of the Act.

The approach in managing informal settlements was identified as an interesting comparison to the South African case. The Swakopmund Council relocated shack dwellers to a planned settlement from a reception area into a Democratic Resettlement Committee (DRC) area, where every plot is larger than 300m². The adage accepted is that “there is no such thing as a free lunch”. In Swakopmund, an average cost per site is calculated and charged for all residents. All residents oblige and accept that services must be paid for, if services are consumed.

Regarding the internal financial operations of the municipality, it was noted that there are four sections within the Finance Department; Revenue, Administration and Property, Expenditure as well as Salaries and Stores. The key role of Finance is to compile an Annual budget for capital and operating expenses and is based on a zero-based budget. It is interesting that a medium term expenditure framework is not prepared for Swakopmund, even though it is in place at a national level.

Monthly reports are produced and Annual Financial Statements are prepared and submitted to the Auditor General for comments and subsequent rectifying steps. A fully integrated financial system is in place and works well for the municipality.

On Corporate Services and Human Resources: put people first!



“...basic trust and respect is part of the culture that we have... we merely build on this in Swakopmund...”
Marco Swart

As a starting point, it was stressed that basic trust and respect is one of the fundamental values that is intrinsic to the culture in Swakopmund. Citizens follow the rules and respect their

political leaders and the notion of payment for services. The Human Resources Department manages over 400 workers and has the philosophy that all staff irrespective of level are treated equally. Staffs are always put first: 70% of the cost of medical aid is borne by the municipality and pension fund contribution where the municipality contributes nearly 22% of the basic salary and a focus on training and development for all staff. All the municipal staff under the CEO are permanently employed and are not on performance contracts. The experience is that performance management systems have not been working and non-performance is managed through disciplinary processes. To achieve their high service standards, the Council uses stringent employment recruitment measures to ensure competence and professionalism – this was an important revelation that came through in the Learning Exchange. In fact, one of the challenges experienced by Swakopmund is to attract the right professional into the municipality given their high entrance requirements.

	Swakopmund, Namibia	Kwadukuza, South Africa
Councillors numbers	10 PR Councillors	53 Councillors (26 PR, 27 Ward)
Repartition	4 councillors are on the management committee	10 councillors are in an executive committee
Part or full-time councillors	Councillors who attend at most 2 meetings/months	Councillors are full time employed and paid
Staff	400 members	1 200 members

Illustration 8: Table on Staff ⁱⁱⁱ



"We are impressed by the way Swakopmund has managed to build a dynamic team that is able to debate on issues and come to decisions quickly. *"Mandla Manzini, Exe. Director, Kwadukuza*

Interesting to note, is the practice of daily random alcohol tests implemented over the last five years for staff which improved its presence. Deliverables are set and senior manager outputs determined by the five year strategic plan. What is unique is that the culture of the municipality is one of ensuring that the CEO is accountable and his team work together with achieve the objectives of the Council. As an anecdote, as lunch time approached during the learning exchange, it was heartening to hear the Mayor check with his management team if any of them had to pick up their school children! This was a clear demonstration of the concern for staff. Swakopmund aims to showcase its best practices through ensuring that they focus of service excellence. Members of the public are invited to engage with the municipality on an ongoing basis.

Innovations in land management

Another important function of the Council is land and property administration. Land was previously disposed through public auctions, which has now ceased. Private applications are received and the land

"... Our goal is to develop Swakopmund into a certified ECO-TOURISM city!"
Abniel Ashipala



transaction is advertised for three weeks and if there are objections, this is mediated through the Ministers Office. The third approach, which is an innovation, is the closed bid transaction at an auction publicly for residential and business properties, which also has an objection process. This closed bid process is working well for the municipality. Land development must occur within four years; within the first year the deed of sale must be completed, and have improvement within the next two years or it is rated four times the municipal value. Penalty clauses are also made for provision in the Act which is not often used.

Besides the national housing schemes, the Swakopmund Municipality develops and funds its own housing schemes. This allows the city to create its own income from middle-income earners and meet the social housing needs of its residents.

All information and documentation are stored underground in an archives facility. Hawking sites are leased from the Council and there are objections allowed from the public, which slows down the process up to six months.

