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**The Association for Local Authorities in Namibia  
Proceedings of the 52nd Annual Congress  
Tsumeb, 18 - 20 April 2001**

**Speeches, Presentations and Resolutions**

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## Acknowledgement

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The Congress bid a fond farewell to its outgoing Management Committee and presented members with certificates for their dedication and service.



*The Outgoing Management Committee 2000/2001*

**Front row:** Cllr. V Mareka, Cllr L Dausab, Cllr E Trepper, Cllr R Hoabes, Cllr H Auala, Cllr R Andreas, Cllr N Mugenga, Cllr E Uutoni  
**Middle row:** Cllr J David, Cllr T Samaria, Cllr P Goagoseb, Cllr M Nekaro  
**Back row:** Cllr J Mutonga, Cllr GI Goseb (Vice President), Cllr JN Neumbo, Cllr PM Beukes (President)  
**Absent:** Cllr V Graig, Cllr JN Auala, Cllr C Hoebes, Cllr M Johannes

The newly elected Management Committee was elected and welcomed by the Congress.



*The Incoming Management Committee 2001/2002*

**Front row:** Cllr V Mareka, Cllr H Nkandi-Shiimi (President), Cllr J David, Cllr H Thabanello, Cllr E Uutoni, Cllr L Dausab, Cllr T Thanises, Cllr H Auala, Cllr R Hoabes, Cllr E Trepper, Cllr PM Beukes  
**Back row:** Cllr P Goagoseb, Cllr GI Goseb (Vice President), Cllr F Rooi, Cllr M Muyaza, Cllr JN Neumbo  
**Absent:** Cllr B Sebatane, Cllr B Ekandjo, Cllr M Ndeshitila

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## PREAMBLE

**Dr. Helen Nkandi – Shiimi**  
**President of ALAN 2001/2002**

The 52<sup>nd</sup> Annual Congress of the Association for Local Authorities in Namibia discussed various critical socio-economic development issues affecting the lives of our people in the respective Cities, Towns and Villages.



I am privileged to introduce the first official publication of the Association capturing all the proceedings and resolutions taken during the duration of the Congress.

I am particularly honoured to appreciate the presence of Honourable Dr. Nickey Iyambo, the Minister, Honourable Prof. Gerhard Totemeyer, the Deputy Minister and Mr. Samuel / Goagoseb, the Permanent Secretary of the Ministry of Regional and Local Government and Housing for their commitment and support during the proceedings of the Congress and the valuable contributions during the various workshops and discussions. Through their various speeches and presentations, the local authorities fraternity became aware of the new direction in which the Line Ministry is moving and the Government's new resolutions in terms of taking development to the local level. We appreciate their leadership.

I hereby express our gratitude and appreciation towards all the delegates who participated in the Congress for their contributions, which led to consensus-reached resolutions.

The New Management Committee and staff will work vigorously to implement the resolutions taken.

On behalf of the entire local authority fraternity, I express our deepest appreciation towards all the sponsors that assisted us in making this event a reality. Special thanks go to Omahepu Logistics for logistical support. We've taken note with shock about the untimely death of Ms. Nokokure Karuihe and her four staff members of Omahepu logistics on the 20 April

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2001, while returning from the Congress held from 18-19 April 2001 in Tsumeb. This period was very difficult for the Management, Staff and members of ALAN. We pay tribute to late Ms. Noku Karuihe and four staff members for their contribution. May their souls rest in eternal peace.

I am confident that together we will promote organized local government in Namibia.

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## **A WORD OF WELCOMING BY THE OUTGOING PRESIDENT OF ALAN**

**Hon. Cllr. Priscilla Beukes, President of ALAN**

It is again that time of the year when we as local government meet to review our activities, deliberate on very crucial municipal policy and legislative issues, sharing of best practice examples and of course sharing of experiences and expertise.

I am convinced that we will have fruitful and patriotic discussions in order for us to find common approaches and strategies for socio-economic development at local Level. We as ALAN believe that organised local government is the key to success and will enable us to speak with one voice on issues pertinent for local government survival.

I take this opportunity to give you a warm welcome to this 52nd Annual Congress and wish you fruitful discussions.



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## WELCOMING REMARKS

**Hon. Cllr. V. Mareka, Mayor of Tsumeb**

I have been with a few Councillors and particularly mayors from different towns in Namibia since yesterday night, mayors have never told me about the natural beauty of our town. I have been waiting for this. So I am extending this offer to all mayors to at least contact me after each day in order for me to take them to the spots that are most attractive and to most nice places. I would like to welcome everybody to the beautiful town of Tsumeb and to Oshikoto Region.



It is always a great pleasure to have our brothers and sisters from other regions come to Tsumeb, because we owe our freedom in good measure to what the Namibian nation did to make sure we end the Apartheid local government system. To that extent, this democratic local government system is as much your own as it is ours here in Tsumeb. Therefore, we would like people of Namibia to make an assessment of what we are doing, to indicate whether what we are doing is in line with what the legislation expected when the local authorities dispensation was brought into being, to see how the role players in local governance can contribute to addressing the challenges facing Namibian Local Authority Councillors. We are happy that you are here and we trust that you will look around and make your own critical assessment. It would help and empower us more to act in solidarity with our other Councils to address our common problems.

The theme of this conference is "Local Authorities Unite to put Community Agenda first." We should consider the important question of the use or abuse of political power to gain access to resources and how to address this question. Local government in this country is government at sub-national level, as I am sure is the case in all parts of the country, therefore, it is not merely an institution or implementing agency that is an extension of a

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national ministry. The ruling party, SWAPO, during the liberation movement had a principle slogan as "Power to the People". As part of the process to translate into reality the notion of power to the people, local government becomes very important in finding a solution to the question we have posed for many decades, namely, "How best shall we govern ourselves?" Thus, to achieve development and to bring an end to corruption, it seems to me that the route to go is to say "Power to the People" and to give the notion a practical expression.

I believe that we discuss the issue of local government in the context of empowerment of the people. Having said that, it remains my implicit belief that in a democratic interaction lies a good part of the answer to the question; what shall Namibian Local Authorities do to *overcome* their problems?

Welcome to the Congress and best wishes.

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## REMARKS BY OSHIKOTO REGIONAL COUNCIL

Hon. Cllr. N. Kaiyamo, Member of Parliament



It is indeed my pleasure to be part of this gathering and to address you on behalf of my Governor, who, due to other commitments, cannot be with you today.

Before I proceed, allow me to join His Worship the Mayor, in welcoming you to Oshikoto Region. I must also seize this opportunity to congratulate the leadership of ALAN for choosing this Region to host the Congress in its capital, Tsumeb. It is a wise thought from the leadership of

ALAN to have chosen this theme for the Congress: "Local Authorities Unite to put Community Agenda first." There couldn't be a better theme especially at the time when the decentralisation policy has reached a point of no return. A policy in which the community must be the centre of focus, a policy of which the success will only be measured against the level of involvement of the community in the decision making process.

We, the Councillors of Oshikoto Region, are prepared and ready to join hands with our colleagues in the Local Authority to make sure that decentralisation not only remains a dream come true for the inhabitants of this Region, but now that the decentralisation locomotive has started moving, we together steer it into the right direction for the improvement of the lives of the people of this Region.

In conclusion, invited guests, delegates, ladies and gentlemen, your visit to this Region will be incomplete without experiencing and exploring the beauty nature is offering. Enjoy the hospitality of the Region and its people and we in this Region are looking forward to having you back as tourists.

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## REMARKS BY THE ASSOCIATION OF REGIONAL COUNCILS (ARC)

Hon. Cllr. AK Kapere, President of ARC



It is with great pleasure that I welcome the opportunity to make a few remarks on behalf of the Association of Regional Councils in Namibia (ARC).

Allow me to bring to you fraternal greetings from the rank and file of ARC and in particular from its central committee members. ARC, its entire membership and indeed myself as President of ARC congratulate and wish you all the best at your 52nd Congress.

Master of Ceremonies, ladies and gentlemen, comrades and friends, local authorities in this new political dispensation are faced with inter alia the following challenges:

- Many secondary towns cannot balance their books because they are unable to collect enough revenues due to inefficient revenue collection systems, non payment of services by customers, illegal connections and unaccounted water due to excessive loss in the reticulation system.
- Some secondary towns are unable to raise funds from the capital market to finance their capital investment needs, due to credit unworthiness or the inability to service debts.
- Government loans to local authorities have become expensive or non-existent. A year ago the cost of money (interest rate) was raised to about 16% which is more or less equivalent to the unaffordable financial market rate. In the last financial year government loans to local authorities were limited.
- In many small and middle-sized towns, development policy guidelines and regulations necessary to regulate urban development, and thus ensure sustainable development, are lacking. This situation negatively

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affects the ability of local authorities to render improved services and to expand their accessibility to the communities.

- Another problem is that due to outdated pipes and lack of up-to-date layout plans and designs, water loss due to leakage and illegal connections is a resultant problem experienced by many urban centres in Namibia. Hence there is a need for capital investment to rehabilitate and expand these reticulation systems if access to improved service is to be guaranteed.
- Increasing urbanisation, particularly following the Independence of Namibia, has resulted in urban populations outgrowing the capacity of water, sewerage and electricity reticulation systems.
- Operation and maintenance capacity is very limited in many Namibian local authorities; hence the transfer of know-how and expertise from the private sector is crucial.
- Solid waste management is increasingly being recognised as a basic service local authorities have to render to their communities and thus require awareness building and some capital investment intervention.
- Basic information and data required to efficiently monitor the operations of service is poor, particularly in many small urban sectors. In the same vein, no data and management information on physical system losses is available. Equally, there is no leak detection equipment available to enable many of the local authorities to monitor the actual and potential losses, especially in the wet reticulation systems. The availability of such information is a prerequisite on the part of local authorities to enter into private partnerships with the private sector as data serves as an indicator of the deficiency and hence the investment requirement into the urban infrastructure.

Despite this grim picture, the process of decentralisation in Namibia is a reality which needs to be accomplished efficiently in order to effectively bring government to the people.

The challenges faced by local authorities in Namibia is, however, not unique to local authorities, as Regional Councils experience similar challenges, in particular with regard to development of settlement areas. There is therefore a need that ARC and ALAN make joint-efforts and come up with bold initiatives to tackle the challenges facing both local government and regional councils. It may be difficult to achieve, but once achieved it will be of long-

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term significance and will bring far-reaching advantages to the people of Namibia.

The modus operandi is to facilitate an ongoing process of interaction between ARC, ALAN, the Ministry of Regional and Local Government and Housing and the civil society, so as to practice a people-centred governance targeting poverty reduction and other socio-economic factors facing the Namibian population.

Needless to say, a genuine democratic local government system which provides opportunities for effective ongoing public participation is necessary to enhance good governance and accountability.

On behalf of the Association of Regional Councils and indeed on my own behalf, I wish to extend our willingness to co-operate with ALAN, the Ministry of Regional and Local Government and Housing and other stakeholders towards successful implementation of the decentralisation process.

In conclusion, I wish the delegates fruitful, constructive and blessed deliberation throughout this Congress.

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## ADDRESS BY THE OUTGOING PRESIDENT OF ALAN

**Hon. Cllr. P. Beukes**

It is my distinct honour to share with you all this 52<sup>nd</sup> Annual Congress of the Association for Local Authorities in Namibia (ALAN), which is going to take place during the next few days.

The 52<sup>nd</sup> Annual Congress of ALAN comes at a crucial time when Local Authorities are faced with many socio-economic development problems, the most obvious being financing Local Authorities towards sustainable development. For the past twelve months, the Association has continued to address socio-political



and economic issues which confront our member municipalities. I am happy to report to our members on the tangible activities we have implemented.

The Association has conducted strategic planning sessions for the following municipalities:

- Otavi Municipality
- Keetmanshoop Municipality
- Eenhana Town Council
- Omaruru Municipality

In terms of the Association's vision statement, we have realised that Local Authorities governed and managed with clearly defined direction and objectives will only enhance and improve the service delivery to our citizens, by doing so will uplift the living standards of our people. During this planning, we have provided political and advisory services to the Local Authorities.

With external assistance, ALAN was able to assist Okakarara Town Council with various problem areas such as development of the Industrial Relations Policy, preparation of the financial statements and providing advice to many Local Authorities. We have provided both policy legal and administrative

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advice to Rehoboth Town Council and Koes Village Council. Training and development courses were conducted for the representatives of all our members. Training courses were in Local Economic Development, Management objectives, Value Added Tax (VAT), the Affirmative Action Act, to mention but a few.

The Association played a pivotal role in the process of defining the role of Local Authorities. This we have done through various presentations at the University of Namibia and Polytechnic of Namibia. I am also happy to report to this august house, that ALAN was instrumental in developing a curriculum for the Diploma Course in Urban and Land Management, which is expected to take off from August 2001.

As part of our commitment to capacity building, we were able to send abroad representatives from our esteemed members, namely City of Windhoek, Ongwediva Town Council, Tsumeb Municipality, Omaruru Municipality and Outjo, to international conferences dealing with development of local government. This we achieved through the generous funding from our international partners such as AWEPA, DSE, German Foundation for International Development, United Nations Development Programme (UNDP), Friedrich Ebert Stiftung, the Ministry of Regional and Local Government and Housing and of course the Ford Foundation, which was instrumental in funding ALAN capacity building and its office infrastructure. We express our sincere appreciation to these institutions for their commitment towards local government development.

We were able to retain and fulfil our international commitments. During June 2000, I was privileged to lead a world delegation to the United Nations for the review process on Beijing Plus Five as Chair of the IULA Task Force on Women in Local Government, which I describe as a success. I particularly express our gratitude to the Government of the Republic of Namibia through Hon. Theo-Ben Gurirab, who assisted us in our international commitments in New York and the fact that ALAN formed part of the Namibian delegation to New York.

We still have a seat with voting rights at the World Executive Committee of the International Union of Local Authorities (WEXCOM), retain our vice-presidency at the African Union of Local Authorities and Board membership at the Commonwealth Local Government Forum.

As management of ALAN, we are aware of the many problems Local Authorities have faced over the past twelve months and I must admit that due to limited financial resources at our disposal, we were not able to address those problems. In order for us to be able to address these problem



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to areas of our members, we need resources to assist you. It was in this respect that we introduced the ALAN 2000 Project, which is aimed at strengthening our capacity to address the problems of our members. There has been some improvement on the ALAN 2000 Project, but we still have a long way to go. ALAN as a national association fostering organised local government, has developed its website which contains all the information regarding our member local authorities, including villages. The development of ALAN's website is a result of our strategic goal to create a one-stop information centre on Local Authorities in Namibia and to create opportunities for investment promotion and tourism attraction at a local level.

To effect our integrated approach to development, ALAN has retained its international partners and has also initiated new alliances with the Finnish Association of Regional and Local Governments, United Nations Development Programme and of course with the Ministry of Regional and Local Government and Housing and the Association of Regional Councils. The main aim being to harness all our efforts to develop our Local Authorities as governance closest to the people we serve.

I must stress that only tangible results will be remembered, whereas the intangible remain a "shadow" within our midst.

As the outgoing President, I wish to extend my sincere gratitude towards all members of ALAN, our donors, the Ministry of Regional and Local Government and Housing, Ford Foundation for their support towards the outgoing Management team, and the Secretariat through my term of office. May God bless you.

May I also make use of this opportunity to thank all our sponsors wholeheartedly without whose support this Congress would not have materialised. Last but not least, the ALAN Secretariat and Omahepu Logistics who worked tirelessly to organise this Congress.

In conclusion, Honourable Minister, it is indeed a great honour for ALAN and its entire membership to share this esteemed platform with you today.

On that note, ladies and gentlemen, I wish you well and let us make this Congress a productive process by sharing experiences, ideas and expertise.

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## KEYNOTE ADDRESS

**Hon. Dr. N. Iyambo**

**Minister of Regional and Local Government and Housing**

I am extremely pleased to be here today with you and to be part of the debate on issues related to sub-national governance. It is important to mention at the onset, that our debate must focus on and be guided by the national development goals as stipulated in the National Development Plan i.e. creation of employment; reduction of poverty; revival and sustenance of economic growth; and reduction of inequities and income distribution.



I would like to share with you some of the statistics from the National Planning Commission, in the hope that we will come to common understanding of the magnitude of the problem facing the country in these areas and to help us focus in our discussions on real issues facing sub-national governance.

According to the 1993/94 Namibia Household Income and Expenditure Survey, 38% of Namibian households are poor and 9% are extremely poor. The population growth rate, estimated to be between 2.2% and 3.1%, has leveled out the growth of the economy resulting in almost stagnant per-capita growth and rising unemployment! Inequity remains one of the highest in the World. Even where growth is achieved, this does not trickle down to all citizens and thus some people remain poor even where the National Cake is enlarged! According to National Labour Force Survey of 1997: unemployment in the strict sense is 19.5%, however in a broader sense (including those who are not actively looking for work), it is 34.5%.

The levels and form of poverty varies among and between regions, geographic settings (urban and rural) and between sexes (male and

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female). Very often households suffering from one dimension are often suffering from another one (e.g. ill health and unemployment). In Caprivi, life expectancy is 40 years in comparison to the national average of 52.4 years. Adult literacy rates are lowest in Omaheke and Kunene (about 64%), while the national average stands at 81%. Households in Omusati, Ohangwena and Kavango have the worst access to water supply, ranging from 46.8% to 68.3%. Despite having the best health services, Khomas has the highest proportion of underweight children (18.5%). About 85% of poor households are located in the rural areas mainly in the North.

The above development challenges, are further compounded by the financial limitations of our Government, and will require prudent and innovative ways of allocating resources, so as to maximize impact and hence strive to obtain greater value for money spent. In this regard, the Government has during the current financial year introduced a three year rolling budget, which is performance oriented and clearly linked to sector objectives as set out in the NDP II. All the Public Institutions are required to contribute to improving macro-economic stability through elimination of wastage, hidden recurrent expenditure under Development Budget and elimination of frequent verimentations. This requires from us to revisit some of the sub-national programmes, that the Ministry has hitherto been funding and to do impact assessment in terms of economic growth with equity, poverty reduction, employment generation and sustainable utilization of resources.

For years the Ministry has been subsidising fire brigades for municipalities, while on the other hand the newly proclaimed Local Authorities have no possibility of also benefiting from these subsidies and therefore could not acquire these fire fighting equipment. This situation, I hope you will agree with me, places a question mark in relation to issues of equity, poverty reduction and therefore in light of the limited financial resources, the Ministry will like to take into consideration the new national policy requirements to address these inequities. The Ministry can thus not justifiably continue to subsidise the Municipality firefighting expenditure.

Some local authorities, despite the assistance they have been receiving from the Ministry to improve capacity and upgrade their metering systems and thereby improve revenue collection, still incur huge losses and in some cases resort to utilising subsidy funds for their recurrent expenditure. The

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Government subsidies as reiterated earlier on at the Africities summit, are earmarked for development projects and not for recurrent expenditure.

As a complementary effort to solve the infrastructural capacity problems at Regional and Local Authority levels, especially with regard to trading services, Public Private Partnerships are highly encouraged and it is recommended that you seriously look into forging mutually beneficial ventures in the provision and management of these services with the private sectors.

We would, however, with the assistance of our social partners, continue to mobilise and make resources available for the improvement of capacity at Regional and Local Authority levels. Moreover, Cabinet has approved the local authority reform to look at the overall performance of these entities in terms of their abilities to generate revenue as well as the analysis and identification of additional revenue sources.

I would like to congratulate ALAN for having adopted a draft policy framework on Local Economic Development (LED) in March 2000. As this framework refers to a process of identifying and harnessing local and regional resources and opportunities to stimulate economic and employment opportunity, it is important that in the further development of LED into a White Paper, we closely liaise with the National Poverty Reduction Strategy by NPC, which is in advanced stages of finalization.

The primary aim of the Decentralization Policy is to promote, the improvement of the public service delivery by bringing the service management and provision of public services closer to the users and with the intention of increasing the quality and quantity of services and in the process to obtain value for money spent. The people should have the chance to influence the prioritisation of services and to have a say concerning plans and budgets and participate in the monitoring of the service delivery. From our own experience thus far and from the experiences learned elsewhere, it is generally an accepted fact that when the services are localized, the people see a direct relationship between the revenue and expenditure and therefore there is more responsibility and less wastage. It is thus easier to collect revenue for services delivered or to introduce new sources of revenue. This will improve cost recovery and sustainable utilization of scarce resources.

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Based on the above considerations and the sector goals developed together with the major stakeholders in the preparation of the second National Development Plan, the Ministry has developed and adopted a new Mission Statement as a basis for the strategic management of the Ministry:

*The Ministry of Regional and Local Government and Housing is committed to facilitate the establishment of an effective Regional and Local Government system, which brings government closer to the people and which is capable of delivering services to the satisfaction of all communities. In the process, it provides central government support in the areas of housing and physical planning.*

**The Major Sector Objectives are as follows:**

- Complete the creation of an enabling, regulatory and legal environment in which all levels of government will be able to maximise their governing, development and service efforts.
- Improve the delivery capacity of Regional, Local and Traditional Authorities and create greater client commitment (service citizens as clients and increasing their willingness to pay for services).
- Enhance and maximise citizen and stakeholder involvement and participation in Local Economic Development (LED).

Late last year four very important pieces of legislation enabled us to fulfill our sector objectives, i.e. The National Housing Development Act (Act 28 of 2000); Decentralisation Enabling Act (Act 33 of 2000); Trust Fund for Regional Development and Equity Provisions Act (Act 22 of 2000); Traditional Authorities Act (Act 25 of 2000).

Amendments to the following legislation under the jurisdiction of our Ministry were also promulgated to ensure harmonization with other sector policies and legislation: Regional Councils Act (Act 22 of 1992); Local Authorities Act (Act 23 of 1992); National Housing Enterprise Amendment Act (Act 32 of 2000);

The Ministry has for now all legislative instruments in place for the implementation of Decentralisation Policy and sector objectives. The only outstanding pieces of legislation are the Township and Division of Land Ordinances, which are currently under review.

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In this transformation process, the line ministries will change their role and functions into becoming 1) policy making-, 2) supportive and capacity building- 3) monitoring and quality assurance bodies within the sub-national governments legislative framework 4) as well as regulating bodies (legal control and audit). The Ministry of Regional and Local Government, and Housing will co-ordinate central-local relations and in particular, all initiatives from sector ministries on matters relating to sub-national government.

Honourable Governors, Your Worship the Mayors, distinguished delegates, ladies and gentlemen, with these few remarks I thank you and wish you fruitful deliberations.

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## **BUDGET SPEECH 2001/2002**

**Hon. Dr. N. Iyambo**  
**Minister of Regional and Local Government and Housing**

The magnitude of the development challenges, which are further compounded by the financial limitations of our Government, require prudent and innovative ways of allocating resources, so as to maximize impact and hence strive to obtain greater value for money spent. I would therefore like to congratulate the Honourable Minister of Finance, for introducing a three-year rolling budget, which is performance oriented and is clearly linked to sectoral objectives as set out in the NDP II.

The primary role of the MRLGH is to co-ordinate and to spearhead the policy of Decentralisation. This policy is in essence aimed at promoting one primary goal, this is to improve the public service delivery by bringing the service management and provision of public services closer to the users and with the intention of increasing the quality and quantity of services and in this process obtain value for money spent.

The people should have the opportunity, to influence the prioritisation of services and to have a say pertaining to plans and budgets and participate in the monitoring of the service delivery. From our own experience thus far and from the experiences learned elsewhere, it is generally an accepted fact that when the services are localized, the people realize the direct relationship between the revenue and expenditure. This causes more responsibility and less wastage. It then becomes easier to collect revenue for services delivered or to introduce new sources of revenue. This will improve cost recovery and sustainable utilization of scarce resources.

Based on the above considerations and the sector goals developed together with the major stakeholders in the preparation of the second National Development Plan, the Ministry has developed and adopted a new Mission Statement as a basis for the strategic management of the Ministry:

The Ministry of Regional and Local Government and Housing is committed to facilitate the establishment of an effective Regional and Local Government system, which brings government closer to the people and which is capable of delivering services to the satisfaction of all communities. In the process, it provides central government support in the areas of housing and physical planning.

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**The Major Sector Objectives are as follows:**

- Complete the creation of an enabling, regulatory and legal environment in which all levels of government will be able to maximise their governing, development and service efforts.
- Improve the delivery capacity of Regional, Local and Traditional Authorities and create greater client commitment (service citizens as clients and increasing their willingness to pay for services).
- Enhance and maximise citizen and stakeholder involvement and participation in Local Economic Development (LED).

In this regard, I would like to thank the Honourable Members for your hard work in promulgating late last year four very important pieces of Legislation. Namely, The National Housing Development Act (Act 28 of 2000); Decentralisation Enabling Act (Act 33 of 2000); Trust Fund for Regional Development and Equity Provisions Act (Act 22 of 2000) and Traditional Authorities Act (Act 25 of 2000). This enabled us to fulfil our sector objectives.

Amendments to the following legislation under the jurisdiction of our Ministry were also promulgated to ensure harmonization with other sectoral policies and legislation: Regional Councils Act (Act 22 of 1992); Local Authorities Act (Act 23 of 1992) and National Housing Enterprise Amendment Act (Act 32 of 2000).

The Ministry has for now all legislative instruments in place for the implementation of the Decentralisation Policy and sector objectives. The only outstanding pieces of legislation are the Township and Division of Land Ordinances, which are currently under review.

In this transformation process, the line ministries will change their role and functions into becoming 1) policy making-, 2) supportive and capacity building- 3) monitoring and quality assurance bodies within the sub-national governments legislative framework 4) as well as regulating bodies (legal control and audit). The Ministry of Regional and Local Government, and Housing will co-ordinate central-local relations and in particular, all initiatives from sector ministries on matters relating to sub-national government.



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Honourable Members,

We have taken pro-active measures in support of the performance based budgeting initiative by the Ministry of Finance. In the effort to bring the strategic management to the directorate level the Ministry has carried out management by objective training, including an exercise to define goals and objectives for each one of the directorates and their units. Based on this, the directors and heads of units have conducted performance talks with their staff.

Resulting from the above exercise, the Ministry will soon finalise its restructuring process to make provision for only four directorates instead of the current five. This will bring about a saving of ±N\$400 000 for salaries only.

In order to ensure smooth transfer of responsibilities to the Regions, the Ministry has undertaken a Capacity Needs Assessment Study in all Regions. Due to this study, a new personnel structure for the Regional Councils has been recommended to the Public Service Commission and was approved by the Office of the Prime Minister late last year. Although, this will require additional funding for now, in the end the additional posts should not increase the overall personnel expenditure of the Civil Service, because posts created at regional level should replace posts at central level as the recruitment will be done from within the Public Service in order to ensure horizontal and vertical mobility of staff. The ideal situation will be the one whereby the centre will shrink while the sub-national level will expand.

We have made progress in a number of key areas in terms of the Implementation of Decentralization Policy:

**FISCAL DECENTRALIZATION:**

- Fiscal and accounting instructions were issued to Regional and Local Authorities as provided for in the respective two Acts.
- Transfer mechanisms are in place and this will be the second year of transfer.
- Now that the Trust Fund Act is in place, the Ministry is busy setting up the Board of Trustees and all other requirements as stipulated in the Act. Suffice to mention that the Trust Fund will be used as a vehicle for equity for Regional Developments.

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## **HOUSING PROVISION:**

This remains one of the main priority areas of the Government for development. It is, however unfortunate, that it has not been given the priority it deserves during NDP I. The Legislative Framework is now in place and the Ministry is committed to give greater focus during NDP II implementation.

We have already decentralized the function of providing houses to Regional and Local Authorities. There are already visible signs of empowerment and the people making effective decisions on issues that are directly affecting their lives.

The local and regional councils have established Decentralized Build Together Committees with the aim to implement and monitor the construction of houses in their respective areas. Since the Decentralized Build Together Programme cannot continue to depend on central Government funding in the long term, the newly promulgated National Housing Development Act of 2000 makes provision for the creation of a revolving housing fund in each town, village and settlement. Initially, funds to the revolving housing funds are to be capitalized from the development allocations, transfers and repayment premiums of granted loans to beneficiaries from the fund. In future, budget allocations to regional and local authorities shall be determined in accordance with achievements, or progress made on the previous budget allocations.

## **HABITAT ACTIVITIES:**

The Government of Namibia is a signatory to the Istanbul Declaration on Human Settlement. It has committed itself to the implementation of the Habitat II Agenda and the Global Plan of Action by contributing to and participating in multilateral, regional bilateral cooperation programmes and institutional arrangements, promoting the exchange of appropriate technology, collecting, analyzing and disseminating information about shelter and human settlements and by international networking.

The Ministry through the National Habitat Committee has embarked upon a strategy to create an enabling environment and promote full participation of all actors and groups in the housing sector and human settlement. The Ministry wishes to continue funding for the members of Community Based Organization (CBO'S) to attend workshops and conferences on issues of

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human settlement development, and especially on shelter aspects. The Ministry as the focal point for Habitat activities in Namibia shall continue to coordinate national and international efforts to address the shelter problem and human settlement development of our country.

### **ESTABLISHMENT OF GROWTH CENTRES:**

The Ministry has proclaimed thirteen (13) towns in accordance with NDPI .

Currently, the Ministry is working towards proclaiming a second town in regions where there is only one town. These Regions are Omaheke, Caprivi, Omusati, Kavango and Oshikoto.

In the field of town planning, good progress has been made during the past financial year. Funds are earmarked for the development of Omuthiya, Otjinene and Okahao as Towns.

Allow me to highlight some pertinent features of the budget allocation for the Ministry of Regional and Local Government and Housing. The total financial resources required to fulfil the objectives of the Ministry amount to N\$ 394,081,000. The largest portion of these funds, N\$139,628,000 is earmarked for the Subsidies and other current transfers. This standard item includes:

- Backlog to be paid in subsidies for Streets and Fire Brigades. Please take note that the responsibility for subsidizing Street maintenance will be taken over by the newly formed Road Fund Administration.
- Trust Fund for Regional Development and Equity Provision.
- Housing Provision for the low income, through Build Together Programme.
- Subsidies to Towns and Villages.

The second largest portion **N\$ 105,962,000** is earmarked for goods and other services:

This standard item among others includes:

- Capacity building (Training) of the Ministry and Regional staff
- Backlog payment to utilities for services to Towns, Villages and Settlement areas.
- Maintenance of GRN buildings in the Regions

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- Transport vehicles
  - Local Authority Reform -as reported to this house last year.

With that overview on the budget, please allow me to attempt to very briefly link the resources required to the specific objectives of the Main Divisions in the Ministry.

### **Main Division 01: Office of the Minister**

This division deals with the administration of my office, which is to oversee and ensure that all Government policies with regard to sub-national governance are properly implemented and to guide towards the achievement of overall objectives.

Total amount of two million six hundred ninety two thousand dollars (**N\$2,692,000 = 0.8%**) is allocated to this division. This means **0.7%** less than during the previous financial year. Additionally, the money allocated to fund the conditions of service of the three drivers will be transferred to the Ministry of Home Affairs.

### **Main Division 02: Administration**

This division advises and assists in the development of policies of the Ministry in accordance with the national objectives. This Main Division is furthermore responsible for providing advice training, asset management and administrative support to the sub-national governments in the implementation of the policy to decentralise personnel and taking on financial responsibilities.

An amount of twenty four million six hundred seventy nine thousand dollars (**N\$24,679,000 =7.3%**) is required to fund the activities of this division. The amount is more than last year due to the inclusion of salaries of ex-combatants.

### **Main Division 03: Regional, Local Government and Traditional Coordination**

The objectives of this division are twofold:

1. To improve delivery capacity of Regional Councils and Local Authorities and Traditional Authorities in order to enhance and maximize Local Economic Development (LED).

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2. To create the enabling regulatory environment in order to come up with the promulgation of new towns, villages and settlement areas for new growth points.

An amount of **N\$ 101,832,000** is provided for **subsidies and other current transfers and N\$ 34,119,000 for goods and other services**. I have already explained in my budget overview what is included in these two items.

Two million dollars (**N\$ 2,000,000**) is included for Local Authority Reform. An amount of twenty five million dollars (**N\$25,000,000**) is to be transferred to the Trust Fund for Regional Development and Equity Provisions to be used for addressing the imbalances at Regional and Local level.

A total amount of one hundred forty four million four hundred ninety seven thousand dollars (**144,497,000 = 42.9%**) is requested to fund the activities of this division.

#### **Main division 04: Professional Services Coordination**

The objectives of this division are to coordinate, advise, control and support the Regional and Town planning programs in all regions. It also assists in project identification, prioritization, feasibility studies proposal and updating of regional plans, as well as to assist with technical and financial services and execution of development projects.

Eleven million six hundred seventy one thousand dollars (**NS11,671,000=3.5%**) is requested to allow the division to carry out its functions.

#### **Main Division 05: Housing and Habitat Coordination**

The task of this division is to facilitate, regulate and allocate resources for the provision of affordable housing to low and ultra-low income groups.

All funds for the Decentralized Build Together Program (N\$ 22 million), Social Housing (N\$ 1,5 million); Single Quarters (N\$ 8 million); and Informal Settlements (N\$ 2,5 million), are to be transferred to Regional Councils and Local Authorities to implement programs themselves.

It is important to note that single quarters are not to be renovated, but will be completely dismantled and replaced with family units, as the funds become available.

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We are all aware, that the Apartheid Regime in execution of its sinister political schemes, deliberately neglected Lüderitz and even tried to strangle the Town. The concerted effort by the GRN to attract investments to the Town and maximize its economic growth potential is bearing fruits. However, this economic recovery has on the other hand attracted many job seekers from all over the country. The even development for Lüderitz is too costly and the financial resources are limited. This has led to the rise of shantytown nick- named the "Sand Hotel".

This eyesore is bound to negatively affect the economic gains we have made thus far. We have therefore to do something meaningful now! The Ministry in response has commissioned a social survey to determine the levels of affordability and the study results are due soon. We have allocated N\$ 4 million from this vote, while additional N\$ 3 million will be made available from the Trust Fund for Regional Development and Equity Provision. These N\$ 7 million will be given to the National Housing Enterprise (NHE), to start the soonest with the construction of houses in Lüderitz in order to address the "Sand Hotel" issue.

Again, with regard to Lüderitz, I would like to invite all relevant Ministries, and in particular, the Ministries of Trade and Industry; Fisheries and Marine Resources; Mines and Energy, as well as Environment and Tourism, to exert their influence on the housing subsidy policies of Companies under their jurisdiction, by using policy and other incentive mechanisms.

The challenge all over the country to provide affordable housing is immense and will require the involvement of all stakeholders. The private sector's involvement in particular is indispensable. The Ministry is determined to make Lüderitz a success story for Public/Private Partnership in development.

Housing ownership is really a problem and due to unemployment, the Ministry has been in contact with all local authorities to give a breakdown of the number of pensioners, unemployed and destitute. So far only the following places have given us clear breakdowns: Otjinene, Koes, Kamanjab, Stampriet, Katima Mulilo, Opuwo, Oshakati, Rundu, and Windhoek. For them a total amount of **N\$1,353,078-84** will be paid from the Trust Fund, which money will be paid back to Treasury, minus transfer costs to pay for pensioners, destitute and unemployed to have ownership. For all local authorities, all scheme houses, which are more than 20 years old have to be alienated.

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In order to reduce the rate of importing costly building materials from abroad; there is a need to promote the use of local indigenous building materials and design. The Ministry has made a budget provision (N\$ 500 000) for a Research and Development Center to be constructed during 2001/2002 financial year. The center is to be located in Katutura in order to allow accessibility of the poorest of the poor to any information about housing aspects. National Housing Enterprise will manage the center on behalf of the Government, with the involvement of other stakeholders.

A sum of thirty eight million one hundred sixty eight thousand dollars **(N\$38,168,000=11.3%)** is provided for the main division.

#### **Main Division 06: Decentralization**

This division is tasked to coordinate and spearhead the process of Decentralization as well as capacity building both at central, regional and local levels.

The directorate's main objective is to ensure that participatory democracy and sustainable development are achieved through decentralization.

An amount of twelve million three hundred and three thousand dollars **(N\$12,303,000)** is budgeted to fund the activities of this division, including personnel costs.

#### **Main Division 07: Regional Offices**

This division's main objective is to initiate development in order to achieve national objectives, and by so doing, bringing Government services closer to the people, as well as the administration of settlement areas.

An amount of five million dollars (N\$5,000,000) is budgeted under this main Division for Traditional Authorities. Of this amount, N\$1,100,000 has been identified for viable projects identified by the traditional authorities, in addition an amount of N\$1,000,000 for subsistence and traveling allowances of traditional leaders when attending meetings at national level, including administrative tasks for the chairperson and deputy is made available.

An amount of four million six hundred eighty thousand dollars (N\$4,680,000) is also to be transferred to the Trust Fund for Regional Development and Equity Provisions for the purchase of vehicles for regional councils.

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A total amount of one hundred and two million seven hundred thirty three thousand dollars (**N\$102,733,000 = 30.5%**) is required to fund the activities of this Division.

### **Development Budget**

In terms of the Development Budget, an amount of fifty seven million three hundred thirty eight thousand dollars (**N\$57,338,000**) has been budgeted by the Ministry. The entire allocation is intended for the regions.

These modest but important achievements by the Ministry were made with limited human and financial resources available. The backlog in service delivery in the Regions and Towns remain unacceptably high. The People are demanding services, however the resources are limited. Many of the Projects proposed by the Regions for funding could not be funded during the NDP II. The Ministry is planning to organize a Regional Donor Conference in collaboration with the National Planning Commission and to seek support for Projects meeting national objectives identified by the Regions and not yet funded.

On the other hand, to overcome the shortage of qualified and trained manpower, the Ministry together with other social partners, has now embarked on continuous training initiatives for all Regional and Local Authorities staff to complement and eventually guarantee the process of decentralization and its success.

I would like to express my sincere gratitude for the varied support my Ministry is enjoying from our social partners in this process of implementation of decentralization.

EU: Infrastructure Development and Rehabilitation mainly sewerage systems.

UNDP: Awareness raising, capacity building, strategic planning for Decentralization implementation and Public/Private Partnership Urban Environmental Management.

GTZ: SWAM Project, also targeted at some towns.

DSE: Management by objectives, stakeholders ALAN & ARC.

FES: Awareness raising and management training for local authorities.



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FINNIDA Capacity Building for Regional and Local specifically for newly proclaimed towns at this point.

SIDA: Water Demand Management in Local Authorities.

IBIS: Capacity building in some Local Authorities.

WORLD BANK:(PHRD Grant from Government of Japan)

### **Sub-national Government, Development Project**

Focusing on Inter-Government Fiscal Relations, Sub-national Government Sector Institutional and Capacity Building, Municipal Infrastructure Investment needs and Policy options.

In conclusion, I wish to thank Hon. Minister of Finance for the allocation to this Ministry, which was done within the country's limited financial means.

I now request the Honourable House to approve the sum of three hundred ninety four million eighty one thousand dollars (**N\$394,081,000**) with those changes as enumerated above, to enable the Ministry to fulfill its obligation for the 2001/2002 financial year.

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# LOCAL AUTHORITY REFORM AND ITS IMPLEMENTATION STRATEGY

Mr. S. /Goagoseb

Permanent Secretary Ministry of Regional and Local Government and Housing

The objective of Local Authority Reform is ensuring the financial sustainability of Local Authorities.

**Basic service delivery** in towns and villages includes:

- Wet services
- Sanitation
- Solid waste management
- Electricity
- Housing

**Management of services** includes:

1. Financial Management System: Billing System
  - Installation of meters
  - Accurate meter reading
  - Data capturing
  - Billing System Processes
2. Financial Management System: Development of an integrated municipal finance system
  - Accounting system
  - Salary system
  - Rates and taxes
3. Operation and Maintenance
4. Rehabilitation of Infrastructure



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## 5. Extension of Services

- Planning surveying and servicing of new areas
- Development of master plans

## 6. Town Planning Scheme

***Intervention Areas*** include:

- Capacity building of managerial and technical skills
- Policy formulation of regulation and procedures; standardised financial manuals; and professional code of ethics.
- Good governance relating to civic awareness, the functions of Local Authorities, the roles of Councillors and staff, transparency and accountability and customer care.
- Infrastructure development such as the rehabilitation of basic services, the development of capital projects and the extensions of services to new residential and industrial areas.

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## QUESTION AND ANSWER SESSION

- *The process of decentralisation is monitored by the respective line-ministry. What measures are taken/what mechanisms are in place for monitoring if a ministry wishes to decentralise functions?*

Legislation on the Decentralisation Enabling Act was promulgated; there is a provision that any ministry wishing to decentralise a function contacts the Ministry of Regional and Local Government and Housing, which Gazettes it. The initiating ministry must ensure that it complies with all requirements and check-points. The Ministry of Regional and Local Government and Housing presents the decentralisation request to Cabinet, which must approve it.

- *Will the proposed workshop between the Ministry, Local Authorities and Regional Councils be conducted on a regional or one-spot basis?*

The modalities of the workshop are being worked on. However, as it would be costly to visit each Local Authority, the workshop will be held in Windhoek, thus facilitating a brainstorming rather than individual session.

- *Savings regarding water were indicated in the presentation. How will these savings be realised?*

Savings are derived by reducing the current amount of water losses incurred by Local Authorities to acceptable levels. Acceptable water loss rates can be realised by implementing water management e.g. addressing the billing and tariffs systems. The resulting increase in revenue should decrease dependency on government.

- *Regarding the planned workshop for ALAN, ARC, local delegates and/or institutions, will the executives of ARC and ALAN be invited?*

The answer refers to the element of greatest impact. Information on meetings may not filter down to various towns and regions by being restrictive, however, technicalities will be finalised and people will be advised.

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- *What measures will the system of reform have in place regarding the delivery of services, particularly the pre-paid system as an effective measure to save costs and circumvent harsh measures meted out to traditional non-payment? It is understood that under the pre-paid system debts cannot be made and it is used only as required. To what extent is reform targeting such mechanisms to incur savings?*

The pre-paid water meter system will be investigated for the best, most reliable option. No problems were experienced with the pre-paid electricity meters. Pre-paid water must meet a quality standard e.g. SABS or European standards, for reliability. It is agreed that the pre-paid system enhances Local Authorities' revenue flows and good relations as services are not suspended for non-payment. The ultimate measurement will depend on the number of pre-paid systems installed and the question of price. Economic gains justify investment provided the quality is right.

- *Regarding alternative revenue sources, will the Ministry of Regional and Local Government and Housing present a policy document? Local Authorities may then be in competition with the private sector. To what extent can Local Authorities pursue alternative revenue?*

Competition is healthy. The ultimate aim is to achieve service delivery to the community at an affordable and sustainable level, thus if Local Authorities can provide this better than the public sector, so be it. The Ministry is hesitant to issue too many policies, yet will conduct an analysis. The Ministry of Agriculture, Water and Rural Development is currently establishing a pricing tribunal for pricing structure of monopolistic organisations which will put a cap on pricing and necessitate work on the minimisation of cost of operations. It must be noted, however, that the entire process is continuous, yet imperfect with as its final goal the delivery of affordable services at a sustainable level.

- *There is a concern: Any reforming organisation must ensure that the resources necessary for reform are available. Has the Ministry considered reform implications ahead for its partners such as Local Authorities? If workshops will occur, has the Ministry considered representation per Local Authority?*
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One needs resources to implement any objective. The Ministry has budgeted N\$4m over a three year period. There are an additional N\$23m available for such initiatives in the Trust Fund for Regional Development. Additional support is also available from the GTZ and the Finnish government. To ensure that these resources are co-ordinated towards a common goal, a unit has been established which is headed by the Director of Decentralisation and will have a steering committee of stakeholders. This framework will maximise resources. The level of representation will be contingent upon the objective to be achieved, hence specific groups will be targeted for different objectives.

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## THE NAMIBIA ASSOCIATION OF LOCAL AUTHORITY OFFICERS (NALAO)

Mr. M. Shipanga, Chairperson of NALAO and CEO City of Windhoek



NALAO stands for Namibia Association of Local Authority Officers. It was adopted to replace the previous Town Clerk's Forum, which was transformed and restructured, so that the membership of NALAO is broadened to include all Heads of departments or the equivalent. This decision was taken at the AGM where the constitution was amended accordingly and an Executive Committee was put in place.

The specialized organized groupings within the Local Government fraternity will also be allowed to organize under NALAO, such as Engineering Experts, Treasurers etc.

NALAO is a technical platform where professionals can jointly identify and discuss Local Government challenges from a technical point of view, and advise each other accordingly.

NALAO should therefore serve as a technical partner of ALAN, a move that can strengthen ALAN technically.

NALAO is a platform to share ideas at a technical level on issues such as population growth, squatters, handle political interference, unemployment and translate political issues into tangible technical solutions.

The Mission and summary purpose of NALAO are outlined as follows:

**MISSION:** To enhance effectiveness and excellence in Local Government Administration

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**GOALS:**

1. Identify and meet education and training needs in Local Government Administration
2. Be an influential voice for Local Government Administrators to all Stakeholders
3. Set and maintain ethical and professional standards for Local Government Administrators
4. Network and communicate with individuals and other interest bodies

It is very important that the objective of NALAO is well understood.

The relationship between NALAO and ALAN will be a complementary partnership role between the two for the benefit of the people, rather than a duplication or competition.

In conclusion, NALAO is not in any way a Trade Union. I urge Councils to recognize NALAO in the same way the Town Clerk's Forum was recognized as part of Local Authorities official activities.



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# **THE NEED FOR LOCAL AUTHORITIES TO ADOPT LOCAL ECONOMIC DEVELOPMENT (LED) STRATEGIES THROUGHOUT NAMIBIA**

**Mr. HN Nghinamwaami, Strategic Executive City of Windhoek**

## **Introduction**

The Association for Local Authorities in Namibia (ALAN) adopted a draft policy framework on Local Economic Development (LED) to enable local authorities to identify the potential of the local economy and its resources to market local areas and to formulate individual LED policies in line with local dynamics. In response, the City of Windhoek recently appointed a consultant to assist in formulating a Local Economic Development (LED) Strategy, which will be implemented as from August 2001. Although there was no direct linkage between our response and the ALAN conceptual policy framework mentioned above, the correlation and potential synergies are apparent.

The objective of the project is to prepare a five-year Local Economic Development (LED) Strategy for the City of Windhoek that provides a practical, development-focused and integrated plan of action. The LED Strategy will address the major priorities facing the City of Windhoek through a series of development strategies and activities. Furthermore, the LED Strategy will:

- Recognise the current policy environment;
- Identify market conditions that influence the local economy;
- Consolidate the major initiatives and plans of the City of Windhoek;
- Promote collaboration and harmonisation of programmes and activities that intervene in the local economy;
- Focus upon achievable outcomes within a well-defined timeframe;
- Identify the resources (e.g. funds, skills, technical inputs) required for strategy implementation; and
- Identify and respond to the internal capacity requirement for strategy implementation.