Developing and Empowering Communities



“...leadership from the Mayor and political leadership has been the most important ingredient in achieving sustainability goals...” *Mr C Lawrence, GM: Health and Environment*

Housing, social services and economic development are part of the mandate of the Community Development Department. 52% of the region is unemployed hence the issue of youth development is a priority. A

Youth Development Officer has been appointed to coordinate life-skills training and host talks to the youth to address youth issues. Sports and recreation are promoted and numerous programmes and services are coordinated. It also emerged that a proactive approach should ensure that communication with all customers is entrenched through a service centre. The centre is supported by staff that is fluent in eleven local languages – this is particularly encouraging given the needs of senior citizens in the city.

Support is also provided to the Small and Medium-sized Enterprises (SMEs) and to facilitate tourism development. In 2011 a Local Economic Development (LED) strategy was adopted by the Council with eight strategic areas including maximising the tourism potential. The national LED Agency has been supporting Swakopmund and a tourism strategy is being developed. A Tourism Stakeholder Forum has been established. Already in place is a twinning agreement with Malmö City in Sweden which focuses on promoting environmentally sustainable tourism. The goal is to develop Swakopmund into a certified Eco-tourism city. Cultural tourism is also earmarked and this is an area for collaboration with Kwadukuza.

Small and Medium-sized Enterprises development is another key priority and mentorship for SMEs is being provided. To date, an SME Forum has been established and municipal services have been outsourced, with exemptions of certain municipal regulations in place to enable SMEs to compete more favourably. Investment

in infrastructure (open markets, business stalls, industrial parks, multi-purpose centres, taxi ranks...) have been made by the Council to demonstrate commitment to Small and Medium-sized Enterprises development. The income base of entrepreneurs is constantly evaluated to ensure that there is a graduation of entrepreneurs from smaller to larger businesses.

“...we dig deep to sustain our environment in Swakopmund.”

Mayor of Swakopmund

Cemeteries and rest-camps are also managed by the City, with 5000 South African utilising these Council managed guest houses each year.

Some of the key challenges to be addressed include meeting the housing backlog with limited financial resources and rural-urban migration and the lack of business skills and innovation.

Putting sustainability at the centre of development in Swakopmund

A dedicated Health Services unit has been established to ensure the health of all citizens in Swakopmund. Whilst this is a priority, what was impressive was the focus of the unit to think about integrating sustainability into the notion of health.

In fact, the goal of the municipality is to be the first environmentally sustainable town in Namibia and they intend to remain the cleanest town in Namibia. Dedicated resources to ensure the cleanliness of open spaces is remarkable in Swakopmund which boasts a team of seventy-three officers engaged in cleaning and four DRC cleaning managers. The business community has also been mobilised to finance 75% of what is known as the SHINE project, which cleans the entrances to the city.

To achieve this vision, recycling has been a new initiative with a material recovery facility established. The ECOMATE project has started with schools now championing this eco-drive. Leadership from the Mayor and Councillors are an important ingredient that has assisted in achieving their sustainability goals. Over the last four years there have been numerous achievements from introducing environmental education in the school curriculum in an advisory capacity, fencing of landfills, instituting recycling agreements, implementing a skip system in DRC, etc.

Engineering solutions in Swakopmund

The task of the Engineering Unit is to translate the Swakopmund's strategic plans into detailed project

“...As engineers our job is to translate strategic plans into project designs and annual budgets...”
AD Duvenhage, GM:
Engineering



designs and annual budgets. A range of functions are coordinated within the Engineering Unit including the functions of town planning, road management, sewerage, water, and parks management. Unlike in other municipalities where planning functions stands alone, Swakopmund's planning function is under Engineering, however with time as the pace of growth increases, town planning will become a separate department.

Roads for example are maintained entirely in-house to prevent cracking and are slurry-sealed which is designed by the engineers. Consultants are only used for developing specialised projects. In addition, pot-holes where they do exist are fixed no longer than three days. Using reverse osmosis, Swakopmund has recycled sewage water very successfully and this is an innovation that can be replicated in South Africa and in southern Africa generally.

04 SHARING THE KWADUKUZA EXPERIENCE



“...The relation between council and management is inspiring to see in Swakopmund, this is reflective of the situation in KwaDukuza. Management not only plays an implementing role, but also fulfils an advisory role where council is constantly kept abreast of feasibility and decisions taken. “
Councillor Dolly Govender, Kwadukuza

The history of the amalgamation of 18 local authorities into three transitional local councils and finally to the merger of one Kwadukuza Municipality was traced, in order to

explain the richness in terms of diversity and at the same time, the high levels of inequality within the area. A detailed SWOT analysis was also shared highlighting the potential of developing Aerotropolis and supporting tourism and agro-processing export zones.