Therefore, my intervention today is aimed at encouraging an interactive debate on LED and stress the importance for local authorities to adopt LED strategies aimed at stimulating local economic development throughout Namibia.

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## **LOCAL ECONOMIC DEVELOPMENT: Definitional Imperatives.**

Local Economic Development (LED) is understood to mean amongst others:

- Using community and social development processes to stimulate investment, job creation and develop a more robust economic base;
- Stimulating opportunities that generate additional income and jobs, while preserving and enhancing the features that make the local community special;
- Involving local people in decisions about their economic futures;
- Creating a local economy that is more resilient, durable and diversified;
- Fostering local visions and goals for development that are broadly agreed upon - even where there are diverse needs, interests and aspirations;
- Using development processes that are compatible to the aspirations, needs, values and resources of the community;
- Adopting a 'holistic' approach to development that recognises the connections between the social, cultural, environmental and economic aspects of the community;
- Encouraging collaboration between public, private and community sectors; and
- Educating residents about local economy dynamics and economic development processes.

As far as government is concerned, the responsibility for stimulating economic growth and job retention is no longer a sole mandate of Central Government. Rather it is a common challenge that all local and regional authorities must now confront. Each local authority is faced with peculiar and pressing development needs. The question is, how do we address these? The need to place LED Strategies at the centre of the agenda of all Local Authorities can therefore not be overemphasized. Hence, it is essential that all authorities develop a firm understanding of the importance of local economic development issues. It is imperative that local authorities pursue a dual approach of both stimulating economic growth and increase the access of previously disadvantaged communities to economic opportunities. Such conscious efforts both at local, regional and central government level, would greatly enhance the economic transformation process.

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This effort should be aimed at transforming our national economy from being white male dominated to the one whose ownership management and control represents the demographic set up of the country and reflects the overall fundamental aspirations of the majority of Namibians.

Local economic development in general is the mobilisation of the various local and external actors to enhance the potential of local areas. The process would thus have to assume a partnership dimension as opposed to individual and localized effort. LED refers to a process of identifying and harnessing local and regional resources and opportunities to stimulate economic and employment activity. These resources could be natural, community-owned, privately owned or human and financial in nature. LED initiatives giving effect to this may be private, community-based or government-driven. The scope, magnitude and extent of these initiatives or projects would be informed by the material conditions that obtain in any particular locality.

Planning for local economic development requires the recognition of broader policy frameworks that shape the local communities and their economic development potential and taking the social conditions that impact on development into account.

For any city, town or village, it is necessary that LED efforts complement national policy frameworks such as the Decentralisation Policy, Gender issues, the SME Development Policy, Affirmative Action and Black Economic Empowerment (BEE) as well as the legal issues affecting Local Authorities.

Promoting local economic development means organizing the material and social changes needed for sustainable improvement in the living conditions of the local population. Local economic development is not a specific program, rather it is a series of policies and activities that contribute to creating a healthy economic environment. It is important that local authorities incorporate their economic priorities into the overall planning process. Local authorities can help ensure that supporting economic growth schemes remain at the top of their agendas by establishing plans that incorporate the input and co-operation of all municipal departments and community stakeholders towards realizing development objectives.

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It is important to plan and implement development initiatives that create a positive change in the local economy. Specifically, this is likely to involve:

- Identifying local and regional competitive advantages that can be maximised through local efforts;
- Bringing more money to the local economy;
- Keeping money circulating within the local economy for longer periods, thus, reducing its leakage
- Identifying new markets and development possibilities;
- Understanding existing markets better and how they can be expanded or strengthened;
- Finding new resources and new uses of resources;
- Using existing resources more effectively; and
- Increasing the net number, quality and variety of local jobs.

### **Development Priorities**

The LED Strategy will be required to establish a priority set of development goals to be tackled. Presently the following priorities could be selected:

- The development of employment opportunities, principally through the promotion of small, micro and medium-sized enterprises;
- The promotion of local and foreign investment opportunities; and
- Addressing the social and economic needs, opportunities and aspirations of young women and men living within the city, town or village.
- Adopting deliberate policy guidelines aimed at effecting the concept of Black Economic Empowerment (BEE).
- Streamlining and rationalizing LA procurement procedures to benefit BEE enterprises.

### **Situational Analysis**

Local economies are currently influenced and pressured by a scarcity of resources, rapid rate of rural-urban migration, poverty and high unemployment. Almost all-main economic centres of Namibia are currently faced with the scorch of rural-urban migration, which develops into a rising demand for housing, shelter and other urban basic services. This further puts stress on LA's resource-base and their capacity to deliver. Concomitantly, the situation generates poverty and unemployment, which undoubtedly introduces an additional dimension to the overall challenges discussed earlier.

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One of the key goals for local economic development should therefore be poverty reduction by adopting sub-strategies that promote equity and participation. A local economic development strategy can address poverty in a number of ways, including job creation, workforce development, infrastructure development, community development. This has to be a process of participatory development where communities, particularly new arrivals realize the value of involvement and thereby owning the process. This approach, which is rather unconventional, helps to neutralize the dependency syndrome and the dichotomized power-relations of "us and them". It engenders a sense of belonging, ownership and responsibility.

The local authorities are encouraged to take bold initiatives, develop partnerships with the public and private sector, and mobilize all sectors of the local economy, as well as their local population especially the youth, by involving them in the decision-making process and encouraging their participation in public accountability.

Fiscal control measures are at present, relatively ineffective in most Namibian local authorities, considering the lack of compliance with regulations, fiscal discipline and the increasing misappropriation of funds in some LA's. Local authorities in Namibia are unable to mobilise the resources required for local development to take place, despite the availability of land and other resources. These factors are weakening our institutional capacity to finance development activities.

## **STRATEGIES FOR LOCAL ECONOMIC DEVELOPMENT**

The following sub-strategies could be used as building blocks for an overall LED strategy at local level.

### **1. Small, Medium and Micro Enterprise Development**

Local authorities can help ensure that local businesspersons have access to the above-mentioned and are supported by an enabling local policy environment. LA's could achieve some if not most of their developmental objectives by utilizing the facilities at their disposal to assist local businesses in a variety of ways. These may include information dissemination, establishment of local business service centres, creation of a conducive regulatory environment to allow for SMME development. In addition, the simplification of tender procedures as well as other procurement related

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documentation would go a long way in facilitating business development at local level. Some of these initiatives could be located within the context of the most talked about concept of Public Private Partnership (PPP) which will be addressed by other presenters.

## **2. Utilization of Land, Buildings and other Public Assets**

Local authorities can play an active role in encouraging growth and development by creatively utilising the land, buildings and other assets owned by them. Ownership of land provides local authorities with an important tool to mobilise investments and encourage development of target areas.

Public assets can be used to support the local economy by using underutilized buildings, such as workshops, sheds and shell buildings to attract outside companies or to retain existing companies that are expanding.

## **3. Public Private Partnership for Infrastructure and Service Delivery**

One of the most effective ways that local authorities can promote development is by improving infrastructure and service delivery. An efficient, well located and managed infrastructure network -which includes water and electricity, waste disposal sites, sanitation and transport, communication and road networks -is one of the key factors for attracting investment.

Whilst local governments have the ultimate responsibility to ensure that infrastructure and services are delivered, they do not necessarily have to provide these services directly. There is therefore a need for LA's to integrate OUTSOURCING strategies in their LED initiatives. Outsourcing is at times perceived in a negative light as being "foreign and dangerous". However it could serve as an effective tool with which local authorities can meaningfully contribute towards the empowerment of their people and the emerging black business sector.

The rationale for outsourcing is, in a nutshell, to reduce overheads and inefficiencies and maintain an average staff compliment for peak and slump times. It further creates specialization benefits in organization while generating opportunities for Black Economic Empowerment companies.

It is imperative to note that local authorities would still need to maintain skeleton staff in order to manage the outsourced functions. We should stress that only non-core (non-LA) functions need to be outsourced.

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Other forms of PPP include:

- Service and Management contracts
- Leasing
- Joint operations

These are key pillars of modern development tools which should be embraced by all local authorities in Namibia. Space and time would not allow an elaborated discussion of these tools but will be dealt with in future.

One should however, caution that after these strategies have been implemented, local authorities have to ensure that the newly formed PPP framework serves the public's best interest and guard against monopoly pricing, provide equitable access to services and prevent unfair labour practices.

#### **4. Business Retention and Expansion**

The retention, expansion and attraction of business and industries are one of the most productive ways of creating employment and stimulating the local economy. Probably the single most effective approach for a community is retention and expansion.

Some experts argue that as much as 70 to 80 percent of a community's business development activities should focus on assisting business and helping to create an environment where they can grow.

These efforts tend to be much less costly than initiatives to attract new businesses and often prove to be much more successful. The goal of these is to lower business costs, expand markets, develop the labour force, improve infrastructure and provide local amenities, which will enable local businesses to operate successfully and employ more local citizens.

#### **5. Promotion of Local and Foreign Investment**

LED should emphasise the opportunities, needs and challenges facing the economies of local authorities, through:

- Fostering new businesses;
- Attracting investment and resources from outside;
- Reducing the outflow of resources; and
- Enhancing the image of the local economy to potential investors.

Local authorities should promote collaborative and partnership agreements with many organizations, through its leadership and vision. There is a need

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to know the comparative advantages of the city before you can sell it to potential investors.

For most companies, the major motivations in any decision to expand local operations or relocate to another area include:

- Proximity of markets
- Proximity of customers
- Proximity to suppliers
- Access to significant resources
- Access to natural resources
- Access to skilled labour
- The level of technological advancement and
- The cost of living, including access to well-managed public facilities, e.g. schools and health.

## **6. Capacity Building**

Human resources development is pivotal to economic success. Efforts to develop the human resource base of a community are designed to provide citizens with the skills they need and information they require to find and secure employment. Although local authorities do not play a direct role in education policy, they can encourage educational institutions, NGO's and community organisations to develop job on training programmes. Again, PPP's would be needed to drive this strategy. The creation of the Joint Consultative Committee (JCC) between the City of Windhoek, NCCI, The Ministry of Trade and Industry and other private sector stakeholders is one good example.

## **Conclusion**

A vibrant local economic development (LED) strategy can result in the use of local human resources by the local authorities to create an effective economy that is flexible according to needs and aspiration of their communities. Such local economies would also be powerful and stable, through the stimulation of investment, job creation and a robust economic base, SMME development sub-strategies. Promoting local economic development assumes coordinating individual and collective efforts with a shared vision of a community's future in terms of its ability to take charge of and develop its territorial resources for the benefit of the people who live there.



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By implementing LED Strategies throughout Namibia, local communities can make better use of their human, physical and financial resources to enhance development opportunities and the improvement of their standards of living.

Finally, it should be taken into account that an effective LED Strategy must recognise the conditions of influence of a specific local authority, i.e. the rate of rural-urban migration, poverty and unemployment trends and dynamics, and emerging and current market opportunities. These conditions will differ from town to town.

Therefore, it is of imperative and vital that local authorities implement practical projects that can be implemented and sustained in line with their principal development roles. The challenge is now on Local Authorities to make a difference in their domains. The City of Windhoek has already assisted a number of local authorities in various areas of expertise and we remain committed to assisting those who would like to take up this challenge.

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# **LOCAL ECONOMIC DEVELOPMENT (L.E.D) POLICY FRAME WORK**

**ALAN in partnership with UTN,  
supported by the Friedrich Ebert Foundation**

## **1. Introduction**

The Association of Local Authorities in Namibia (ALAN) held its Annual Conference on 16/17 March 2000. As part of this conference, a draft policy framework on Local Economic Development (LED) was adopted.

The policy framework shall:

### **1.1. Guide Local Authorities to**

- identify the potential of the local economy and its resources
- market local places at local, national and international levels
- formulate individual LED policies in line with local dynamics

### **1.2. Enable Local Authorities to**

- find a uniform approach towards reaching the same LED objectives
- share their experiences

### **1.3 Assist Local Authorities to**

- ensure a co-ordinated approach to LED
- bind relevant institutions and stakeholders to direct their resources and energy in the same direction
- enhance recognition by central government

In doing so, the draft policy framework will be handed to the ALAN Commission on LED and circulated to all delegates at the Annual Conference as well as to all stakeholders at national, regional and local levels. The Commission shall encourage ALAN members to respond to the policy framework by providing further input which will be submitted to the Commission for further development of the framework.

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Such input may be forwarded as follows

- as best practices examples, where LED concepts have either been planned and/or already implemented. Such best practices will also be published in ALAN talk;
- as comments and recommendations
- as concerns raised at local levels

ALAN shall organise two workshops in 2000 on the draft framework where submissions to the Commission will be discussed and incorporated in the policy framework.

## **2. POLICY CORE**

### **2.1. Definition**

Local economic development (LED) refers to a process of identifying and harnessing local and regional resources and opportunities to stimulate economic and employment activity.

It is about local communities utilising their human, physical and financial resources to maintain and enhance development opportunities and their quality of life. It is based upon the simple premise that each community has within itself, or within its grasp, considerable capacity and opportunities to influence its economic future.

This includes:

- focusing on the stimulation of opportunities that will generate additional income and jobs, while preserving and enhancing the dynamics and features that make the local community special;
- actively involving local people in decision making about their economic futures;
- seeking the development of more resilient, durable and diversified local economies;
- encouraging the use of development processes that are compatible to the aspirations, needs, values and resources of the community;
- emphasising a 'holistic' approach to development, seeing the social, cultural, environmental and economic aspects as inter-related dimension of the community;

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- emphasising specific actions to achieve desired goals;
  - encouraging collaboration and partnership between public, private and community sectors; and
  - educating community members about the local economy and economic development processes.

Local economic development planning requires the recognition of the broader policy frameworks that shape the local community and its development potential, as well as the major economic and social trends that affect the local economy. These include, for example, the impact of globalisation and the increasing internationalisation of trade and commerce.

It is necessary that LED efforts complement national policy frameworks such as Local Authorities Act, the Decentralisation Policy, the Small Business Policy and the legal issues affecting local government (i.e. what it is allowed and not allowed to do). It is also necessary for cities and towns to be forward-looking whilst addressing the current challenges of the day. Efforts to address high unemployment, a steep demand for housing, and a high rural-urban migration, for example, must be complemented by strategies that locate cities and towns as centres for business with a diversified and vibrant local economy.

## **2.2 VISION AND VALUES**

Local Authorities shall be encouraged to adopt and pursue the following set of vision and value statements in their LED efforts:

### **2.2.1 We make our local economy better**

We work to improve our city/town by focusing on building on our comparative advantages, marketing our city/town and making our city/town a better place to live and work. This is our bottom line. It is the reason we want to change and improve. We care about our community.

### **2.2.2. We are dedicated to serve our citizens and visitors as customers**

We succeed by focusing our attention on the customers. The city/town exists to serve the customer and our community. Their needs give us our direction and purpose. They need to feel and sense our commitment to them.

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### **2.2.3 We work as a team**

Teamwork is the basis of our success. We use co-operation as our most important tool in working with others. We involve people at all levels because we value their commitment and ownership. We view successful performance as a group activity. There is nothing we cannot accomplish together. One unit of the city/town cannot be successful at the expense of another. Our teamwork and co-operative spirit reaches out to the customer -we include the customer in our team.

### **2.2.4 We each do all we can**

The people are the city's/town's most important resource. We are committed. We each have the opportunity and responsibility to develop and use our skills, talents and abilities to the highest level. We value diversity. To be successful, we all contribute our ideas and creativity to improve our city/town.

### **2.2.5 We learn, change and improve**

We are open to new approaches and methods and we listen and learn from others. We learn from our mistakes and correct them. We continually strive to be faster, smarter and better than the year before.

### **2.2.6 We work with integrity**

Whenever we make a decision, provide a service or deal with customers, we act with honesty and integrity. People learn from interacting with us, and they can continue to trust us. We treat all people equally and equitably.

## **2.3 ROLES AND RESPONSIBILITIES**

There has to be a clear guide-line on roles and responsibilities of various stakeholders in LED at local authority levels in order to prevent misunderstanding, overstepping of briefs, overlap and duplication:

### **2.3.1 Mayor**

- To guide Council in its roles and functions
- To unify and lead Council and citizen in alignment of their combined expectations

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### **2.3.2 Council**

- To act as sponsor of the planning initiative by providing support and committing resources
- To provide direction for the Planning Steering Committee concerning current conditions and the planning process.
- To review with the Planning Steering Committee issues presented by Boards and Agencies.
- To review with the Planning Steering Committee overall conclusions concerning current conditions.
- To establish planning parameters.
- To review and revise corporate Vision, Mission, Values, Focus Areas and Goals
- To review and revise master plans for linkage to and alignment with the corporate strategic plan
- To review and approve implementation priorities without reference to available resources
- To review and approve both a revised implementation package with preliminary resource allocation and the final implementation package
- To review and approve final business plans and associated budgets

### **2.3.3 Chief Executive Officer/Town Clerk**

- To act as champion of the planning process, setting the direction for the required changes
- To guide the planning process as chairperson of the planning steering committee
- To guide Administration in its roles and responsibilities

### **2.3.4 Treasurer/Financial Executive**

- To act as co-champion of the planning process by directing energy toward achieving its planning objectives, and by co-ordinating its implementation
- To guide and co-ordinate the financial services departments in assisting with the financial aspects of the analyses (strengths, weaknesses, opportunities and threats), resource allocation, budget preparation and performance evaluation

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- To provide assistance and leadership to the planning steering committee in carrying out their responsibilities for financial analysis, review and evaluation
  - To develop the consolidated summary of the plans

### **2.3.5 Planning Steering Committee**

- To manage organisational systems, practices and people to implement planning
- To oversee preparation of S.W.O.T. analyses
- To oversee preparation of S.W.O.T. conclusions about current conditions and submits conclusions to Council for review and feedback
- To review current program performance in relation to Council and citizen expectations
- To review, approve and present to Council the recommended priorities without reference to available resources
- To prepare, review and approve a final consolidated package for presentation to Council (for its review and approval)
- To monitor and evaluate operations to maintain accountability and to ensure that progress against the plan is measured and managed
- To review and evaluate both the completed year's operations and the planning process itself

### **2.3.6 Strategic Planning Committee**

- To provide expertise on the techniques and process aspects of the planning process
- To create linkages that ensure information flow, and co-ordinate implementation activities
- To co-ordinate departmental surveys of citizen expectations (so that we don't ask the same question twice, and so that questions are included for the benefit of staff departments)
- To conduct a review of current conditions issues, etc., and to present conclusions to the Planning Steering Committee

### **2.3.7 Department Heads/Strategic Executives**

- To conduct surveys of citizen expectations under co-ordination of the Strategic Planning Committee

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- To review and revise department Vision, Mission Values, Focus Areas and Goals
  - To draft departmental tasks and priorities
  - To prepare costing of Council-approved tasks with finance department
  - To finalise departmental action plans and individual performance plans

### **2.3.8 Committees as part of the Decentralisation Policy**

A decentralisation policy was adopted in September 1997. Local and Regional Authorities shall ensure that the functions of these committees are effectively used to enrich the LED planning and implementation process.

The decentralisation policy states:

*"Decentralisation aims to ensure economic, culture and social-economy development, all of these being aims of LED; provide people at the grass-roots level the opportunity to participate in their own decision making and extend democracy to them as a right based on national ideals and values".*

In a nutshell, decentralisation seeks to transfer political, administrative, legislative, financial and planning authority from the centre to regional and local authority council. It strives to promote participatory democracy, empower the local population to make their own decision and determine their own destiny.

It also aims at improving public sector management so that in the long run there is close linkage between taxes paid by the people and the quality of services provided. The local people shall be able to hold both their appointment and elected leaders accountable.

Under the decentralisation policy and strategy, a number of committees will be set up, which basically can be charged with tasks to address LED challenges at local and regional levels:

- **REGIONAL DEVELOPMENT COORDINATING COMMITTEES (RDCCs)** for the purpose of effective regional development planning and co-ordination



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- CONSTITUENCY DEVELOPMENT COMMITTEES (CDCS) for the effective co-ordination of the planning and development of the region at the constituency level
  - LOCAL AUTHORITY DEVELOPMENT COMMITTEES shall be established in every local authority for the purpose of effective co-ordination of the planning and development of the local authority.

In addition there are VILLAGE DEVELOPMENT COMMITTEES, SETTLEMENT COMMITTEES and WARD DEVELOPMENT COMMITTEES with similar functions at their respective levels.

These committees shall have tasks (related to LED), such as:

- Facilitate the establishment of information systems in the area
- Identify and assess needs / problems to be considered for development proposals / plans and capital projects
- Prepare and evaluate development proposal/plans for submission
- Assist in the maintenance of law, order and security
- Be responsible for monitoring day to day emergency occurrences including natural (e.g. drought) and man made (e.g. wild fire) disasters and take account of the number of people that would be affected by such emergence occurrences
- Serve as the communication channel
- Generally co-ordinate and monitor projects and activities undertaken by government, government agencies, regional councils, local authorities, non-governmental organisations and community based organisations in the area
- Carry out other functions, which may be imposed by law
- Offer guidance and secretarial (office/logistic) support

### **3 GOALS**

The following three goals shall be pursued in the LED process:

#### **3.1 Consultation, Co-operation and Collaboration**

Local economic consultation, co-operation and collaboration involves the various stakeholders in economic and employment development coming together in a mutually beneficial and well-defined relationship to achieve

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common economic goals. These goals could include developing new economic, employment and development agencies or initiatives, sharing ideas, scarce resources, increasing local networking and providing mechanisms to act as a focus for economic development.

### **3.2 Development, Growth and Stability**

Development is concerned with the capacities of the local economy to perform. These goals may be expressed in terms of increases in the quality and variety of local job opportunities, improvements in productivity and the use of local resources such as land, buildings, street scapes, tourism products, and positive changes in the size of the population, workforce, etc. Growth relates to the expansion of the local economy. It can be expressed in terms that are connected with job creation and reductions of unemployment, the expansion of the local rate base, an increase in the amount of money circulating in the community, improvements in the levels of investment, reduction in poverty or a rise in per capita income.

This could include the diversification of the local economy, a stabilisation of the loss of local skills or young people, improvements in matching local skills with local jobs, increases in the amount of local spending, spreading peak seasons (such as in tourism, for example) across the year more evenly, and reducing absentee ownership of businesses and real estate.

### **3.3 Equity**

Economic equity involves distributing the benefits and costs of economic growth in a fair manner. Thus, possible equity measures could include expanding and linking employment opportunities for those most disadvantaged in the labour market, supporting those adversely affected by industry restructuring, or providing all residents with an opportunity to become involved in economic planning and action.

## **4 STRATEGIC FOCUS AREAS**

ALAN shall encourage and advise its members (Local Authorities and Municipalities) on the planning and implementation of a number of strategies and practical approaches towards LED.

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## 4.1 Consultation, Co-operation and Collaboration

To develop a community-based planning process and mechanism with broad citizen participation in order to build local capacity to plan for sustainable development and to benefit from the insights, knowledge, and support of local residents.

### *Participatory approaches*

Participatory approaches have been recognised internationally as an effective way of using resources, building capacity and creating change. These approaches create joint efforts by government and the private sector to support development. For Local Authorities, participation by the private sector, local residents and civil society in development efforts builds commitment and ownership to local issues, whilst maximising the use of local resources.

Before joint efforts or partnerships can be formed however, there are certain steps that must be taken. These are as follows (Theocharides and Tolentino 1991):

- the prerequisite of a commitment by government at the highest level;
- an understanding of the process of joint effort;
- the achievement of a clear output e.g. a comprehensive understanding of constraints and defined strategies for change;
- political will to create change (i.e. to implement strategies for change and development);
- broad understanding and acceptance by the relevant authorities, organisations and the public to accept change; and
- institutionalisation of the process of change (i.e. the institutional structures and procedures are established).

To ensure the relevance and effectiveness of active participation in the processes of change and development is essential that participation:

- be by choice;
- be enjoyable and challenging;
- maximise decision making and accountability by the small business sector;
- raise awareness to social, political, economic, cultural and personal aspects that effect them;

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- create opportunities to influence decisions;
  - focus on the experiences of entrepreneurs, their peers and the community; involve planning via the development of goals and strategies;
  - provide opportunities for building active supportive relationships between entrepreneurs
  - provide critical analysis and feedback of the experience and actions arising within the participation process;
  - involve adequate resources including time, space, funding and information;
  - encourage collective action at all times by promoting links with other networks.

### ***Mechanisms for change and development***

The mechanisms for change and development can take different forms according to the circumstances (including the social, economic, cultural and institutional arrangements) of each community and the functions such mechanisms are designed to achieve. Essentially, however, these mechanisms fall into one or more of the following categories.

#### ***Mechanism to promote dialogue***

Dialogue between the local small business sector and the Local Authority is important where, for example, the following strategies may be undertaken:

- to review the legal, regulatory and administrative arrangements;
- to advise the Local Authority on all matters affecting development activity; and
- to provide a forum for discussion, networking and joint action by all key stake holders in the area's economic future.

#### ***Mechanism to promote co-ordination***

Co-ordination involves two or more parties working toward the same end with harmonious adjustments or functioning. When it comes to the promotion of small businesses the lack of co-ordination is a great concern. Co-ordination between the Local Authority and the private sector and its organisations can be particularly important:

- to co-ordinate and facilitate the best use of resources within the municipality toward the promotion and exploitation of new opportunities;
- to plan and deliver specific programmes and services

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### **4.1.1 Public education and awareness raising**

To support research, public education and public consultation on a community's and the towns' opportunities, finite capacity to accommodate growth, and the need for planning and resource management that will sustain growth and to raise awareness about the central concerns of towns and in particular, business development.

Towns and cities shall be encouraged to draft public participation policies and strategies which ensure a high degree of public participation to inform local authorities on LED challenges and opportunities.

#### **4.1.1.1 Identification of comparative advantages and S.W.O.T. analysis**

The main issue, is to find out what are the priorities, to what type of development everybody is committed, which development holds the highest degree of popular participation, ownership and buy-in and most of all, what are the comparative advantages - meaning to identify and prioritise what the city/town can offer what others may not have.

The following three points should be considered:

- 'How to become an opportunistic community,'
- 'Starting points for community economic development,'
- 'The importance of a vibrant business sector in your town.'

Comparative advantages may include the following:

- availability of natural and other resources, especially when they are undervalued and readily available
- an eager market
- eager capital
- location (e.g. on a major high-way)
- clean and healthy environment
- responsive local authority
- major tourist attractions
- short commutes
- etc.

The Local Authorities shall spearhead the planning and implementation of LED strategic planning meetings with a diverse participation. The planning

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meetings should be facilitated by an outside facilitator, who also will be responsible to prepare the LED strategic plan for submission to the committees and authorities described under 2.3.

#### **4.1.1.2 Business and economic assessment**

Undertake a short assessment of the local economy, business sector and factors affecting long-term sustainability of the community. This assessment involves the identification of qualitative impressions of the town as well as a more quantitative survey of key groups. The purpose of this initial assessment is to prepare a report on the key issues affecting the town and some of the priority issues that require attention.

#### **4.1.1.3 First impression and public impression audit**

The old saying, 'you don't get a second chance at a first impression' emphasises the importance of how your town presents itself to new visitors, leaving impressions that can affect spending patterns. This audit draws visitors into your town to determine their first impressions. What are your under-utilised features, your ugly landmarks that have been there so long you never notice them, and your hidden treasures that could be displayed and highlight to attract people to town and keep them there, spending money, for longer.

This also relates to issues such as:

- maintenance and cleanliness
- signage and town's entrance statement
- consistency and quality of landscaping and lighting
- diversity in shopping opportunities
- concerns over vandalism and personal safety
- landscaping

#### **4.1.1.4 Business opportunity surveys**

A survey aimed at identifying those businesses that are likely to take-off in your town. By identifying gaps in the local and regional markets and comparing business sectors in other towns, it is possible to ascertain what new business might work in your town.

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#### **4.1.1.5 Customer surveys**

What do the customers really think about local businesses? Do they leave town to shop elsewhere? Are they happy with the quality of services provided, the range of goods on offer, and the way they are treated? These can range from surveys that use local volunteer residents to walk the streets and collect this information, to hidden shoppers who mingle with other customers and try-out different shops in the town.

#### **4.1.1.6 Merchandising audit**

Poor presentation of goods, dirty and obstructed windows, poor lighting are examples of sad, but all too common sights in many small towns. Improvements in merchandising through simple, cost-effective techniques can have a marked improvement in local sales. This audit, therefore, aims to identify those areas where improvements can be made immediately, and where medium and long-term strategies can be implemented to improve business sales, employment and profits.

#### **4.1.1.7 Business technology audit**

One of the critical elements to business growth is the way in which technology is applied. This audit, which can be conducted by local volunteers or high school students, determines the levels of investment and use of technology in the local business community. This information is then used to prepare a local strategy to help local businesses maximise their current investments, improve productivity, broaden their markets and manage their operations more effectively.

#### **4.1.2 Co-operation and collaboration**

To promote co-operation among communities to work towards the most efficient, planned, and cost-effective delivery of services by, among other means, facilitating co-operative agreements with service providers (PPP) and to co-ordinate planning to ensure compatibility of one community's development with development of neighbouring communities.

Vibrant business communities require active business organisations and networks. In many small towns, the Chambers of Commerce and business associations are in a sorry state. Membership is low, activities are passive and many local businesses see little value in becoming a member.

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### ***Mechanism to promote collaboration***

Collaboration provides a means where different groups in society can come together. Since development requires efforts from a number of different stake-holders, effective collaboration is very important. Collaboration is a mutually beneficial and well-defined relationship which is entered into by two or more organisations to achieve common goals. It represents much more than co-operation or co-ordination. The collaborative relationship needs attention and work for success as it includes a commitment to achieving mutual relationships and goals; a jointly developed structure and shared responsibility; mutual authority and accountability for success; and a sharing of resources and rewards.

Collaboration between civil society and the Local Authority may be necessary:

- to design and monitor a comprehensive strategy plan for development in the area; or
- to support and strengthen the economic base and infrastructure within the area in order to improve the environment in which both public and private capital investment will be maintained and future investment encouraged.

#### **4.1.2.1 Establishment of stakeholder committees and resourcing these committees**

Committees as outlined under 2.3 shall be established and resourced. It is of importance that all stakeholders are represented in these committees. These stakeholders may be NGOs, CBOs, Business representative organisations, Churches, etc.

#### **4.1.2.2 Partnerships and joint common purpose projects**

The local authorities shall identify opportunities to enter into joint project/programme partnerships with other local organisations, regional and national government as well as parastatals.

Such projects/programmes could be:

- running a joint business information centre with the local chamber of commerce and in particular a local small business support facility, providing advice, access to resources and linkages, providing training, etc. to small business and aspiring entrepreneurs



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- operating a tourism information centre
  - setting up educational and skill development facilities such small business incubation centres, etc. with organisations such as the Namibia Development Corporation (NDC)
  - entering into co-operative agreements and partnerships with parastatals, such as NamPower for the utilisation of local infrastructure in the provision of electricity
  - etc.

#### **4.1.2.3 Chamber membership**

In some instances Local Authorities have become an active member of the local or regional chamber of commerce. This has helped to improve dialogue and has often led to joint initiatives (involving collaboration and co-ordination) between the chamber and the Local Authority.

It is interesting to note that many Local Authorities consider themselves to be businesses. Thus, they are able to justify their membership of a chamber of commerce in the interest of their business. Other Local Authorities do not see themselves as a business but believe it is important to keep in close contact with the business community. Whatever the rationale, the involvement of a Local Authority in chamber activities has been found to be a valuable means of promoting small business development in local communities.

## **4.2 DEVELOPMENT, GROWTH AND STABILITY**

To create sustainable economic development strategies and provide economic opportunities throughout the city/town that will achieve a balanced distribution of growth.

To achieve this, it is important to plan and implement development initiatives aimed at creating a positive change in the local economy by:

- identifying local and regional competitive advantages that can be maximised through local efforts;
  - bringing more money into the local economy;
  - keeping money circulating within the local economy for longer periods, thus, reducing its drainage;
  - identifying new markets and development possibilities;
  - understanding existing markets better and how they can be expanded or strengthened;
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- finding new resources and new uses of resources;
  - using existing resources more effectively; and
  - increasing the net number, quality and variety of local jobs.

Sustainable local economic development does not result from any 'quick fix' measures. It involves developing a mix of initiatives related to the economy's competitive advantages which are identified and prioritised as part of 4.1.1.1.

## **4.2.1 Improving the legal and regulatory environment**

All businesses are required to operate within a policy, legal and regulatory environment that affects their day-to-day operations, as well as their future potential for growth. It is important that the unnecessary impediments to business establishment and growth are removed or lessened. Finding ways to cut 'red tape' and to help local government authorities encourage entrepreneurship are essential elements of this strategic focus.

### **4.2.1.1 Addressing unfair competition**

An essential focus was identified in the area of advocacy to contribute to the drafting of a competition policy framework. In particular, issues of dumping were mentioned. Local authorities shall address these issues with a view to create win-win situations for all involved with an emphasis to include and promote local small business.

Such approaches could include:

#### **Setting up of joint committees**

Joint Committees between local traders and suppliers with large supermarkets and chain stores could be set up with the following aims and objectives:

- to review the medium to long term strategy of the groups to arrive at future joint ventures and vertical business linkages;
- to identify concrete areas of co-operation, opportunities and joint initiatives;
- to determine how local business can economically participate in the venture through share holding or any other form of formalised business involvement;
- to work out a plan of action with time frames for implementation and objectively verifiable achievement indicators;

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- to draft and sign an agreement which outlines the co-operation;
  - to monitor and evaluate the progress in co-operation and to propose and implement corrective measures;
  - participate in forums which seek to promote businesses trading to attract more customers into the local economy.

The aim is to create a win-win situation for both chain stores and existing as well as new local businesses. Local businesses are at the losing end as there is no advantage for them in the new development shopping centre. Therefore, a number of potential measures could be undertaken, such as:

- making dedicated shelf space available for local products and organise special promotions for such products;
- creating a preferential purchasing arrangement for local businesses to access chain store products (including credit lines) to be sold at local retail stores and outlets;
- subcontracting/franchising certain business activities, such as fast food outlets, butchery, bakery etc. to local entrepreneurs;
- assisting local businesses with transport of goods;
- reserving the sale of identified products for local businesses, such as daily consumer items packed in small quantities, thereby the chain stores become a kind of wholesale for small retail business;
- organising joint marketing campaigns which promote chain stores along with local retailers;
- assisting local businesses to improve their marketing and customer services through training, assistance with advertising etc.;
- making management training internships available for local entrepreneurs in all aspects of retailing (marketing, costing and pricing, service, purchasing, buying and selling, store management etc.);
- creating a low interest revolving fund to improve the physical infrastructure of local retail outlets.

#### **4.2.1.2 Preferential tendering**

To advocate for preferential tendering for local businesses and in case of capacity constraints, promote joint ventures and inclusion of local business.

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## **4.2.2 Investment and Business Attraction**

Expansion of the economic base of the community by attracting and retaining commercial and industrial enterprises that contribute to the city's tax base and provide jobs appropriate for the community.

This can be done as follows:

### **4.2.2.1 Industries Attraction**

Actively attract industries by focusing on the strengths of the town. In analysing the strengths (comparative advantages) it will be important to choose the right industry to be attracted to the town. This may be determined by factors such as:

- available mineral resources for the attraction of mining industries
- great quality of life indicators (clean air, unpolluted environment, excellent health and educational facilities, availability of consumer items, etc.) to attract a retirement industry or attract intellectual capital for the establishment of service and high tech industries
- availability of eager capital and labour to establish small scale industries
- development of industrial zones (e.g. under the EPZ scheme) to attract export industry
- availability of historic and scenic sites, parks, etc. to establish a vibrant tourism industry, including the establishment of hotels and lodges
- etc.

### **4.2.2.2 Land Availability**

Ensure that land is available in appropriate zones with preliminary environmental review completed in conjunction with streamlined permit processing for commercial and industrial uses. Special concern is expressed to land availability in villages and small towns where free title deeds are not available and where other enabling forms of land tenure will have to be developed (this also refers to the land tenure of 'Permission to Occupy' (PTO)).

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### **4.2.2.3 Financial Incentives**

Develop a variety of financial incentives to leverage the expansion and attraction of targeted enterprises to strengthen and diversify the town's economy. In addition to incentives from central government which are available to enterprises in all towns throughout the country, local authorities individually may identify special incentives for locating their businesses in a particular town.

### **4.2.3 Visitor Attraction**

To attract visitors with interests in tourism, university/academic events and conferences, athletic events, culture and arts, and downtown shopping. Develop a program to attract targeted visitors to the community in order to increase retail sales, transient occupancy tax, and provide jobs.

This will also involve activities which encourage visitors to stay longer in the town by offering a range of opportunities such as enjoying tourist attractions, developing historic sites, beautifying the main street and establishing street cafes, etc. As part of this strategy, it is important to create a welcoming attitude amongst the local residents who are well informed about the town's opportunities and become active marketing agents in encouraging visitors to stay longer. Improvements of service levels and the creation of a feeling of safety are important elements of this strategy.

### **4.2.4 Business expansion and retention, SME development and town centre development**

Develop and implement a comprehensive town/city-wide business development, expansion, and retention program.

Business Retention and Expansion (BR+E) is a structured approach to identifying and supporting the needs of your community's existing business sector. BR+E provides the mechanism for pinpointing the concerns, ideas and opportunities of local businesses, and a platform for response. It helps unearth the discovery of local business needs and concerns through the perceptions of local business people about what is preventing expansion.

It identifies businesses that are under threat and designs strategies to prevent their closure. In addition, BR+E finds out ways that government actions either help or hinder local businesses. It identifies opportunities for

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matchmaking local businesses, determines current and future labour and market needs, and promotes good ideas for improving the local economy and the business environment.

#### **4.2.4.1 Business retention and expansion**

The BR+E program requires the active commitment of a group of volunteers and business promotion and support institutions. It provides training, proven resource materials and a well-tested process for addressing the problems of local businesses.

Important features of such programmes are connected to the design of strategies and implementation of activities which build on the findings of various surveys outlined under 4.1. These activities may address:

- the level of customer services at local business the diversification of merchandise
- improvement of merchandise displays and marketing strategies
- increasing the diversity of businesses
- etc.

#### **4.2.4.2 Downtown development**

An additional feature is to preserve and enhance the downtown as the community's cultural, retail, and business centre. The Main Street/CBD should be developed as a multi-purpose area. Continued redevelopment of the Main Street/CBD is a major opportunity for economic growth in the city/town.

Strategic goals could include:

- Stimulation the revitalisation of the CBD by facilitating private and public sector investment opportunities
- Fostering of the CBD as a people place through the development of a safe, clean, compact and pedestrian friendly environment
- Strengthen the role of the CBD as a focal point for culture, entertainment, public administration, and business activity
- Enhance and revitalise the downtown by using public investment as a catalyst for private investment and entrepreneurship
- Draft a comprehensive revitalisation plan to include defining a vision for the CBD

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- addressing issues of a regulatory and policy orientation
  - addressing fiscal concerns
  - addressing issues respecting public perception of the CBD
  - identifying priorities regarding municipal servicing
  - addressing traffic, movement and accessibility issues etc.
  - addressing physical character issues, such as markets, open air spaces, etc.

#### **4.2.5 Marketing of the city/town**

Develop, implement and manage a comprehensive and co-ordinated marketing program for the town.

A number of strategies can be devised to put the local community on the map and market it. The type of marketing approach will depend on the comparative advantages and the respective target audience. Marketing material will have to be produced for visitors, tourists, potential investors, etc.

Such material may include:

- videos
- a homepage on the Internet
- brochures
- coffee-table publications
- adverts
- facts and figures booklets
- newsletter
- features on NBC

### **4.3 SUSTAINABILITY AND EQUITY**

To provide a better quality of life for all residents while maintaining nature's ability to function over time by minimising waste, preventing pollution, promoting efficiency, and developing local resources to revitalise the local economy.

#### **4.3.1 Conservation**

To protect, preserve, and enhance the town's resources, including agricultural land, forests, surface water and groundwater, recreation and open space, scenic areas, and significant historic and archaeological sites.

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## **4.3.2 Land-use planning**

To establish a community-based framework as a basis for all decisions and actions related to land use as a physical character issue. This would involve planning issues such as:

### **4.3.2.1 Open Spaces**

Creating space for open air events, festival markets, and opportunities for itinerant traders

### **4.3.2.2 Facilities**

Creating recreational and sport facilities

### **4.3.2.3 Incentives**

Develop incentives or other methods to encourage multi use developments, including office, retail and residential components

### **4.3.2.4 Care Opportunities**

Investigate retirement/extended care opportunities

### **4.3.2.5 Industrial Areas and Business Parks**

Creation of business parks and industrial areas offering a large range of promotion and support services

## **4.3.3 Liveable community design**

To strengthen communities by following the principles of liveable community design in development and redevelopment.

### **4.3.3.1 Access and Beauty**

Integrate all income and age groups by adopting strategies that promote and create mixed land uses and compact development, green spaces, access to public transit, pedestrian ways, and enhanced aesthetics and beauty in public spaces through planting and street furniture, improved signage and murals.



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### **4.3.3.2 Housing**

To provide and preserve an adequate supply of affordable and life-cycle housing throughout the town.

### **4.3.4 Transportation**

To focus on the movement of people and goods, rather than on the movement of automobiles, in transportation planning, and to maximise the efficient use of the transportation infrastructure by increasing the availability and use of appropriate public transit throughout the region and town through land-use planning and design that makes public transit economically viable and desirable.

The issues to be highlighted are:

#### **4.3.4.1 Parking**

Undertake a complete review of parking, including lot allocation, signage, regulation, accessibility, linkages and enforcement

#### **4.3.4.2 Pedestrian friendly environment**

Improve pedestrian friendly environment: developing malls, mid-block connectors and walkways, precincts

#### **4.3.4.3 Bus Stops and Taxi Ranks**

Improve bus stops, commercial carrier stops and taxi ranks to avoid stopping in a manner that creates congestion

#### **4.3.4.4 Traffic Flow**

Improve traffic light synchronisation to a maximum degree possible, to ensure the smooth traffic of vehicles, and providing a safer cyclist and pedestrian environment

## **5 CAPACITY**

ALAN shall establish mechanisms to facilitate capacity building in Communities, Local Authorities and Municipalities to address the following issues of capacity in undertaking LED planning and development.

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## **5.1 Organisational capacity**

Organisational capacity shall refer to mission, vision and programme thrust management in order to be responsive and effective to the needs and demands of target groups and beneficiaries. This will include an evaluation and strategic positioning of the town/city with respect to community and stakeholder awareness, ownership and buy-in.

This relates to having a vision, i.e. the ability to articulate and generate commitment for its mission, goals and objectives, client population, approach and desired level of impact, as well as a corporate culture, which reflects and supports this vision. It is also related to the external and internal legitimacy that local authorities need to build and the network of relations it establishes with communities, stakeholders and organisations.

## **5.2 Managerial and administrative capacity**

Managerial and administrative capacity shall refer to local authorities' function under the Local Authorities Act which establishes the legal and regulatory structure, which allows it to realise its vision; appropriate management systems and procedures, and staff with the necessary management capabilities. Systems and procedures include administrative and personnel policies, planning, monitoring and evaluation systems, information systems, and financial administrative systems. These allow the local authorities to plan, control, monitor, report on and evaluate its programmes.

## **5.3 Technical capacity**

Technical capacity shall refer to the identification of the technical capacity required on the side of professional staff to deliver the services to both the end-beneficiaries and partner organisations/agencies. This will involve a review for the need of technical assistance and capacity building programmes in the future; local authorities should have the instruments, or methods, which allow them to realise their vision, and staff able to use these instruments. This should include a capacity for further development of programmes, to meet the changing needs of the clients. In addition to being able to deliver services to meet changing needs and demands local authorities should have their own product development capacity or they should be able to access such a capacity in their network.

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## **5.4 Financial capacity**

Financial capacity shall refer to the local authorities' ability to obtain funding for the implementation and development of its LED programmes, through self-financing or external support; and to keep costs to an acceptable level. Focus and clarify relationships by charging fees for services which the market will bear. A degree of self-financing should thus be realised. Where local authorities find full self-financing to be unfeasible, they should diversify their sources of funding in order to reduce risk.

## **5.5 Key ingredients for success in LED**

In the field of local and regional economic development there are some communities which make things happen and those which flounder. International studies identifying the key ingredients for successful community economic development emphasise the importance of the following five key factors.

### **1 Belief and expectation**

This involves such community attitudes and behaviour as:

- a positive mind set and a belief in one's future;
- a conviction that it needs to take its own action rather than "waiting for the cavalry";
- the existence of a "can do" spirit;
- a commitment to quality and excellence in business and community life;
- a willingness to commit local money and resources; and
- a willingness to experiment, make changes, take risks and encourage possibility thinking.

### **2 Collaboration**

This is illustrated by:

- a strong sense of identity as a community or a district territorial area;
- a participatory approach to community decision making;
- co-operation between the public, private, civic and community sectors;

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- existence of a vehicle to provide a focus for economic development;
  - mechanisms to maintain local interest and involvement beyond the first rush of enthusiasm;
  - open and frequent communication;
  - an ability to compromise;
  - an ability to positively manage community conflict; and
  - the integration of economic, social, cultural and environmental objectives.

### **3 Leadership and vision**

Collaboration does not occur easily. It involves the need for organisational relationships that constantly need 'massaging'. Successful collaboration requires attention to a range of factors. This is judged by the existence of:

- the presence of a core of leaders within the region and community who are committed, in terms of time, priority and belief in the notion of regional economic development and possessing the appropriate skills, knowledge and attitudes to manage change;
- an on-going process of identifying, recruiting and skilling local leadership;
- the encouragement and acceptance of women in leadership roles and the active involvement of young people; and
- current leaders who show by speaking and acting that new leaders are welcome and that decision making is shared.

### **4 A Strategic outlook**

In terms of planning and action important dimensions include:

- commitment to process over the long term rather than dependence on any quick fix solutions;
- a clear framework for economic development;
- development of a shared vision that combines the best of old and new ideas;
- the active encouragement of an appropriate regionally based organisation to provide a focus for, and facilitate, development efforts;
- the use of a strategic planning process;
- research and rank the range of development options;

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- a realistic appraisal of the feasibility of potential opportunities;
  - the continued identification of resources;
  - the on-going promotion of the development strategy to residents; and
  - the evaluation and adjustment of the action plan on a regular basis.