With nearly 250 000 people in the municipal area, the total annual income for the 2013 /2014 year in Kwadukuza is over R1billion (14R=1€), with 1 200 staff members, and 53 councillors covering 27 wards. Over 25% of its population is unemployed. Unlike Swakopmund, they focus only on roads, storm water, electricity and waste removal. Water and sanitation is a District Municipality function. Like Swakopmund, Kwadukuza has its own funding, secures loans and puts in place its own development charges. Competitive pricing of rates and charges are offered and 7 consecutive unqualified audit opinions reflect sound financial management.

Some of the unique characteristics that emerged from Kwadukuza are the application for loans in the market. In addition, over the last ten years, they have created 11 700 housing opportunities. In order to implement their strategic plan, Kwadukuza managed to mobilise international funding for key projects addressing their main challenges; the Swiss grant focussing on road and storm water protection and planning for LED. The Provincial government is also providing intermodal transport solutions.

“...When I attended a council meeting in Kwadukuza, I was impressed by the way that community data were collected to update the subsidy system. We could learn from this, as we have a serious poverty issue. For example we could apply for single grandmother households that remain with their grandchildren” *Marco Swart*

Some of the key challenges include immigration, lack of bulk infrastructure and the historical backlog of services without sufficient funding available, insufficient maintenance of existing infrastructure, gated communities, urban development restricted to the coast and the large number of informal settlements, the need for greater alignment between the district municipality and local administration. Institutionally inadequate work flows, insufficient capacity and inter-governmental relations are some of the key challenges. Systematic processes are in place for participation of communities, with stipends paid for community members serving on ward forums through to Mayoral community briefings and the establishment of an Integrated Development Forum. Kwadukuza is building on the opportunity of its proximity to eThekweni that at the same time causes development pressure. It is attractive to investors as land is available, taxes relatively cheaper and close to the port and airport, as indicated by its electricity consumption which has increased five hundred times in ten years!

	Swakopmund, Namibia	Kwadukuza, South Africa
Capital budget	R181m	R500m
Operating budget	R238m	R700m
Budget/population	R4 250/capita	R8 000/capita
Sources of funding	-Council own funding (property funds, capital development, Renewal Fund Maintenance fund) -Development charges -Source of income from related services -External funding	-Council own funding -Grant funding (conditional/unconditional) -External loan funding -Development charges (electricity contribution...) -Source of income (building plan fees, traffics fines...)

Illustration 7: Table on Budget ⁱⁱⁱ

Kwadukuza achievements:

- **Housing Delivery awards**
 - Provincial and national housing authority Award, 2005
 - Provincial inaugural Govan Mbeki Award, 2007
 - National inaugural Govan Mbeki and Mec Merit Award, 2008
- **Housing Delivery**
 - + 17 800 Housing opportunities in the past 11 years
- **Tourism**
 - Culture and Heritage (Chief Albert Luthuli- tourism route, Mahatma Gandhi, Sir Liege Hullet)
 - Coastal recreation (beach)
 - Holiday programmes (Matric Rage, New Year's Eve Party)
 - Partnership (Mr Price Pro – International Surfing Event)
- **Governance and Financial Management**
 - Seven consecutive unqualified Audit Opinions

- Rated as the most financial sustainable local authority for 2012 in the country by an independent assessor (Ratings Africa)

05 LESSONS LEARNED

What can cities offer to each other?

Swakopmund to offer:

1. **REVENUE MANAGEMENT** and ensuring that citizens pay for services: independent and aggressive CREDIT CONTROL, including clean audit mechanisms

2. **INSTITUTIONAL ADMINISTRATION:** recruitment and management processes

- strategies to improve Human Resource management in the short term: how to develop skills and develop leaders
- monitoring and evaluation systems that work
- engendering a new culture of work

3. Implementation of **KEY BYE-LAWS** – eg- street vending

4. **MUNICIPAL SERVICE IMPROVEMENTS: KEY BEST PRACTICES**

- Slurry seal road surfacing technologies and Water Recycling technologies
- Street cleaning procedures: practical strategies that can be easily applied in Kwadakuza



Illustration 8: Swakopmund has potential

“No fencing of resorts and parks convert a person with bad behaviour to become a good citizen, we should be the bridge to instil better behaviour.” Eckhart