## **5 Opportunism**

This involves a combination of:

- continued alertness to new opportunities and possible linkages;
- never ending search for 'best practice' processes, development options and resources;
- awareness of resources and how they can be exploited;
- the marketing of one's community as a vibrant and "can do" entity;
- an ability to respond quickly and positively to new opportunities; and
- an ability to fashion opportunities and options into one's own customised approach.

### **Factors that affect successful collaboration**

There are six broad factors of influence that affect successful collaboration:

- environment
- membership
- process/structure
- communication
- purpose
- resources

These six factors are described in further detail below.

#### **1 Factors related to the ENVIRONMENT:**

- a History of collaboration or cooperation in the community.  
A history of collaboration or cooperation exists in the community and offers the potential collaborative partners an understanding of roles and expectations required in collaboration and enables them to trust the process.
- b Collaborative group seen as a leader in the community.

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The collaborative group (and by implication, the agencies in the group) is perceived within the community as a leader - at least related to the goals and activities it intends to accomplish.

- c Political/social climate favourable.  
Political leaders, opinion-makers, persons who control resources, and the general public support (or at least do not oppose) the mission of the collaborative group.

## **2 Factors related to MEMBERSHIP CHARACTERISTICS:**

- a Mutual respect, understanding and trust.  
Members of the collaborative group share an understanding and respect for each other and their respective organisations: how they operate, their cultural norms and values, limitations, and expectations.
- b Appropriate cross-section of members.  
The collaborative group includes representatives from each segment of the community who will be affected by its activities.
- c Members see collaboration as in their self-interest.  
Collaborating partners believe the benefits of collaboration will offset costs such as loss of autonomy and "turf."
- d Ability to compromise.  
Collaborating partners are able to compromise, since the many decisions within a collaborative effort cannot possibly fit the preferences of every member perfectly.

## **3 Factors related to PROCESS/STRUCTURE:**

- a Members share a stake in both process and outcome.  
Members of a collaborative group feel "ownership" of both the way the group works and the results or product of its work.
- b Multiple layers of decision-making.  
Every level (upper management, middle management, operations) within each organisation in the collaborative group participates in decision-making.

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- c Flexibility  
The collaborative group remains open to varied ways of organising itself and accomplishing its work.
  - d Development of clear roles and policy guide-lines.  
The collaborating partners clearly understand their roles, rights and responsibilities; and how to carry out those responsibilities.
  - e Adaptability  
The collaborative group has the ability to sustain itself in the midst of major changes, even if it needs to change some major goals, members, etc., in order to deal with changing conditions.

#### **4 Factors related to COMMUNICATION:**

- a Open and frequent communication  
Collaborative group members interact often, update one another, discuss issues openly, convey all necessary information to one another and to people outside the group.
- b Established informal and formal communication links.  
Channels of communication exist on paper, so that information flow occurs. In addition, members establish personal connections - producing a better, more informed and cohesive group working on a common project.

#### **5 Factors related to PURPOSE:**

- a Concrete, attainable goals and objectives  
Goals and objectives of the collaborative group are clear to all partners and can realistically be attained.
  - b Shared vision  
Collaborating partners have the same vision with clearly agreed upon mission, objectives and strategy.
  - c Unique purpose  
The mission and goals or approach of the collaborative group differ, at least in part, from the mission and goals or approach of the member organisations.
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## **6 Factors related to RESOURCES:**

### **a Sufficient funds**

The collaborative group has an adequate, consistent financial base to support its operations.

### **b Skilled convenor**

The individual who convenes the collaborative group has organising and interpersonal skills and carries out the role with fairness.

## **6 SUPPORT AND FACILITATION**

ALAN and UTN shall jointly and individually pursue strategies that build capacity in local communities and authorities to undertake LED planning and implementation activities, promote best practice examples, create the platform for sharing LED approaches and examples and facilitate the further development of the LED policy framework.

In particular, ALAN and UTN shall provide the following services

### **6.1 Awareness raising, information and networking**

ALAN shall establish and operate an electronic network through an Internet homepage and encourage their members to establish links to this network. This shall be done to provide best practices examples, to publish and share strategic LED plans of local authorities and to provide on-line help and advice to members.

### **6.2 Training**

ALAN and UTN shall actively promote, advocate and participate in the planning and setting up of a training institution for local authority councillors and municipal officials as well as for regional councillors in partnership with other organisations, such as UNAM. They shall contribute to the development of curricula and make available expertise and human resources to deliver training programmes by seeking active partnership of other training organisations in the region as well as internationally.



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### **6.3 Strategic planning**

UTN and ALAN shall actively promote and facilitate processes that lead to the drafting of LED strategic plans in co-operation with identified local authorities. UTN and ALAN shall produce a manual on strategic planning for LED and promote the use of this manual at local level. They shall also establish a data base of LED consultants who are available for specific LED planning and implementation activities and advise local authorities in contracting such consultants.

### **6.4 LED help line**

In addition to the on-line advisory service of ALAN, both ALAN and UTN shall establish dedicated 'help-desks' to advise local authorities in the planning and implementation of LED programmes.

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# **RESTRUCTURING OF ELECTRICITY SUPPLY INDUSTRY (ESI) WITH EMPHASIS ON THE ESTABLISHMENT OF UTILITY COMPANIES FOR LOCAL AUTHORITIES IN NAMIBIA**

**Mr. KH Egumbo, Strategic Executive City of Windhoek**



## **Introduction**

Much has been said and much has happened since the restructuring exercise of the Electricity Supply Industry in Namibia was embarked upon some 4 years ago. Numerous consultative meetings took place, the Electricity Control Board (ECB) has been established and is functional, Regional Electricity Distributors (RED's) are being formed/established and players in the electricity supply industry have or are at advanced stages of applying for licenses for the supply and distribution of electricity.

That notwithstanding, one is left to wonder if all Local Authorities in Namibia comprehend the magnitude of the implications of the changes that are taking place. Are we as Local Authority ready for the new era we are about to enter? Have we prepared ourselves in such a way that we will be significant players as we are the custodians of urban centres and therefore have to provide services and infrastructure to all citizens?

The purpose of this paper is to look at the concept of Public Private Partnerships, identify the potential gains inherent in such partnerships and then identify the major issues that Local Authorities need to carefully consider in order to establish successful partnership agreements.

The restructuring of the ESI has and will continue to present opportunities for Local Authorities. Local Authorities are however well advised not to rush into Public Private Partnerships (PPP) without carefully considering the benefits of such arrangements and strategically planning the implementation thereof.

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## Types of Public Private Partnerships

It is widely recognised that the public sector needs to engage the private sector. First, it needs them to create jobs, wealth and expand the tax base. Secondly, the public sector needs the private sector enterprises to help provide certain public services because of the capital, technology and efficiency gains associated with this sector. It is therefore incumbent upon the Local Authority fraternity to create a conducive environment. Local Authorities should therefore play an increasing role of facilitator in the service delivery and infrastructure provision.

More recently developing countries have begun to deregulate areas that were traditionally the sole domain of Governments or sub national Government structures in part because of the inability to meet increasing service demands. This has taken different proportions depending on the country and the service targeted.

Within the Namibian context there are two major classes of Public Private Partnerships that would be evaluated i.e. (A) Selling assets or (B) Management contracting each of which will be out lined below.

### A. Selling Assets

#### ➤ *Selling shares*

This is similar to issuing stock in a company. Shares can be offered to the public or to a more limited group of investors.

#### ➤ *Joint Venture Operations*

In this case the ownership/management structure of the "former Electricity Department" is shared according to capital proportions and negotiated agreements.

#### ➤ *Sale of Entire "Electricity Department"*

In this case all assets are fully transferred to the private sector, usually to the highest bidder. This option is however not explored further since the benefit will be once off.

### B. Management Contracting

In this case the supply and distribution of electricity will be transferred to a private sector entity but the Local Authority retains ultimate responsibility. There are various options in this instance such as contracting-out, leasing of public assets to the private sector etc. Some of the most common types include:

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➤ *Build-operate-Transfer (BOT)*

Under this arrangement the Local Authority contracts out the construction and operation of the electricity distribution network to a private sector firm. The firm finances, constructs and operates at its own risk all of the facilities required to supply electricity. The contract normally specifies the details about the supply of electricity and sets out rules to be used in the determination of tariffs. At the end of the contract period, the assets are then returned to the Local Authority. The danger here is that fully depreciated assets that have not been maintained will be taken over by Local Authorities. It is therefore imperative that such contracts include clear provisions for maintenance.

➤ *Management contracting*

This type of arrangement is more limited and flexible than other types and there are many variations. It may entail a Local Authority contract with a private firm for a single function or some combination of functions such as the operation of the electricity supply network, maintenance of the electricity network, extension and expansion of the network (planning, design and construction), technical assistance, billing, collection of bills, marketing etc. The Management contract provides for compensation to the Local Authorities in various ways, e.g. time-based, lump-sum, percentage, just to mention but a few.

In some cases, the entire operation of the facility is contracted out, but the Local Authority retains ownership and control of the system.

There are at least two key elements that are borne out by international experience as essential for successful management contracting. These are: That the service provider must be given sufficient autonomy to implement commercial reforms and that the contract must contain effective incentives for good performance including penalties for failure to meet agreed performance goals.

➤ *Lease arrangement*

In a lease arrangement the service provider leases service provision assets from the Local Authority and pays a rental fee. The service provider utilises the leased assets to supply and distribute electricity. The service provider is responsible for the operating repair and maintenance costs of those assets. The service provider could also be responsible for the collection risk.

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Usually the service provider is not responsible for making any new capital investments or for replacement of the leased assets. The duration of such a contract is generally between eight and fifteen years.

➤ *Concessions*

In this case a private firm (as service provider) is granted the right to design and build a new network or substantially improves an existing one. The service provider retains ownership of the completed network and operates, maintains and repairs it for the duration of the contract, which is typically 20 - 25 years.

The service provider is often responsible for the collection of user charges and tariffs. When such a concession is granted the service provider (private firm) pays the Local Authority a concession fee, which could include a component that varies with revenues or profits.

**Potential Gains from Public Private Partnership (PPP) in the Supply and Distribution of Electricity**

There are different ways in which the Public-Private Partnership is understood and applied and there is therefore no one right way approach to it. It is therefore advisable to focus instead on pragmatism, flexibility and willingness to try new solutions and methods.

No matter the different ways in which Public Private Partnerships have been implemented, the ones that were successful have five distinct benefits being:

➤ *Improving efficiency*

This is achieved through improved productivity, reduced costs, greater profitability through optimal utilisation of resources, being customer focused and improved billing and revenue collection.

➤ *Increasing Local Authority access to capital*

Local Authorities currently have inadequate access to capital due to poor financial records and poor Local Authority lending mechanisms because they are inadequately funded. The involvement of the private sector improves the credit rating of the new entity that will provide the service.

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- *Infrastructural development by mobilising and redirecting private sector capital*

It is a known fact that the financial sector in Namibia is sitting with excess capital that can be used to provide services and infrastructure and thereby increase economic activity and employment. The involvement of the private sector unlocks opportunities for access to such capital and therefore stimulates the local financial sector.

- *Redeployment of assets for growth*
- *Provide Local Authority some budgetary relief*

### **Major Issues for Consideration in the Formation of Public Private Partnerships**

Public Private Partnerships is understood to "describe an array of actions designed to broaden the scope of private sector activity, or the assassination by the public sector of efficiency-enhancing techniques generally employed by the private sector" (Adam: Cavendish and Mistry 1992:6).

Put differently, the partnership is a contractual relationship where the new partnership so created takes responsibility for all or part of the performance of a Local Authority's functions at a pre-determined price and according to pre-determined criteria. This can involve a partial or complete transfer of staff and other assets and resources. That being the case it is important to realise that there are several major issues that have to be considered by each Local Authority when evaluating various options for PPP. These include:

#### **(i) Broad Institutional Considerations**

After the suitability for private sector involvement has been assessed, several issues that could affect a successful partnership have to be considered some of which are listed below:

- Role of Private vs Local Authority to be clearly articulated.
- Strict separation of the Electricity supply and distribution service.
- Composition of Private Equity holders need to be clear and advance other policy positions if needs be e.g. empowerment of previously disadvantaged groups.

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## (ii) Specific structure of partnership agreement

Several steps have to be taken in awarding and structuring PPP agreements if genuine benefits are to be realised. Among the most important are the following:

➤ *Define outputs and performance standards*

It is possible to neatly define an output in advance and specify performance standards in meeting such outputs. If it is done in advance the PPP is likely to succeed to the satisfaction of all parties.

➤ *Understand the Effects of Existing laws and Regulations.*

It is important that PPP agreements are drafted within the confines of existing laws.

➤ *Maintain Public Objectives in determining tariffs*

It is incumbent upon Local Authorities to ensure that PPP are set up such in such a way that:

- ◆ The Local Authority gets a reasonable return on its own equity in the undertaking and a fair share of any surpluses/profits that can be made.
- ◆ Equity goals are met. Given the efficiency gains and a more successful revenue collection effort the PPP should be expected to demonstrate concern for maintaining a cross-subsidised tariff structure designed to benefit the poor.
- ◆ There are attempts to provide electrical services to all citizens.
- ◆ The supply and distribution of electricity will ensure and promote competitiveness of local commerce and industry.
- ◆ The tariffs are to be affordable. This can be done through setting tariffs, which balance the economic viability of continued service provision and the ability of the poor to access services.
- ◆ There is integrated development in the Local Authority. Local Authority should adopt an integrated approach to planning to ensure orderly development in the Local Authority Area. The Local Authority should take into account the economic and social impact of service provision in relation to policy objectives such as poverty eradication, job creation through public works, local economic development.

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➤ *Introduce competition / Performance Incentives*

In order for Local Authority to ensure that they get the best deal with optimum efficiency gains it is proper to engage in an open and transparent process of coming up with a PPP agreement.

**(iii) Implementation of PPP agreement**

PPP have to be implemented carefully if the project is to succeed. Some factors to be considered include the following:

- The implementation must be appropriately paced.
- The length of the contract must be considered carefully.
- Local Authority's must have or should source institutional capacity in order to evaluate the different bids/offers and to monitor and enforce performance. If unsatisfactory performers cannot be penalised and/or replaced there may not be gains from the partnership agreement.
- The contract needs to be clear and flexible enough for changing with changing circumstances.

**(iv) Financing Arrangements**

Several key decisions have to be taken about the sources of funding for PPP. The decisions about which/what funds again have to do with what the private sector will bear and what the Local Authority goals are.

**(v) Some Problems regarding PPP arrangements**

There are many documented experiences where the Public Sector tended to act as if their job was done once a contract had been signed. The result was that many private contractors failed to deliver what they promised or worse still committed fraud. In order to avoid or deal with the under performance of private firms some public institutions created special positions for someone to closely watch the performance of these private companies and put in withholding clauses in its contracts so that companies which did not perform would not be paid.

**Conclusion**

Local Authorities should capitalise on the opportunities presented by the restructuring of the Electricity Supply Industry by establishing utility companies through appropriate PPP. This can be achieved after carefully

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considering the benefits of such arrangements and strategically planning their implementation.

The main success indicators include:

- The need for the partners to own and share a common vision
- Clarifying the nature and extent of involvement of Local Authorities in the partnership after due consideration of issues of efficiency gain, equity, access to capital and capacity to undertake service provision.
- Determination of the best option for separation of "Electrical Departments" from other Council departments. This will include looking at Governance arrangements, financial/performance targets, the provision of financial, legal, human resources and other corporate type services to the electricity department and establishing commercial objectives.
- Identifying the problems involved in providing the service and the extent to which the Local Authority can deal with them.
- Capacity to reform the way in which electricity is provided so that the benefits of public involvement can be maintained but greater efficiency in resource use is achieved. This requires a new organisational and managerial framework which may include various forms of private sector participation.
- Ensuring that services involving private sector partners are sufficiently well monitored so that the public interest aspects of their operations are preserved. Exit provisions a prerequisite.

The desirability and benefits of involving the private sector in the establishment of electricity utilities will ultimately depend on the possibilities for direct cost recovery, access of the private sector firm to adequate capital, technical and managerial capacity vis-à-vis the fiscal, technical and managerial capacity of the Local Authority to operate and maintain services effectively. Needless to say that this will vary from one Local Authority to another and this would make every PPP agreement unique and there is no doubt that innovation is a must in this venture.

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## AQUASMART MANAGEMENT SYSTEM - PREPAID METER TECHNOLOGY

**Mr. N. Ebdon, Atlantic Meters**

Over two decades' experience in the European and African markets, has enabled us to research and develop fully secure and flexible modular water management systems.

The *Concentric Meter Box* has a life expectancy in excess of 50 years and is made from non-corroding materials with no scrap value. An integral non-return valve ensures that the chamber is not flooded on meter removal. It is a fully integrated lightweight unit offering logistical benefits in ordering, stores, distribution and installation. The product is designed to allow easy installation by operators with minimum training. The *Concentric Meter Connection* eliminates the opportunity for fraud through meter replacement with pipe/meter turnaround. It allows meter replacement/installation in approximately 2 minutes by operators with minimum training and provides the facility for quick and easy flow control and the use of data loggers and standpipes with a similar installation time. The *AT Meter* is a single-jet concentric type domestic water meter designed to measure consumption of cold water. It may be fitted at any time with a pulse emitter and can be upgraded to provide prepaid metering with the AquaSmart system. The AquaSmart LifeLine system can be fitted to provide a solution to requirements where controlled supply is necessary. The standard level of functionality enables the electronic unit to collect consumption data and activate valve shut-down after a preset daily cumulative monthly consumption has been utilised. The pre-payment upgrade level of functionality includes a communication facility which allows a future upgrade to a full pre-payment system with installation of a Customer Interface Unit (CIU). The CIU accommodates a SmartCard insertion point which allows the system to be shut down on removal. Powered by a lithium battery with a 10 year battery life, the CIU indicates the primary meter reading, remaining credit and the tariff band. A tamper switch activates system shut down. The CIU communicates via radio frequency (to a maximum distance of 200m) or protected cable with the Water Measurement Unit (WMU) which electronically collects meter information and communicates it to the CIU. The management system links to customers via a Point of Sale (POS) network. These issue water credit via smart card technology, with each

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unique card operating only in a specific customer's system. The card additionally transfers consumption information to the POS when further credit is required, allowing the accurate application of tariff structures and water network management information. The POS terminals can be based in a fixed or mobile location.

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## QUESTION AND ANSWER SESSION

- *The pre-paid system is within a macro-economic framework. Does this product have a recognised quality standard?*

The product does not have South African or European standards accreditation as there is none. The company is currently involved in drafting standards with the SABS and industry leaders. The draft is at the finalisation stage. The meter box, meter, valve and pulse are certified with the SABS.

- *Does the system require a minimum water pressure and does it operate under varying water pressure?*

No problems have been experienced with the system operating under varying water pressure.

- *Can the system be programmed with a staggered water tariff?*

The system functions with up to 8-block staggered tariffs.

- *Does the system cope with lime-rich water?*

The system has an advantage over previous technology as its plastic materials have a smooth finish to which lime does not adhere. Other systems use volumetric meters which cannot cope with lime-rich water as particles adhere to the piston.

- *Can the system be used for communal stand pipes?*

The system cannot be used for communal standpipes which are rugged installations and do not have one person maintaining the system.

- *The system has a 10-year life-span. Will the whole unit then be replaced or only parts of it?*

The battery life is anticipated to be 10 years. However, a preventative maintenance programme of the diaphragm and battery would increase the life-span.

- *How quickly can a lost card be replaced?*

A card can be recreated on the management system at the municipality within a matter of seconds. The replacement card will carry a charge. It is recommended that the card stays in the system and is removed only for purposes of recharging or when on holiday.

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- *Can units be dispatched immediately for repair?*

The company has a joint-venture agreement with a local partner. It is here for the long-term and committed to the market. Clients are therefore assured full local support and additional support from the headquarters in Cape Town.

- *With increasing prices, what happens if people cannot afford the system any longer? Can they still use water?*

Certain amounts can be allowed through the system without charge, although the municipality will still be charged. There is, however, flexibility in the system for use as deemed right by the municipality, which would amount to a political issue.

- *What is the amount of water that can be used?*

Water supply can be limited, capped or unlimited.

- *What is the company's position on training maintenance teams locally?*

Due to the joint-venture agreement, provision is made for the training of local maintenance teams.

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## PRESENTATION BY WALVIS BAY MUNICIPALITY

Mr. A. Katiti, CEO Walvis Bay Municipality



### National Population Growth vs Migration Gain

- Walvis Bay has a total population growth rate of 6.56%
- This growth rate is the sum total of the natural population growth rate of 0.06% per annum and a net annual migration gain of 6.5%
- Approximately 250 people per month moved to Walvis Bay in 2000.
- By the end of 2001, about 3 138 people are expected to have moved to Walvis Bay. This translates to 262 people per month.

### Housing Challenges

- *Housing Need*: The extent to which the need for accommodation exceeds the availability of accommodation.
- *Housing Demand*: The desire for housing supported by the economic ability to satisfy this desire.
- *Housing Backlog*: Refers to the difference between the available housing stock and the effective demand for housing.

### Household Size

- The mean household size of Walvis Bay was 2.44 compared to an average household size of 3.23 in Kuisebmond.

### Quantifying Housing Needs

- In 1997 approximately 17.96% of households in Kuisebmond resided in backyard shacks.
- 6 678 dwelling units existed, whereas the housing need was 8 995.
- A backlog of 2 317 dwelling houses was therefore experienced.
- By the end of 2000, the existing housing stock increased to 8 208 units.

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- The housing need for the same year was 10 974 units, translating into a housing shortfall of 2 766 units.

### **The Tutaleni Project**

#### *1. Overcrowding*

Surveys conducted in 1997 and 1999 revealed the following:

- Number of backyard dwellings (shacks) recorded in 1997 = 3 278  
1998 = 4 159
  - Average number of occupants ("backyard squatters") per shack in  
1997 = 8 253  
1998 = 9 860
  - Average number of shacks per erf in 1997 = 3.2  
1998 = 3.6
  - Maximum number of occupants ("backyard squatters") recorded on a single erf: 43
  - Maximum number of shacks recorded on a single erf: 13
- #### *2. Lack of Sanitary Facilities*
- There is on average one toilet for every 143 shacks.

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## PROSPERITY HEALTH

**Mr. B. Struwig**

It is my pleasure today to, at this special occasion, have the opportunity on behalf of Prosperity Health Namibia to give you a glimpse of the future of health care in Namibia and Southern Africa as a whole.

Before starting by looking at the future of health care, I first would like to share with you our vision of a stronger Namibian health care company.

- Prosperity Health, previously known as Fedsure Health Namibia, is Namibia's largest Health care Management Company looking after the health care needs of more than 200 000 lives through 280 companies and employer groups, which represents more than 70% of the Namibian healthcare industry.
- The new name, Prosperity Health, is unique to Namibia, and as such is in the process to become a truly and fully owned Namibian group with major control through empowerment groups such as Labour Investments, Nam-mic - the Namibian Mine workers investment company, the Namibian Public Workers Union and well-known Namibian listed financial services group, Namibian Harvest.
- Our positioning is not only to at last break the control of South African owned health care companies on the Namibian market but to merge the interest of Namibian groups to position ourselves to become a major role-player within the SADC region.
- By positioning Prosperity Health as a Southern Africa health care company, we will increase the critical mass of membership, which is needed to provide sustainable health care that is accessible and affordable for all.
- In this regard, Prosperity Health has already opened offices in Johannesburg and Cape Town, and is planning in the near future offices in Botswana and Zimbabwe.
- While we position ourselves as a regional player we need to at the same time ask the question of what is the future of health care in Namibia and Southern Africa.



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- It is with no doubt that with the onslaught of modern illnesses conditions, medical aid funds will be put under tremendous strain and that inflation will continue to escalate resulting in expensive medical cost.
  - We believe that the time is arriving whereby companies will define their social responsibility in terms of medical aid to their employees by only covering the component of hospitalization and surgery which is the major risk component of health care whilst the more expensive part of medical aid, the day-to-day costs such as consultations, dentistry, acute medication and opticals, will become the employee's responsibility to finance.
  - The risk component of health care makes out close to 30% of the health care bill whilst day to day utilization represent more than 60% of costs in medical aid schemes.
  - It will therefore become important that medical aids change their benefits towards a shopping basket concept which suits the budget of each employer, company and family. This will allow employers and members to package their health care cover to match their financial capability.
  - Prosperity Health has positioned itself to become the leader in providing health care options enabling companies and families to select affordable health care options but at the same time allowing the company executive who wishes to enjoy first world benefits, to tailor make his or her health care cover accordingly.
  - With Prosperity Health strategically placed as a regional competitor, we will increase the flexibility of health care choices to meet the demands of our customers and clients but at the same time introduce cost control measures, linked to a customer loyalty program to reward healthy and low claiming families.
  - We believe that it is only in partnership with our clients and customers that we can all enjoy first world health care that will be sustainable for future generations to come.

It is our unconditional commitment as a truly Namibian company to continue to strive to achieve and maintain world-class services.

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## QUESTION AND ANSWER SESSION

- *What are the minimum membership requirements and the minimum monthly payment?*

The company represents the majority of municipalities and membership is negotiated on individual needs. Cost depends on the salary earned: the more that is earned, the more is contributed.

- *When does the policy lapse, reach its growth period and what are the benefits regarding accidents etc.?*

The time allocated does not allow for too much detail regarding a complex and lengthy product range. Brochures have been made available to the House and appointments can be made to discuss all relevant issues.

- *Is there a policy on AIDS and do prospective clients need to go for prescreening?*

The package does provide related AIDS coverage. HIV cases are not excluded as (prospective) clients and a whole group can be taken on irrespective of HIV status.

- *The benefit is while one is alive. What happens at death and who benefits?*

If the principal dies, a certain amount, depending on the cover, is released for funeral expense. Dependants can continue with the policy under the continuation member table which requires payment of a smaller amount.

- *Are municipalities dealt with as a group or can one join on an individual scheme?*

Municipalities can join as a group, which is cheaper than joining on an individual basis due to the benefits of cross-subsidisation.

*It was requested that the company contact each municipality to further explain various products and their costs. The company concurred and accepted the request.*

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## PROVIDING FOR RETIREMENT IN THE 21<sup>ST</sup> CENTURY

Hon. Rev. P. /Goagoseb



The 52nd Congress of ALAN comes as a special occasion in many ways. First, it is one of the few congresses of ALAN held outside Windhoek, for a change. Secondly it is the first Congress of ALAN in the new millennium.

This year's theme: "Local Authorities Unite to put Community Agenda First" could not have come at a better time than now, when Local Authorities are expected to move away from Council-Centred to Community-Centred levels of service.

Historically, the Town and City Councils put together "Master Plans" for the development of their respective towns. Many a time they took for granted that what they were doing was good for the communities they served.

In this new millennium, the approach is or should be more consultative in nature, where mass participation is part and parcel of the whole development process.

Master of Ceremonies, I have been asked to share with you the latest developments within your Pension Fund, namely The Retirement Fund for Local Authorities in Namibia.

As you are aware, it has become a tradition that the Pension Fund gives some form of feedback at this annual event. Last year, our report-back was based on the restructuring of death and disability benefits within the Pension Fund. By making use of Consultants and experts, we tried to the best of our ability to explain the reasons why the changes in these risk benefits had to be effected.

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I am pleased to inform you that your Fund is growing from strength to strength and is now, by membership, the second largest privately administered Pension Fund in the country (second to the GIPF). From humble beginnings in 1993, we now boast with active membership of about 3900, about 250 pensioners and about 1000 dependents.

The figure of 1000 for dependents is not something to be pleased about. It is a clear indication of the impact of AIDS on our Fund. More and more children are being orphaned at an alarming rate. This is certainly not a fight that the Pension Fund can tackle on its own. It must be a concerted effort of all stakeholders to try and curb the pandemic at the workplace. Instead of each Municipality addressing the AIDS problem individually they can all have a joint program which addresses this. Perhaps ALAN will be the best platform to act as the mouthpiece for its members.

Our Fund's assets were standing at nearly N\$400 million as at 28 February 2001. These assets are invested with Old Mutual Asset Management, Namibia Asset Management, Allan Gray, Standard Bank Namibia Investment Management Services and a property holding with Sanlam Investment Management.

Unfortunately we did not manage to get the latest investment performance figures for all our Asset Managers, in time for this meeting. However, we are in the process of preparing the first newsletter of the Fund for this year and these comparative figures as at 31 March 2001 will be made available to the public.

I am also pleased to inform you that our Fund has appointed a full-time Principal Officer for the first time. We believe that by so doing, the Fund is now in a better position to serve its members by attending to queries that they may have. The new Principal Officer is Mr. Loth Angula and his offices are situated in the Windhoek Municipal Building, on the second floor, room 212. I call upon the members as well as participating Municipalities to make use of this office available to them.

I am also pleased to inform you that the number of Municipalities and Town Councils joining our Fund has been increasing steadily. Latest additions are Aroab and Leonardville Municipalities.

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We now have a total of twenty-six participating Municipalities, namely:

Aroab	Omaruru
Bethanie	Ondangwa
Gobabis	Ongwediva
Grootfontein	Oshakati
Henties Bay	Otavi
Karibib	Otjiwarongo
Karasburg	Outjo
Katima Mulilo	Rehoboth
Khorixas	Swakopmund
Keetmanshoop	Tsumeb
Leonardville	Usakos
Luderitz	Walvis Bay
Okahandja	Windhoek

On a sad note, there are some transfers of members' accrued benefits, from the GIPF to our Fund, which are still outstanding. Some of these delays are caused by the Town Councils of those respective members who are still undecided as to where to transfer the money. We understand that some Town Councils are given nice offers from the agents or insurance companies, where the money from the GIPF can be transferred to Preservation Funds of these institutions from where it can be paid out to the members.

We as Trustees of your Fund have a fiduciary responsibility towards the members of our Fund and would like to see our employees retiring with a reasonable pension when that day comes. As a result we do not support this type of behaviour where the members who have had years of service have to retire on a monthly pension of N\$80 simply because all his savings are misappropriated.

We therefore call upon those Town Councils to stop this practice immediately, in the best interest of the members.

We understand it is tempting to fall into this trap, especially the members themselves who are always in need of cash will fall for it. However the

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consequences of taking cash now which is meant for your retirement, are even more devastating.

The Town Councils should avoid a situation where they allow members to choose whether to transfer their cash to a Preservation Fund or to our Fund.

It should be remembered that the Retirement Fund for Local Authorities is a brainchild of ALAN and as such should be seen as one of the many organs of ALAN. It will therefore be self-defeating if some Municipalities apply for membership to ALAN and then choose to reject certain organs of ALAN. It is all or nothing! I hope that my contribution will stimulate debate around this issue.

Allow me to conclude by referring to another disappointing development within our participating Municipalities. It has come to our attention that of late, some Municipalities have started defaulting on paying monthly contributions to the Pension Fund. You may recall that last month we sent out a circular to all participating Municipalities, addressing this issue. I must warn you once again that this is a serious breach of contract and a gross violation of the relevant acts put in place to regulate the industry.

The two cases, which were reported so far, were resolved amicably and we sincerely hope that no similar incidences will occur in future.

Let this congress be a turning point in our efforts to unite in order to put Community Agenda first.

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## BEST PRACTICES AT LOCAL LEVEL

Hon. Cllr. Erastus Uutoni, Mayor of Ongwediva Town Council



The Ongwediva Town Council and the two other northern town councils, namely Ondangwa and Oshakati, felt that their experience in local government was not quite sufficient to address the problems pertaining to the respective towns. It was then decided to join with other municipalities and NGOs in order to learn more and share experiences and ideas. Among these organisations, we joined LOGON.

### LOGON Mission

The Local Governance Learning Network Trust is an independent South African-based non-profit trust with the purpose of building capacity in local governance through promoting shared learning both locally and internationally. In pursuing this, LOGON aims to act as a conduit for critical Collaborative Action Learning and Information Dissemination so as to stimulate and facilitate discourse. To this end it will build networks and partners and initiate, co-ordinate and conduct action learning in joint construction with existing institutions.

### LOGON Objectives:

- Respond to requests for **research** and advice from government departments, legislatures and organs of civil society in co-operation with other partners.

### LOGON Aims:

- Catalyse **new thinking and innovation**, encouraging the study of governance in Southern Africa in co-operation with other institutions and relevant university departments.

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- Promote efforts to make and share information on local government issues more accessible to local government, including the public so as to stimulate discourse within a learning community.

#### LOGON's Interventions

- Encourage and establish Local Government Learning Organisations
- Building better understanding of the roles, responsibilities and accountabilities of councillors and officials
  - Clarify a common vision and set of values
  - Leadership and management development through exchange and mentorship
  - Refine HR policy, procedures and systems
  - Introduce performance management systems: Conditions of Service, Salary Grading, Job Evaluation.
- Financial viability and sustainability
  - Developing a common tariff and rates policy
  - Developing an effective approach and engaging and educating the public regarding their responsibility to pay for service.
  - Systems of enforcement

The objectives realised in joining LOGON include:

- To improve municipal performance
- To build municipal capacity
- To build capacity by shared experiences
- To develop support materials e.g. job grading and conditions of service
- To create meaningful relationships between Ongwediva and South African municipalities.

We foresee the methodology to be used to encompass the following elements, such that the process becomes the product:

- Establishing a team:
  - Appropriate staff from 3 participating authorities
  - A project co-ordinator (Shanil)
  - A project facilitator (Vinson)
  - Specialists in a particular area, seconded local government officials



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- According to the following methods

Project specific

Workshops

Training

Exchanges (shoulder-to-shoulder)

Mentorships

Namibia-to-Namibia

Namibia-to-South Africa

In October 2000, the Ongwediva Council embarked on a trip to Bloemfontein, South Africa to learn and share experiences with the Bloemfontein counterparts and establish whether common problems were encountered.

Our experiences include:

- Value-added to us as municipalities e.g. we are able to approach our community regarding water payment.
- Benefits gained e.g. conditions of service.
- Lessons learnt e.g. how to deal with issues between Local Authorities and traditional leaders.

The possible way forward recognises that by building on past success of the pilot initiative, it is aimed to:

1. Continuing the work initiated within the northern Namibian region;
2. Extending further into newly created neighbouring municipalities;
3. Initiating and supporting a South African network within the Eastern Cape Province, and
4. Initiating a subsequent organisational learning and development project in Mozambique, with
5. The overall creation of a supportive network of sharing learning and expertise between these participating countries' municipalities.

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**WORKSHOP 1**  
**Housing and Urbanisation**

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## **PRESENTATION BY SHACK DWELLERS FEDERATION OF NAMIBIA (SDFN) AND NAMIBIA HOUSING GROUP (NHAG)**

**Ms. M. Kaulwa, National Facilitator SDFN**

Ten years ago there were three housing groups in Namibia: Saamstaan from Windhoek, /Khara Tsasib from Mariental and the Keetmanshoop Housing Union. Today the poor people living in shacks have a national people's movement, which would have filled this hall if only one representative from each of the 170 saving schemes would be present.

The Shack Dwellers Federation started when poor people came together and discussed what they could do to improve their living conditions. We are organizing ourselves through savings schemes. This enabled us to obtain land and houses that are affordable to us. When a group started saving they become part of the Federation. Initially housing groups established an umbrella organisation called NHAG in 1992, but two and a half years ago, on 31 October 1998, we decided to become a Federation to enable more poor people to participate in their own development. We also decided that the Support Service of NHAG should become a separate organization.

The members are doing the work themselves; we collect information in our settlements, negotiate for land, build the houses ourselves to reduce the labour costs and managed our own loan fund, the Twahangana Fund. We learn these activities through exchanges among saving schemes, within the country and also outside of Namibia. These exchanges help the communities to become aware how to go about getting houses and how to work with the Local Authorities.

### **Savings is a way to work towards loans for houses.**

We learned through the years that savings are very important to negotiate for land and money for building our houses, and therefore we started to concentrate more on the savings. We also use our saving money for small loans amongst ourselves, for income generation and for our other needs.

Each group saves their money in their own bank account. First we saved monthly and as we learned about daily savings from the Indians, we decided that this is better for poor people. We can save as much as we can afford. There are two or three treasurers in each group. Each week a

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member gets a turn to collect the money and at our weekly meetings the money is counted in front of the group. The treasurers take the money to the bank and bring the receipt of the deposit and the bankbook to the group. Once every three months we have exchange visits to help preparing our reports. We find out then if there are problems and then we discuss it amongst the group. If no solution is found we arrange an exchange with another community that has resolved the problem. **Our latest national report (Dec 2000) shows that there are 8500 members in 170 groups saving and they have saved N\$800 000.00 in 36 towns and villages.** Through our savings the members learn to work with money and managing the loans from their savings prepares us to handle house loans.

### **Land**

We as poor people have to struggle to get land, and as we negotiate with the Local Authorities, we do not go empty handed to them. We use the collected information about our living conditions and incomes, and the information about our savings when we start talking with them. The members collected information already among more than 9000 households in 15 towns in Namibia.

The median income of these shack dwellers is N\$420 per month, illustrating that conventional plots would not have been affordable to them. Therefore groups negotiate for blocks of land, which they develop themselves. When they succeed with the negotiations, the saving scheme establishes itself as an association by means of a constitution. Each member in the association signs an agreement, with the rules that groups make themselves regarding their rights and obligations to occupy and transfer their piece of land. Sixteen groups, involving 722 households got land from the Local Authorities.

Our groups living in informal settlements have started to plan their own settlements with the intention to upgrade the settlements. In Windhoek we are planning to work in partnership with the City Council to upgrade 15 settlements.

### **Financing to improve the lives of the poor: The Twahangana Fund**

The Federation has its own national revolving fund for building houses and income generation activities. We started the fund with donations from the Norwegian Consulate and a German NGO. We also obtain funds from the

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Build Together Programme of the Ministry of Regional, Local Government and Housing. In June last year the Minister of Regional Local Government and Housing gave the Federation N\$1 million to match the saving done by the members in the groups. For each N\$1.00 we saved, the government gave N\$2.00.

The groups receive the loans for the members, and they ensure that the houses are being built and that the money is used in the right way. They are also responsible for the repayments. Our house loans go up to N\$15,000, and is to be paid back over 15 years with 1% interest per month. The income generating loans of N\$1,000 have to be paid back over a period of 1 year with 2% interest per month. Since 1998 we used N\$2.6 million for 650 income generating loans and 274 housing and infrastructure loans. With the money returning from these loans we have already been able to revolve 70% of the income-generating fund.

A further N\$ 828 500.00 was already provided by the Build Together Programme to seven saving groups for 92 houses.

To qualify for a loan a member has to save regularly, attend meetings, has to have land and participate in group activities. We also save 5% of the loan amount for security money. We therefore contribute something before we receive the money.

### **Building of houses**

The members build the houses themselves with the assistance of paid bricklayers. In some groups members help each other with excavations and the making of bricks. 339 houses are completed. Three groups, one in Keetmanshoop, one in Otjiwarongo and one in Otavi, built with clay. The groups built life size house models (as also exhibited during the Afri-city Summit in May 2000) to show the plan used by most of the members. When the group buys a block of land our NGO NHAG prepares the municipal approval plans. The groups install their own water and sewer pipes within the boundaries of the block of land.

### **Improving our lives through environmental and health activities**

The SDFN, with the support of other health NGOs, embarked on activities to address the health and environmental issues in our community. With the spread of diseases like AIDS and TB we feel it is important that we should become involved in activities to address these. Currently we are addressing

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the generation gap in communicating about our traditional values and health practices by holding cultural events. These include dancing, story telling and sharing issues around traditional and current practices. With NAMTA (Namibia Tuberculosis Association) and the National TB Program, some groups are also supporting the DOTS program in their community. To address environmental conservation, our members teach each other to make wood saving stoves, which are also used to generate income.

### **The role of the supporting NGO**

We receive support from the NGO, Namibia Housing Action Group (NHAG). They open doors for negotiations with national and local governments, obtain funds for our activities, administer the loan fund and give technical support, like the drawing of plans.

### **Conclusion**

Our work is not without problems, but by being part of the Federation, we can support each other to address problems. It is important to note that the majority of the participants in our activities are women, but we do not exclude men.

The biggest issue facing us is access to affordable land and being able to improve our incomes and the lives of our families. We had a bad experience last year when one of our groups lost 40% of their income when resettled far away from their source of informal income. We, as the poor, cannot afford this.

We are finding workable solutions together with our government and local authorities. What is needed is that our national policies and laws must recognize and facilitate our practices. Please keep the door open for us and open new ones.

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## PRESENTATION BY NATIONAL HOUSING ENTERPRISE (NHE)

Mr. A. Wienecke, NHE

### **NHE as a Parastatal**

The NHE is

- The housing agency of Government
- Operations are controlled through the NHE Act and National Housing Policy
- 100% owned by government

### **NHE as a Commercial Enterprise**

- NHE does not receive direct subsidies from Government
- NHE operates on a cost recovery basis
- Interest rates are among the lowest on the market (currently at 14.5%)



### **NHE Offices**

- Windhoek: Head Office and Central Branch
- Walvis Bay and Swakopmund (sub Branch)
- Ondangwa
- Keetmanshoop

*Decentralisation, bringing services closer to the clients and communities, PPP, LED.*

### **The Core Business of NHE**

Provision of housing, which involves:

- Housing Construction, including erf development if required
- Provision of housing loans (building society function)

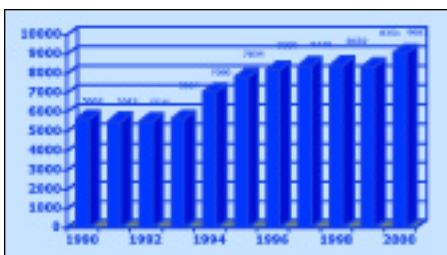
*Building societies usually perform either one or the other above functions. NHE performs both to ensure that houses built are tailor-made to fit individual needs and affordability.*

## Sources of Funding and Income

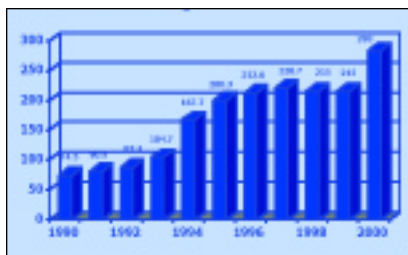
- Housing deposits paid by clients (7.70%)
- Loans repayments and interest earned (48.36%)
- Money borrowed from the capital market (12.69%)
- Grants (17.4%)
- Soft loans (13.7%)

*NHE needs support from politicians to get funding in order to make housing more affordable.*

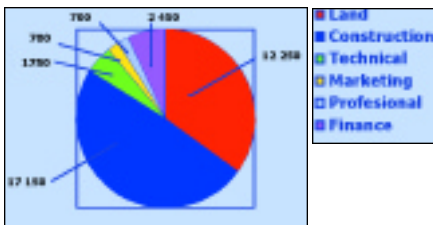
### NUMBER OF MORTGAGES/LOANS



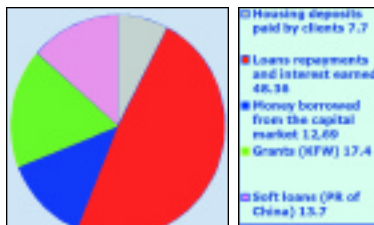
### VALUE OF OUTSTANDING LOANS/MORTGAGES (in N\$ millions)



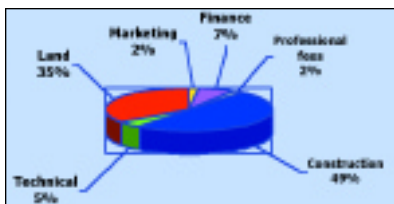
### CORE HOUSE COSTING N\$ 35000 (IN N\$)



### SOURCES OF FUNDING AND INCOME IN % (1999/2000)



### CORE HOUSE 35.8m ON 300m PLOT



Ratio between construction costs and erf costs not reasonable



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## Housing Market

NHE operates in the low income housing market (properties valued below N\$ 150,000)

The housing market is divided into:

- High income housing market
- Middle income housing market
- Low income housing market
- Ultra-low income housing market

## Obstacles to the Housing Process

- Lack of serviced land (in main urban centres):
    - Land is expensive and in short supply
    - Servicing of land is the responsibility of Local Authorities
    - Many Local Authorities lack skills and funds to service land.  
*NHE can, however, service land if land and funds are available. Local Authorities should be empowered financially to perform their duties.*
  - Low affordability levels of clients, due to:
    - Unemployment
    - High prices of building materials and building costs.  
*NHE will find economic building methods and building materials. Government should reinstate subsidies to enable NHE to venture into ultra-low income markets.*
  - Unrealistic / outdated standards
    - Minimum plot sizes of 300m, increase erf costs
    - Waterborne sewer
    - Tarred and wide roads
    - Water taps to each and every house  
*Revision of the National Housing Policy and the setting of realistic standards are being considered.*
  - Regulatory frame work
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# URBANISATION IN THE CONTEXT OF NAMIBIA: CHALLENGES, STRATEGIES AND THE ROLE OF NGOS

Comparative Institutional Advantage of Non Governmental  
Organisations –

the case of the Urban Trust of Namibia

Mr. S. Joas, Executive Director Urban Trust of Namibia

## Abstract

*This paper aims to advance some ideas and views on urbanisation in Namibia, its implications and the role a Non Governmental Organisation (NGO) can play in addressing the challenges of urbanisation. While reference is made to NGOs in general, particular focus is on the Urban Trust of Namibia (UTN). The purpose is to contribute to on-going discussion, but more so, to encourage reflection and an*



*exchange of ideas on urbanisation in Namibia. The paper assumes that NGOs and other stakeholders in the urban environment, such as the local authorities, the private sector, parastatals and relevant line ministries have comparative advantages for participating in and often leading a mutually inclusive effort with national government to stimulate local economic growth, to reduce urban poverty at local level, and to promote democratic urban governance. This is not to suggest, however, that economic development and democratic governance are mutually inclusive. An example could be made here to parts of Asia, where high economic growth has not necessarily resulted in greater democracy in certain countries of that region. However, decentralisation and greater participation at local level, by both local institutions and civil society may not only enhance economic growth but also strengthen processes of democracy.*

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The UTN (Urban Trust of Namibia) is not concerned with the "hardware" of physical infrastructure, such as the normal, high profile indicators of donor support to countries such as Namibia. The UTN is concerned with the development of the "software" - the people of the country. The bottom line of successful, sustainable development is people development. The development of the intellectual and attitudinal capacities, supplemented by the development of the structures, which are imperative to the creation of civic and civil order and upliftment. If the people become 'enabled' then it follows "as night upon day" (a nod to William Shakespeare!) that the country and its structures become enabled.