Demaius, CEO

5. **Sharing of POLICIES and PROCESSES:**

- Adoption of indigent policies and poverty reduction programmes
- Conservation and biodiversity policies and beach management
- Process for prioritising capital budget

6. **Land Banking Policy:** servicing of sites and funding

Kwadukuza to offer:

1. **Cultural tourism and how to promote SMMEs** within this sector, including the **MARKETING** and communication of tourism
2. **Use of shared services between local municipalities** – for Namibian local authorities generally as response to scarce skills
3. **Town planning development application processes**
4. Preparation of **clear MAPPING**
5. **Informal market control**
6. Share **system for communities and individuals applying for public subsidies**



Illustration 9: City center of Kwadukuza

"I am very impressed with the feedback that I received from colleagues. I can sum-up their feedback in the following words: refreshing, motivating, educational, and eye opening. We need to take this engagement forward." Sihumbuzo manager, Kwadukuza

eThekwini to offer:

- **Landfill Management and Recycling:** to attend MILE Solid Waste Master Class
- **Knowledge Management:** MILE to support SMILE as an immediate action
- **Markets and informal trade support informal economy learning exchange**
- **Performance Management system development and implementation**

What has inspired us from the learning exchange that we can do differently which does not require many resources?

- Need to change our **OPERATING CULTURE** to be **PERFORMANCE DRIVEN** so that we deliver services that respond to our citizens' need. We must **ACT** and not just plan. This requires **PROACTIVE MANAGEMENT AND SUPERVISION**. Kwadukuza can learn from Swakopmund on how to build a dynamic management team.
- Need to **move BEYOND just ensuring PARTICIPATION** for compliance and seek towards doing the right things!
- We can perhaps **re-think our process of PRIORITISATION** given the limited resources that we have. This is guided by a set of standards or guidelines.

Next Steps and Way Forward:

1. Given that cooperation is NEEDS-DRIVEN, a good foundation has been laid in this exchange.
2. COGTA-KZN now needs to play a more active and direct role in supporting the next steps.
3. The issue of documentation and communication has been a challenge to date, and we need to identify responsible staff who will respond to the UCLG, partners and funders – immediately the templates for the case study for the Frame Document on intermediary cities must be filled within the next week.
4. The draft report of the two days has already been started – this will need to be edited and confirmed by all stakeholders also within the next week. This draft report is completed as a team work between the cities, the associations ALAN, NALAO, UCLG and MILE. Next step is to make it useful, sharing it and promoting next steps
5. The GIZ budget to be examined as budget is not ensured, if and what needs to be done in the next phase; perhaps a cost sharing between Kwadukuza and GIZ. However, to ensure follow up, the cities need to be proactive and lead through delegating responsibilities :
 - Proposal writing
 - Funding/resource mobilisation, exploring Swiss donor possibilities
 - Political lobbying
6. SALGA to be informed of developments by their counterparts ALAN.
7. UCLG Urban Strategic Planning Committee will use the lessons learned from this exchange and take this forward through a Learning Note
8. Explore linkages and partnerships with Malmo, a Swedish coastal city in near future

The final session of the Learning Exchange focussed on learning from the experiences of eThekweni's MILE. A historic moment was the launch of SMILE which it was agreed will be built incrementally with time.

MILE –SMILE : some thoughts



- Build on the areas of excellence to showcase Swakopmund (water recycling, revenue management)
 - Identify areas that you need to learn from others and use SMILE to lever the support (social inclusion and Local Economic Development, job creation)
 - Partner with MILE to run a few Master Classes for Namibian municipalities (Strategic Planning, Facilitation, Water Management)
- Utilize NALAO / ALAN and UCLG/A for mobilizing support
 - Build the training centre as part of phase 2 after consolidating
 - Don't rush...Explore... Investigate options, but set targets!

Lessons Learned for SMILE

- Start small, build as you go along
- Do things, take risks and learn!
- Partner and collaborate strategically at all levels
- Locate Knowledge Management vehicle centrally in the institution
- Have small dedicated team to drive Knowledge Management
- Ensure that budget is secure from key partners, if not available for the vehicle itself



Credits

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Links and further information: www.uclg.org, www.kwadukuza.gov.za, www.swkmun.com.na

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ⁱ MNALAO, Local Government System in Namibia, Namibia Statistics Agency, World Bank

ⁱⁱ World Bank, Statistics South Africa, South African Reserve Bank

ⁱⁱⁱ Data providing by the municipalities

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Cities Without Slums

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