**-UTN Chairperson, Mr K McNamara –**

## **1. INTRODUCTION: PURPOSE AND BACKGROUND**

### **1.1 Purpose**

This paper aims to advance some ideas and views on urbanisation in Namibia, its implications and the role a Non Governmental Organisation (NGO) can play in addressing the challenges of urbanisation. While reference is made to NGOs in general, particular focus is on the Urban Trust of Namibia (UTN).

The purpose is to contribute to on-going discussion, but more so, to encourage reflection and an exchange of ideas on urbanisation in Namibia. The paper assumes that NGOs and other stakeholders in the urban environment, such as the local authorities, the private sector, parastatals and relevant line ministries have comparative advantages for participating in and often leading a mutually inclusive effort with national government to stimulate local economic growth, to reduce urban poverty at local level, and to promote democratic urban governance.

The above is not to suggest, however, that economic development and democratic governance are mutually inclusive. An example could be made here to parts of Asia, where high economic growth has not necessarily resulted in greater democracy in certain countries of that region. However, decentralisation and greater participation at local level, by both local institutions and civil society may not only enhance economic growth but also strengthen processes of democracy.

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## **1.2 Background**

This paper draws heavily on, and builds on papers, publications and strategic documents of the Urban Trust of Namibia (UTN). The UTN recognizes that strategies for alleviating urban poverty under certain circumstances may differ from strategies for stimulating economic growth. This difference is of significance to the debate about the contrasts between income-generating activities, in a narrow sense and small business development. This paper assumes that jobs created through support for labour-intensive economic growth policies will go a long way towards reducing unacceptable urban poverty levels.

The paper presents some practical areas of opportunity for increased cooperation on urban policy development and possibly joint project implementation between Namibian service NGOs and local authorities as a strategy to deal with challenges of urbanisation.

In addition, the paper also raises some important issues: with the increasing scarcity of public capital and the continued flight of domestic savings for higher returns elsewhere, what are the appropriate and effective responses? What complementary role can NGOs play in addition to local authorities, parastatals, and the private sector?

## **2 URBANIZATION IN THE CONTEXT OF NAMIBIA**

### **2.1 Urbanization, a general trend**

Throughout the years, and throughout the world, urbanization has become a reality. While urbanisation is more visible in the developed and so-called advanced countries (e.g. Japan, United States), it is projected that the developing countries (e.g. in Africa and Latin America) will largely be urbanised by 2015.

Given the above reality, it goes without saying, that urbanisation will be a major factor influencing policy and programmes, both at national and local levels. Particularly at local level, urban role players such as local authorities, NGOs, private sector and communities themselves are challenged to deal with the demands of urbanisation.

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## 2.2 Urbanization in Namibia: challenges and strategies

Namibia with its small population, estimated at 1.6 million, in general creates an impression of an un-urbanised country, in comparative terms to its neighbours: Zimbabwe, South Africa and the war torn Angola with concentrations of urban populations. In many respects, Namibia is largely seen as a "poor" rural country, with both government and aid agencies tending to focus on rural development. Yet, by 1992, according to the National Census, the share of the nation's population living in urban areas increased from 25 percent to 33 percent over the 1981-91 period alone, as the urban population grew by 5.80 percent per annum over the same period. The overall population growth rate of the country between 1981-91 was at an annual rate of 3.10. Thus, Namibia has experienced a much higher urbanisation rate than its population growth between the same period.

Municipalities where job opportunities are perceived (whether real or unreal) have even experienced a higher rate of urbanization.

While the search for job opportunities is a main reason for population shifts from rural areas to urban areas, other factors are drought, poor land use management (particularly in communal areas), evictions from farms, the illegal fencing of communal lands, resettlement programmes, inheritance laws that have forced many women-headed households off their rural lands and HIV/AIDS. In addition, with the country's independence, Namibians expressed their freedom of movement and association, most for the first time, in the pursuit of better jobs, housing and education.

On the positive side, urbanisation offers opportunities, e.g. recreational activities, educational facilities, shopping facilities etc., are closely located, for a concentration of people.

One challenge for municipalities as a result, is the illegal occupation of public and private urban land. In addition, urbanisation means growth in towns and municipalities, and therefore demands for more urban services. Another challenge is the increase in urban poverty, as more people compete for jobs, urban space, housing and other urban services.

Intervention strategies, whether by local authorities, NGOs, governmental institution or external donors, should not assume that urban in-migration necessarily results in the same number of permanent urban residents. Many of these new urban "residents" maintain strong links with their rural background.

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### 2.2.1 Strategy and responses

Since independence, the challenge to manage urbanisation is shaped against a backdrop of severe financial resource constraints, unemployment and the lack of holistic urban policy and approach. Recently, with the formulation and establishment of the decentralisation process, the role of local authorities and NGOs and other local actors will become more critical. Unfortunately, the process of decentralisation will also be faced by the same challenges of financial resource constraints, unemployment and the lack of holistic urban policy and approach.

Over the past few years, national government has successfully managed to re-shape spending priorities towards social services and human resource capacity building. Health and social services, education, and housing and community development, for example, were initially allocated the largest percentages of the national budget. While the impact on this investment is yet to be seen, increased investment in these services is not that visible in real terms.

To pay for expanding levels of social services, the national government has improved the collection of personal income taxes. More recently the government introduced the value-added-tax. The impact this will have on the urban poor, in real terms, is yet to be established. While tax collection may be improved, the new tax system may negatively affect the urban poor, in the sense it falls disproportionately on the shoulders of the poor.

Without generalising, with the international donor interest on the decline, little hope can be expected from the current international donor community to increase available resources for the social sector or for economic services. International donor support is clearly on the wane in Namibia, as the international community becomes more focused on problems in other parts of southern Africa, notably Mozambique, Angola and South Africa.

Increasing urbanisation, accompanied by a slower, yet steady population growth in Namibia has unfortunately not been matched by economic growth since 1980 and throughout the independence period, making fewer or no resources available to deal with the challenge of urbanisation.

Complicating matters further, Namibia is grappling with a trading and service economy highly dependent on imported goods from South Africa. Unfortunately, the expansion of the informal sector in which the increasing numbers of the poor might create employment is constrained by the dearth

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of intersections with a formal economy that is almost completely reliant on imports and has been largely resistant to both domestic and foreign competition.

The development of informal markets in urban centres, and the opening up of established formal markets to promote locally manufactured products are urgently needed to support emerging small businesses. Yet few, if any, municipalities and towns, excepting Part II municipalities have the available capital to construct markets, nor has there been a concerted effort to demonstrate to the private sector that they could establish partnerships with local governments to "build and operate" informal markets on a commercial basis. Through the experiences of its urban governance project and the informal market development project, the Urban Trust wishes to demonstrate that community based organisations are better placed to manage and operate informal markets once they are capacitated to do so.

Stimulating domestic investment opportunities by the private sector will require government and its agencies to place a much stronger emphasis on progressive land reform, deregulation, financial discipline, cost recovery and impact evaluation than has occurred to date. This is not to suggest nothing has happened in these areas, but that much more still needs to be done. To its credit, the government has managed to put some pressure on pension funds and insurance companies to invest more of their capital in Namibia, though it has stopped short of even considering a community reinvestment policy, regulation or even an act. Instead, only much opposed by the affected private sector re-insurance regulation has been introduced.

With the proclamation of more towns, surveyed and serviced land in these towns is beginning to open up opportunities of private investment in housing development. However, without speeding up this process, including changes in the regulatory framework and new priorities for targeting public capital to proclaim, survey and service communal land outside Windhoek, much of private capital could still go into unproductive or marginally productive investment in Windhoek.

### **2.2.2 Decentralisation and urban government in the face of urbanisation**

With independence, Namibia inherited a divided local authority system, on the one hand advanced and independent municipalities catering for the former white areas, and on the other side highly dependent communal towns, villages and townships such as Katutura.

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In an effort to deal with the above situation, the Local and Regional Authorities Acts were enacted, both initially in 1992. Thus in law, local government structures are conventional and standard: an elected council, an executive committee, with a council chairperson, a chief executive officer, independent administration, the power to make municipal by-laws and to raise revenue. With decentralisation, more powers and functions are to be taken on at local authority level. However, as the availability of long-term infrastructure capital from central government decreases, municipalities and towns are drastically increasing the cost of water and electricity.

With the unfolding decentralisation process, it is envisaged that local authorities in partnership with NGOs, community-based organizations (CBOs), trade unions and business associations should have new opportunities to shape the implementation of national government policies at the community-level. Nevertheless, newly created town and regional councils are just beginning to fully operate. Most municipalities and towns face a difficult task in providing and maintaining basic services, especially to their lowest income residents. Excepting Part II municipalities, virtually all suffer from the lack of qualified personnel in key posts, while some officials struggle with the requirements of decentralisation.

However, if this "new" opportunity is to be exploited, local and regional government officials who view NGOs mostly as competitors for external resources rather than as potential development and planning partners will have to change attitudes. This will allow both regional and local authorities to play an increasingly dynamic role that will impact private sector development and NGO efforts in reducing urban and rural poverty. Given that regional and local councillors are much more constituency-based, they can cooperate more effectively with NGOs at the community level. Already NGOs such as the Namibian Development Trust and the Urban Trust are implementing some training programmes for local and regional constituency development committees. These trained committees will be effective partners in local governance.

### **3. THE ROLE OF NGOS IN DEALING WITH THE CHALLENGE OF URBANISATION**

Namibian NGOs are yet to establish a network of NGOs and/or a network of resource people within the NGOs with particular knowledge, expertise, experience and interest in urban governance, urban management and

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urban environmental planning. As such there is a lack of a pressure framework that could effectively advocate for a development of a national urban policy or strategy for Namibia, which will provide the framework for a holistic urban development. There has not to date, been any sustained effort by NGOs to strategically engage local authorities and other stakeholders in the urban environment, to join forces in efforts to deal with the challenges of urbanisation, policy and project level.

NGOs, in many cases are wrongly seen as competitors. On the contrary, NGO efforts to meet the social and economic needs of the poor complement government initiatives. As such, comparative advantages offered by NGOs at local level are not exploited in a coordinated way, resulting in duplication of resources and efforts.

Over the past few years, a number of Namibian service organizations have been involved in addressing challenges inherited from the previous system, particularly policy obstacles to equitable urban management practices. For example, the Namibia Chamber of Commerce and Industry (NCCI), during 1993 commissioned research on legal obstacles to local economic development and organised educational forums around the country to educate their members on these legal obstacles. NCCI also assisted in founding a new independent urban policy development and action planning organization - the Urban Trust of Namibia. The Urban Trust is a partnership between the private and public sectors to support "hands-on" urban management by local communities, and to empower people with substantive information with which to maximize their choices for addressing urban poverty in Namibia. Another NGO significantly involved in urban issues is the Namibian Housing Action Group (NHAG), which provides support services to community based organisations such as the Shack Dwellers Federation. NHAG has been actively involved and successfully obtained land and infrastructure for groups across the country.

### **3.1 The example of the Urban Trust**

The UTN is dedicated to promoting equitable and chiefly local economic development initiatives, which are grounded in an understanding of Namibia's conflicting macro-economic forces, its history of over-regulation and the need for affirmative action. The Urban Trust seeks partners who share our real commitment to democratic, transparent and participatory

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policy-making and planning. UTN hopes to enable urbanising communities, small formal and informal businesses, private self-help groups, Namibian NGO's and decentralised institutions to debate, control and sustain their own civic and economic development. UTN's focus is on a competitive and productive economy because UTN believes, if well structured, strong labour-intensive economic performance will ultimately reduce unacceptable levels of urban (and rural) poverty and determine how much can be spent on government's recurrent expenses and on its social, housing and education programmes. The Trust focuses on assisting communities, business associations, groups, and institutions to promote effective, efficient, democratic and developmental forms of urban governance.

Since its inception, the UTN has been working with various community committees, informal business operators, and municipalities' countrywide. The informal sector groups targeted in those areas function at the grassroots level and service low-income urban communities. The committee members, who consist of women and men, are elected by communities to lead local development activities.

The Urban Trust has been created as an organisation to serve two main constituencies:

- Local (urban) communities and their organisations
- Local (urban) policy and decision makers (such as local authorities)

In terms of its focus to support development efforts at local and in particular, urban settings, UTN shall also network and co-operate with a number of other stake-holders in local development, both from the private and public sectors.

The UTN cannot claim to be the representative of either the authorities and/or communities as it is not a membership organisation and has no mandatory processes in place. It however, can and must bring together the key stakeholders and key audiences in an action oriented, practical manner.

The UTN works with local community groups in a collaborative, consultative and co-operative manner. It develops partnerships based on an agreed understanding of what the community requires and what the Trust can provide.

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#### **4. SUMMARY, CONCLUSION AND RECOMMENDATION**

There is no question of the need for partnership of all stakeholders in the urban environment, if we are to effectively address the challenges of urbanisation. There is no one organisation, be it an NGO, a local authority or other that can individually meet the challenges and demands of urbanisation. No single project, or approach on its own, without exploiting the comparative advantages offered by other partners, will effectively address the challenges of urbanisation. While each group (local authorities, NGOs, national government and donors) has different skills, expertise, experience, knowledge and perspectives, the need for coordinated effort still remains.

The Urban Trust is committed to contribute towards the formulation of a National Urban Policy for Namibia, particularly contributing to issues addressing policies for balanced urban and economic growth that seek to improve the income and shelter conditions of the urban poor.

In view of the above, areas of cooperation with ALAN and possibly other urban stakeholders could include:

- Coordination of a urban policy research task force, responsible for among others, the carrying out of a situational analysis on how far the process is and what needs to be done;
- Establish a resource base of information, including possibly the facilitation of exchanges and documentation of experiences;
- Facilitation and coordination of a workshop with councils and municipalities to solicit input and recommendations for an urban policy;
- Assist in the drafting of a framework for a policy paper;
- Facilitation and coordination of a working committee to facilitate the technical process of formulating a national urban policy.

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## WORKSHOP 1 RESOLUTIONS

The following three papers were presented:

1. Presentation by the National Housing Enterprise (NHE);
2. Progress/trends of affordable housing, by the Shack Dwellers Federation (SDFN), Ms Martha Kaulwa; and
3. Urbanization in the context of Namibia, challenges, strategies and the role of NGOs, by the Urban Trust of Namibia (UTN), Mr Santos Joas.

The discussions were very lively, interesting with active participation. After considerable discussions, the following were recommended for consideration and adoption by the plenary:

1. Local Authorities should facilitate the provision of affordable land for low-income communities;
2. Local Authorities should support community driven processes;
3. Local Authorities, in partnership with housing delivery institutions and other stakeholders (e.g. NHE, SDFN, NHAG, UTN etc.) should formulate guidelines on the pricing of land;
4. ALAN, in partnership with the Urban Trust of Namibia should develop and work on a process leading towards the drafting of a holistic urban policy framework;
5. Local Authorities should support research in non-conventional building material, infrastructure provision and construction methods, appropriate standards and regulation;
6. ALAN should facilitate exchanges of best practices through visits, provision of information etc., in areas such as:
  - Water management
  - Provision of land
  - Waste management
  - PPPUE experiences
  - Public participation policies.

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**WORKSHOP 2**  
**Public Private Partnerships for Urban Environment**  
**(PPPUE)**

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## OPENING STATEMENT

**Dr. J. Badcock, Resident Representative UNDP**

The end of the 20th century witnessed an unprecedented change in the pattern of human settlements. Today, at the start of the new millennium and for the first time in history, more people live in cities and towns than rural areas. It is projected that by the year 2025, almost two-thirds of Africa's population will be living in urban areas.



While urbanisation in developing countries has contributed to wealth accumulation, it has also been accompanied by an alarming growth in the incidence of poverty. Today, one out of four people in cities world-wide lives in "absolute poverty," while another one in four is classified as "relatively poor."

This rapid concentration of hundreds of millions of people has placed an extraordinary strain on the ability of governments - both municipal and national - to meet the needs of city dwellers for basic services.

For the poor in urban Namibia, the most threatening environmental problems are those close to home: lack of access to clean water, accumulating garbage, a lack of energy services. As the decentralisation process advances, responsibilities of such basic service deliveries will be entirely upon local authorities. Local authorities will have to devise measures to cope with expanding urban populations with limited resources.

In order to address this critical issue, UNDP established the Public Private Partnerships for the Urban Environment (PPPUE) Facility. This Facility's core goal is to increase access of the urban poor to basic urban services by promoting collaboration between the private and public sectors. Through these innovative partnerships, PPPUE helps to address some of the most

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urgent urban environmental needs and to create healthy living conditions for all citizens in urban areas.

The global PPPUE programme has national programmes as a major component. Namibia has been selected as one of the 7 countries where the national programme is to be developed.

In Namibia, with the leadership of the Ministry of Regional and Local Government and Housing as the Executing Agency, and with the Steering Committee comprised of ALAN, ARC, Namibia Chamber of Commerce and Industry, Urban Trust of Namibia, National Planning Commission and UNDP, the preparatory phase of the national programme began in September and is ending this month. The major output of this preparatory phase is the Project Document for the full-programme, whose draft we have distributed to you.

The full programme phase is envisaged to begin soon for the duration of 18 months. It will have activities aiming to create enabling policy and legal environment for PPPs and to strengthen capacities of institutions in both public and private sectors to engage in effective PPPs.

We are extremely privileged to have this opportunity at the 52nd ALAN Annual Congress to introduce the PPPUE Programme widely to local authorities' staff from all over Namibia. This Workshop will serve as an important opportunity to enhance your understanding of the potential of PPPUE in improving service deliveries at local level, and to exchange views and experiences in this exciting field. I am certain that this session will lead to your strong commitment to the PPPUE Programme, to form a firm foundation for the launch of the Programme's full phase, and address this very real issue of alleviating poverty and helping healthy urban living environment.

I wish you all successful deliberations today.

Thank you very much.

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## PUBLIC PRIVATE PARTNERSHIP FOR URBAN ENVIRONMENT

Hon. Prof. G. Töttemeyer

Deputy Minister of Regional and Local Government and Housing



When we consider the still prevailing imbalances in the development of our country, of which many are inherited from the past, we know that we have to constantly explore new action plans. We have to consider new ideas and their conversion into action. We are constantly faced by the fact that the majority of our population is still deprived, eagerly waiting that social justice should be done and poverty alleviated. We must give them hope. Our commitment must be sustainable development.

As you are aware, I am a firm believer in a bottom-up approach implying that we must give our wholehearted attention to the people at grassroots level whether in rural or urban areas. Last week I came across an important statement. I quote:

*"Most grassroots people, it seems, are bright enough to understand what many in our elite seem to have forgotten - that societies do not achieve anything of worth, economically as well as in other spheres, if they do not give serious attention to meeting those whose fulfillment make people proud and happy to be members of a society, as well as to the economy and to material issues."*

It is not easy to rectify the skewed developments of the past while we endeavour to steer the country into a bright and promising future. As policy makers and administrators we are all faced by high expectations in the population. We notice the despair and take note of demands coming from

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the people and their spokesperson. We are equally aware that people have become more active and articulated in putting their demands. Protest marches in several Namibian urban local authority areas during recent weeks are ample proof of this. It is a public mobilisation process that is developing its own dynamics and relevance. We stand to lose if we ignore this new phenomenon. It is not so much what is demanded but why is it demanded, in other words to detect and address the root of the problem.

Most of us have a fairly good knowledge of the root and the extent of the problems but lack the means and sometimes also the human resources to tackle such problems timeously and appropriately. The resources are limited and will remain limited. If we want to be successful and credible in our efforts at local level, particularly in the urban context, to alleviate poverty to at least an acceptable level, to establish employment opportunities, tackle successively the HIV/AIDS pandemic and its consequences, provide affordable housing and social security, we need partners who are prepared to share responsibility with the public sector.

We are grateful to all the CBOs and NGOs who already assist us in our efforts, but we are also looking for partners in the private sector. We do not consider them donor organizations, but active partners who should benefit from partnership arrangements. To alleviate the problems that we are facing at local level, a common effort has become a *conditio sine qua non*. We have to seriously address co-responsibility without ignoring that the private sector is driven by a profit motive. Long term involvement by the private sector in public programmes will eventually yield the profit that it is looking for.

The time has come that we in Namibia have to address more potently the issue of shared responsibility between the public and private sector when addressing and tackling the developing problems facing us and which can affect both the private and public sector equally and to the same extent. The public sector needs co-stakeholders and co-shareholders in its efforts to meet demands and satisfy needs.

One example could be the involvement of the private sector in town development and provision of housing. The rapid urbanisation process in Namibia with an annual growth rate of 5 -10 percent in some towns, is a burden on the local authority. It has increased pressure on the ability and capability of local governance and also the central government to provide

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what is needed. The constant increase in the population size of towns and cities, not excluding villages, has set limits to what the public sector can deliver. It has become difficult to maintain or even provide an urban infrastructure and to evolve management systems that can meet the growing needs. Local authorities not only lack the financial means to cope with all the development needs and expectations but also qualified and experienced human resources. Technology is developing so fast that increasingly local authorities have to rely on expertise and technical assistance in the private sector. Knowledge exchange and knowledge sharing between the public and private sector in a technology advanced world are a *fait accompli*.

It is in the interest of both the public and private sector to tackle together the problem of urban poverty, to capacitate and enable the disadvantaged to become productive forces and stabilising factors in society. Both sectors will benefit from it. Poverty not only affects the social fabrics and order of a community, but also contributes to criminality, alcoholism and the spread of HIV/AIDS. The private sector will be as much affected by such malaise as the public sector.

Government, thus the public sector is in dire need of a co-operative and supportive partner, a smart partner, willing to share commitment and responsibility. Government does not have all the means and solutions to meet demands and needs, neither have regional councils and local authorities. For example, the issue of squatting. It is fast becoming an uncontrollable problem. Can local authorities on their own cope with influx of people demanding shelter and basic services such as water, electricity, sewerage and roads? A joint effort between the private and public sector is needed. It may achieve what separately would not be possible. Together one can identify, analyse, prioritise aspirations, expectations and needs and consider how to find solutions.

Such cooperation can, however, only be productive and result-directed if a conducive atmosphere and common purpose is established in the achievement of objectives. Nobody has the monopoly to solutions.

This workshop offers an ideal opportunity to deliberate on common efforts by the government in cooperation with the private sector as well as with NGOs and CBOs. Resources and expertise are limited in Namibia with its

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relative small population in a vast country, still struggling to overcome the backlogs of the past.

There is a need for developing policy guidelines by the MRLGH on public-private partnership because in this process public assets are involved. If partnerships are not properly structured, it could lead to loss of revenue for Local Authorities contrary to the intention of establishing public-private partnership.

This Ministry fully supports the initiative on Public Private Partnership for the Urban Environment, which could also be extended to the regional and village level. Such endeavour recognizes the important role of the private sector as a driving force in overall development, and in our particular case at local level.

The workshop this morning avails a golden opportunity to deliberate in general, but also in detail, on the relationship and cooperation between government, business and civil society, how they can pool their resources, expertise, capability, capacity, and problem-solving methods when accepting and tackling challenges that the whole society is confronted with. It demands dedication, willingness and commitment.

I wish you well in your deliberation.

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# **SUMMARY DRAFT PROJECT DOCUMENT PUBLIC-PRIVATE PARTNERSHIPS FOR URBAN ENVIRONMENT (PPPUE) NAMIBIA NATIONAL PROGRAMME**

## **Consultant Team:**

**Mr. V. Hailulu Urban Management Expert and Team Leader**  
**Dr. H. Krugmann Environmental Expert**  
**Mr. G. Gotz Private Sector Participation Expert**

## **SECTION A: CONTEXT**

### **A1 STATEMENT OF THE DEVELOPMENT PROBLEM**

#### ***A1.1 Global Perspective***

Recent decades have seen rapid population growth, and even faster urban population growth, throughout the developing world. In some developing regions, notably in much of Latin America, already some two-thirds of national populations live in urban areas. Africa is currently the least urbanized continent, yet experiences the highest rates of urbanization. If this trend continues, Africa will reach, within the coming 20-30 years, urbanization levels corresponding to those in Latin America today - with some two-thirds of populations living in urban and peri-urban areas.

The rapid expansion of peri-urban areas and concomitant swelling of peri-urban populations in developing countries, and particularly in Africa, places enormous and increasing pressure on the ability of governments - national and local - to build and maintain urban infrastructure and evolve urban management systems required to meet the growing needs, particularly among the urban poor, for basic urban services, such as water supply and sanitation, energy supply, waste disposal, and low-cost housing. Yet in many instances, the human and financial resources and the management capabilities of local government structures to address this challenge are limited. Hence it is by no means uncommon, particularly in Africa, to witness municipalities delivering urban services in inefficient or unsustainable ways, to the point of partial or complete breakdown, or to paralysis in some cases.

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### **A1.1.2 Specific Problem Areas**

Local infrastructure development and service provision in Namibia, and Africa more generally, suffer from a number of problems, notably:

- there is a lack of management information systems;
- the revenue base of local governments are used sub-optimally;
- there is a tendency among local government structures to avoid making hard choices to utilise their own existing revenue sources rather than resorting to central government for help;
- records of properties and their values are poorly kept and often not regularly updated
- databases on the different components of the revenue base are missing;
- there are often no adequate tariff, metering or billing systems in place, making it difficult to render services in a sustainable and financially viable manner;
- more than 80% of local government expenditures go towards covering operational costs, leaving few resources for capital investment;
- local financial planning and budgeting is hampered by unpredictable, non-transparent inter-governmental transfers; and
- in many cases, central government grant systems are designed in such a way that local authorities are not encouraged to rigorously collect taxes and user fees, let alone borrow from the capital markets, but dependency on central government funding is increased;
- absence of an alternative domestic capital market is evident;
- private investors are reluctant to get involved in service provision because of an inadequate regulatory and legal frameworks and a lack of transparency in public transactions.

The need for tackling these problems opens up opportunities for 'smart' partnerships between local government, the private sector, NGOs and CBOs.

### **A1.2 National Perspective (Namibia)**

In Namibia, local authorities - especially the towns newly proclaimed since independence - lack the resources, knowledge and capacity to maintain and expand necessary urban infrastructure, to ensure access by all urban dwellers to basic services, and to deliver these services in efficient and sustainable ways. This has resulted in problems such as: the lack of access

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to and poor quality of service delivery among swelling urban populations, insufficient revenue collection by the local authorities, the lack of financial resources to upgrade urban infrastructure, large and unaccounted-for physical resources like water and electricity, environmental degradation, and wasteful use of natural and financial resources.

Lack of capacity and resources among local government structures in Namibia in maintaining and expanding urban infrastructure and in delivering efficient, equitable and sustainable services (water, sanitation, energy, waste disposal, housing, etc.) is part and parcel of a larger development challenge that the country is facing. After independence 10 years ago, Namibia has been grappling with overcoming the grim legacy of a century of colonial rule and decades of Apartheid-type development approaches based on racial discrimination, which have contributed, among other things, to:

- highly emaciated and fragmented local government and community structures;
- a general lack of private entrepreneurial activity and capacity and an absence of related support systems among the majority of the population, apart from a small enclave of largely white-owned private formal-sector businesses inherited from the past;
- a vast pool of unskilled labour;
- high unemployment (some 30% of the economically active population) and even higher underemployment (about 50% of this population);
- much of the population, particularly in rural areas, without access to basic services;
- a large rural-urban migration of people looking for employment opportunities in the urban and peri-urban areas, and consequently fast expanding urban and peri-urban populations (4% to 5% annually) rendering urban service delivery increasingly difficult; and
- growing natural resource pressure (viz., water scarcity) and environmental degradation (viz., declines in sustainable rural land productivity and deterioration of urban environments due to inadequate waste disposal and sanitation practices).

### ***A1.2.1 Specific Challenges facing Local Authorities in Namibia***

The mission identified the enormous challenges facing the Namibian local authorities, particularly small (secondary) towns, as follows:

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### ***A1.2.1.1 Limited sources of income***

- **Poor cost recovery.** Many secondary towns cannot balance their books because they are unable to collect enough revenues due to inefficient revenue collection systems, non-payment of services by consumers, illegal connections and unaccounted water due to excessive loss in the reticulation system.
- **No access to loans (capital markets).** Due to their credit unworthiness and hence their inability to service debts, secondary towns are unable to raise funds from the capital market to finance their capital investments needs.
- **Diminishing government loans.** Government loans to local authorities have become prohibitively expensive or non-existent. A year ago the cost of loaning money (the interest rate) was raised to about 16%, which is more or less equivalent to the unaffordable financial market rate. In the last financial year, there were no government loans to local authorities.

### ***A1.2.1.2 Poor urban development management***

In many small- to middle-sized towns, policy guidelines and regulations necessary to regulate urban development and thus ensure sustainable development are lacking. This situation affects negatively the ability of local authorities to render improved services and to expand the access of these services to their communities.

### ***A1.2.1.3 Over-stretched / outdated reticulation networks***

Increasing urbanisation, particularly following Namibia's independence, has resulted in urban populations outgrowing the capacity of urban water, sewer and electricity reticulation systems.

Another problem is that due to outdated pipes and lack of up-to date layout plans and designs, water loss due to leakage and illegal connections is experienced by many urban centres in Namibia. Hence there is a dire need for capital investment to rehabilitate and expand these reticulation systems if access to improved services is to be guaranteed.

Furthermore, operation and maintenance capacity is very limited in many of the Namibian local authorities. Hence, the transfer of know-how and expertise from the private sector to the public sector is crucial.

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Solid waste management is increasingly being recognised as a basic service that local authorities have to render to their communities and thus awareness building and some capital investment intervention are required on the part of local authorities. This is another area that presents open opportunities for private sector participation in urban service delivery.

#### ***A1.2.1.4 Lack of technical data***

Basic information and data required to efficiently monitor the operation of services is poor, particularly in many small urban centres. In the same vein, no data and management information on physical system losses is available. Equally, there is no leak detection programme in place, nor is there leak detection equipment available to enable many of these local authorities to monitor the actual and potential losses, especially in the wet reticulation systems. The availability of such information is a prerequisite, on the part of local authorities, in entering into partnerships with the private sector, as data serves an indicator of the deficiency and hence the investment required in the urban infrastructure.

### **A1.3 Addressing the Development Problem through Public-Private Partnerships**

#### ***A.1.3.1 UNDP's Global PPPUE Initiative***

In response to the urban management challenge, and following up on recommendations made at the 1992 Earth Summit in Rio, the United Nations Development Programme (UNDP) in 1994 established a new global initiative on Public-Private Partnerships for the Urban Environment (PPPUE). This initiative is designed to take a new approach to providing urban services, recognising the important role of the private sector as a driving force in economic development and building on processes of administrative decentralisation underway in many developing countries. The idea is that local governments, business and civil society (NGOs and CBOs) would work together and pool their resources, expertise and problem-solving methods in order to tackle urban challenges in a comprehensive fashion.

Following some pilot activities, a new phase of PPPUE was launched in 1999 to support local governments and private actors in building innovative and mutually beneficial relationships and partnerships in urban service



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delivery. The objective of the global programme was formulated as follows: 'to increase the access of the urban poor to basic urban services and to contribute to the creation of a healthy environment and the improvement of the living conditions in urban and peri-urban areas in developing countries' through the promotion of "public-private partnerships" in urban service delivery. This objective is to be achieved through programme activities and processes that are designed to:

1. articulate and facilitate partnerships between public sector, business and civil society;
2. develop sound policy frameworks for private sector participation in local services; and
3. strengthen managerial, technical and organisational capacity of municipalities for PPP development.

With a special focus on assisting small to medium-sized cities, the PPPUE Global Programme targets those urban environmental services most relevant to improving the living conditions of the poor, including water and sanitation, waste management, energy services and decentralised energy production, and central municipal services.

#### ***A.1.3.2 PPPUE National Programme Structure and Process in Namibia***

One of the major components of the PPPUE Global Initiative is a limited number of National PPPUE Programmes aimed at strengthening policy and institutional frameworks for PPPs in urban service provision at national and local level. The idea is to explore and encourage PPP opportunities, building on ongoing developmental, environmental, and local governance programmes in the countries. Key dimensions of PPPUE National Programmes include:

- policy and legislative development for PPP;
- capacity building for local governments, private businesses, civil society and community organisations to develop mutually beneficial relationships and strengthen the capability to design and negotiate effective partnerships; and
- development and implementation of suitable training and technical advisory services interventions.

The PPPUE National Programme in Namibia has been guided by a Steering Committee chaired by the Permanent Secretary (PS) of the Ministry of

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Regional, Local Government and Housing (MRLGH). Other members of the Steering Committee include:

- National Planning Commission (NPC);
- National Development Corporation (NDC);
- Namibia's Chamber of Commerce and Industry (NCCI);
- Association for Local Authorities of Namibia (ALAN);
- Association of Regional Councils (ARC); and
- Urban Trust of Namibia (UTN).

Namibia's PPPUE National Programme began with a 5-day Mission in June 2000 whose objective it was to initiate the process of discussion with relevant sectors. During a 1-day workshop, the Mission interacted with and obtained feedback from a mix of representatives from government (national and local), the private sector, NGOs and donor agencies.

Later in October 2000, a team of three consultants carried out a situation analysis on the opportunities presented by and the constraints for PPP in urban service delivery in Namibia. The analysis involved a review of relevant policy documents and literature, and drew heavily on extensive consultations with nearly 50 stakeholders in the public, private, NGO, donor and CBO sectors.

The study focused on four major service areas: wet services (water & sanitation), energy, waste management, and (low-cost) housing. It resulted in the following recommendations, which were reviewed by the PPPUE National Steering Committee on 03 November 2000 and presented to the National Stakeholders Workshop held on 16 November 2000:

1. *Central government should adopt a policy framework to guide PPP interventions.*
2. *An institutional mechanism should be established at national level to provide technical support (including capacity) to local authorities interested in entering into PPPs.*
3. *A central government agency should assume the responsibility in raising awareness on the PPP concept and the implications of various options through appropriate forums and workshops.*
4. *A course on PPP should be introduced at a Namibian tertiary institution for the provision of training to public and private officials who have interest in pursuing PPP initiatives.*

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5. *Sufficient information should be gathered on the condition of infrastructure and service delivery to provide a solid basis for mutual benefit and equity between public and private undertakers.*
  6. *Management contracts should be given the highest priority among other options for PPP as they serve as a stepping-stone to more complex forms of PPP.*
  7. *The Steering Committee and subsequently the national workshop on PPPUE should discuss and make comments on the contents of the report for refinery.*
  8. *That the consultant team should incorporate the changes, if any, into the final project document.*

The above-listed recommendations were essentially endorsed by the National Workshop, whose objective was primarily to serve as an input mechanism in the development process of the project document. The workshop brought together nearly 100 representatives from the whole range of PPPUE stakeholder groups in Namibia, including National Ministries and parastatals, regional and local Authorities and their representative organisations (ALAN and ARC), private sector companies and representative organisations, public utility companies, NGOs, and donor agencies.

This Project Proposal thus builds on both the findings of the Situational Analysis as presented in the Discussion Paper and the deliberations and results of the National Stakeholder Workshop as summarised in a report dated 20 November 2000.

## **A2 DEVELOPMENT OBJECTIVE**

To increase the access of the urban poor to basic urban environmental services, and thereby contribute to a healthy environment and the improvement of the living conditions in the peri-urban and urban areas of Namibia, by helping to:

- *articulate and facilitate partnerships between public sector, business and civil society;*
- *develop sound policy and regulatory frameworks for private sector participation in urban service delivery; and*
- *strengthen managerial, technical and organisational capacities of local authorities in Namibia for PPP development.*

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The above-stated objective will be achieved through various interventions as reflected in the following 4 programme components defined in details in section C.2:

*1. Guidelines and Policy Framework*

The preliminary guidelines and guiding principles, to be developed in the short term, will provide local and regional authorities and the private sector with authorised guidance regarding the existing legal framework and practical technical advice on how PPP projects can be developed in a sustainable way. The policy development and legal reform will address the removal of barriers for PPP development with special attention at local level.

*2. Training and Capacity Building*

To provide specific training on PPP issues to meet capacity building needs of local and regional authorities, private sector and NGOs and well as to raise awareness of all stakeholders on the opportunities and implications presented by PPPs so as to engage in sustainable partnerships.

*3. On-demand Technical Support*

To support, on requests, the development of PPPs initiated by local governments by providing, or facilitating access to, the necessary expert advice and technical assistance. The provision of technical advisory services will contribute to the strengthening of institutional capacity of local authorities, private sector, NGOs and CBOs to enter into sustainable PPPs.

*4. Donor Co-ordination*

To demonstrate the effectiveness of partnership-based approaches by structuring the Programme as a partnership between various stakeholders, and effectively institutionalising this approach.

## **A3 STRATEGY**

### ***A3.1 Creation of an enabling environment at national level***

The emphasis at the national level will be on the removal of barriers and disincentives for PPP, which will be addressed through policy dialogue and legal reform. This is so because as international experience dictates, discussions on PPPs at the national level tend to be general in character, and it is important to move quickly to the local level to work with those

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directly affected by the problems being addressed. Although introduction by and approval from the central government is often necessary and useful, project negotiations are best handled at the local level where commitments tend to be stronger.

### **A3.2 *Creating an enabling environment at local level***

Local authorities need to strategically position themselves so as to take full advantage of PPP opportunities. Strategic positioning includes the following:

- Local authorities need to develop strategic visions and plans which clearly define their core business and opportunities presented by PPP;
- Local authorities need to put their house in order by gathering sufficient information on the location, condition and value of their infrastructure and on the status of service delivery to enable them to draw up their asset management plans;
- Work towards developing contract management skills and set rules promoting transparent transactions;
- Formulate policies and legislation which support PPP projects;
- Engage local communities to generate public acceptance of PPP and thus minimise potential political backlash.

### **A3.3 *Risks and Obstacles faced by the Private Sector in Namibia***

- a) The private sector will not be attracted to every PPP deal on offer private sector firms do not all possess the capacity themselves and the likely return on investment may not be a sufficient inducement.*

PPP proponents often take for granted that the capacities that the public sector lacks will always be found in the private sector; this is not necessarily the case. It is widely agreed that the private sector in Namibia is quite underdeveloped and fragmented. In traditional fashion, most people in the country still look to the government for the satisfaction of their needs, including service provision and job opportunities. Entrepreneurial talent is scarce - people tend to shun business risks - and where available not sufficiently nurtured, for lack of adequate incentive and support systems (e.g., access to relevant knowledge, credit, and tax incentives). The private sector generally is not sufficiently broad-based and diversified and tends to be under-resourced, lacks managerial experience, and is rather

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conservative in evading greater business risks, thus foregoing potential greater business opportunities.

So private sector fragility, lack of business dynamism and relative absence of an enabling environment for entrepreneurial development, taken together, act as a significant obstacle to the formation of PPPs.

Furthermore, although they are not entirely without altruism or sensitivity to environmental sustainability, serving the 'public good' is not the primary motivation for the private sector. Private companies are always driven primarily by the pursuit of profit. Thus Public Private Partnerships will only be attractive to private sector firms when they can see a reasonable financial return on their investments of time and resources. In developing partnerships government should be aware of the likely financial-rewards expected by private sector partners and lenders, as well as the various measures they use to assess the certainty of required returns in the context of perceived risks.

*b) PPP opportunities demand that government objectives be clear*

Universally, government is charged with ministering to the public interest. However, the 'public interest' is not always easy to define, and it may be contested by various stakeholders. For example, it is objectively in the public interest to have urban services that are priced at levels that ensure their long-term sustainability. However, it may be hard to convince communities of this when they are accustomed to non-payment of services, and perceive their interests best being met by municipal fees continuing to consume only a minor share of monthly household expenditure. Government's objectives here are both high-quality services with steady income for maintenance and capital replacement to maintain standards, and continued low costs to consumers. PPPs do not provide government with a handy escape-hatch from these complexities. In delegating to the private sector its responsibility to serve the public interest, government must define a PPP opportunity which details how both objectives can be accomplished at the same time.

*c) High transaction costs of 'getting to go'*

It is often not recognised in advance just how much it costs to put together a PPP. Whether it is large or small, there is considerable expense attached to laying the foundations for a PPP contract. PPP preparation always means

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additional direct expenditure (for legal fees, consultants fees, bid conferences, etc.) as well as considerable staff time to potential partner institutions involved. The development expenses of the successful bidder are always subsequently built into the overall cost structure of the project to be recouped from consumers.

*d) Stakeholder resistance may be politically costly*

Resistance to private sector involvement in urban service delivery may come from many quarters, and play itself out around many issues. It may come from organised labour, communities, sections of government, elected councillors either in power or in opposition, and even local business. It may be about the dangers of worker layoffs or unexpected changes in conditions of service, the threat of higher fees for services, the prospect of greater degrees of sovereign government supervision, or the crowding out of local entrepreneurs. Whatever its source or motives, it is universally true that stakeholder opposition to Public Private Partnerships can often be very politically costly. Political costs easily translate into financial and economic costs.

**A3.4 Private sector requirements**

An enabling environment for Public Private Partnerships needs to take account of a number of general private sector requirements. The following are worth highlighting:

*a) Political will*

For a PPP programme to be sustainable, the private sector needs to be convinced that the government of the day has the will to build and maintain a context amenable to private sector participation. The political expense of embarking on a new PPP programme may very well be high. But the private sector needs to see clear evidence that the government believes the benefits of long-term improvements in service delivery to out-weigh short term adjustment costs.

*b) Government capacity*

Opponents of Public Private Partnerships often allege that the private sector actively seeks out project opportunities where weak and unskilled government partners can be manoeuvred into deals, which are against the

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public interest. By and large, for private sector, it is advantageous to negotiate with government officials who have good understanding of the modalities of PPPs.

Poor capacity in the public sector usually means: badly defined 'requests for proposals' and, in turn, the potential for wrongly targeted bids; unnecessary time and resources spent collecting base information - on acceptable tariffs, position and condition of sunk infrastructure etc. - in order to prepare viable bids; frustrating and time-consuming negotiations as minimum private sector requirements - acceptable rates of return, expected debt service coverage ratios, etc. - need to be explained; and, ultimately, more brittle contracts as government seek re-negotiation the moment the practical implications of poorly thought-through provisions become clear.

*c) Regulatory certainty*

Besides a general sense of security that the country is a stable place to do business - something usually reflected in sovereign investment grade credit ratings, the private sector needs comfort from the prevailing regulatory environment if PPPs are to flourish. It requires, inter alia;

- Reassurance that the level of government or agency it is negotiating with has the authority to enter into binding contracts;
- Clear frameworks for the approval and award of contracts;
- Legislative clarity on crucial issues related to the contractual undertaking (labour market regulations, property rights and asset registration procedures, etc.);
- Security that the kind of contracts it is entering into have a history of enforceability under the country's law;
- Legislative predictability, most notably the certainty that laws will not be unexpectedly changed in ways which require laborious contract re-negotiation;
- Degrees of flexibility in regulations directly governing PPPs. Laws which mandate local share-holds in infrastructure companies set up by sponsors to assume contractual responsibilities, or which cap returns on equity, or which restrict foreign exchange convertibility, may turn away many potential private sector partners.



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*d) Private sector development*

- i) Contract specifications requiring international firms take on locally based junior-partners is one way to build the capacity of local businesses. The private sector would then be responsible for mobilising empowerment funds to enable the community in purchasing, for example, a 50% stake in the contract. A financial commitment would then be created that would be managed in the name of the community partner and which would ultimately be paid for out of revenues from the project. Similar innovations have stimulated entrepreneurs in communities in many parts of the world.
- ii) Procurement regulations. In many countries the private sector has been obligated to utilise emerging contractors for certain goods and services associated with PPP projects.
- iii) High-level skill development courses alongside public sector training programmes. These may aim to build skills in the modalities of company structuring, project finance, services management etc. Training programmes that jointly target public and private sector participants have also been tried successfully in some contexts.
- iv) Support to local lenders trying to edge their way into the infrastructure finance market. Many local financial institutions in Namibia have little experience with limited-recourse, non-guaranteed project financing. They may expect high premiums to cover the perceived risk. The SMEs promotion project has established the Small Business Credit Guarantee Trust, which is being used for this purpose.
- v) Wide representation of the private sector on decision-making structures of the programme will go along way to allay fears of government dominance in decisions pertaining to the programme direction.
- vi) Potential partner compatibility analysis is crucial to the enhancement of common understanding of the strengths and weaknesses the partners will bring to the partnership.
- vii) Umbrella organisations representing the interests of private businesses, local authorities and NGOs should engage in awareness raising campaign to stimulate interests from their members to explore PPP.

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### **A3.5 Trends in Public-Private Partnership in Namibia**

#### **A3.5.1 NamPower/local authorities**

As of late, Namibia has seen some local authorities - Oshakati, Otavi, Rehoboth, etc. - enter into partnerships with private companies or public utilities, in search of capital finance, technical expertise, and / or possibilities of improving access to local services, particularly in electricity and wet service provision. This trend reflects the enormous opportunities that exist for private sector involvement in urban service provision. While private sector firms, and public utilities, get a decent return on investment, local governments are able to enhance service quality and access.

#### **A3.5.2 NamWater/local authorities**

Recently NamWater has initiated a study to explore smart partnerships involving four local authorities, namely, Oshakati, Ondangwa, Keetmanshoop and Ongwediva. The result of the study pointed out clearly the scope for improvement in revenue management and tariff setting, asset management, human resource development and in the governance sphere.

#### **A3.5.3 Northern Electricity (NE)**

NE won a tender and was contracted by MRLGH to take over the management of their electricity service delivery in the four North Central Regions and the Kavango Region, under a management contract, with a view to improving what had been a rather poor electricity service record in that part of the country. Starting in 1996, NE handled electricity distribution in all rural areas and newly proclaimed towns, including Ondangwa, Ongwediva and Rundu, but excluding the Town of Oshakati who opted for taking care of local electricity distribution on their own.

#### **A3.5.4 Reho-Electricity (RE)**

Rehoboth's electricity supply system was afflicted by increasing problems, to the point where recently the Town made losses on electricity delivery of about N\$ 100,000 a month. They were approached by NE's subsidiary RE and by NamPower who offered to enter into a PPP agreement with Rehoboth Town to take over management of electricity service provision and assist in rehabilitating a run-down service delivery system. RE was selected as the partner, taking over the management of the accounts and electricity infrastructure starting September 2000, under a management contract.

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### **A3.5.5 HomePower Programme**

This has been a public-private partnership in the area of renewable energy. Its partners and operational responsibilities are as follows: a) the National Development Corporation (NDC), under contract by MME, as public programme administrator, b) the government as a source of funds (including donor funds) to capitalise a low-interest revolving fund mechanism, and c) a set of private sector firms selected in 6-monthly intervals through tender to supply eligible end users with specified PV-based Solar Home Systems (SHSs).

### **A3.5.6 UJAMS and the Environmental Project Development Company (EPDC)**

EPDC is a public-private joint venture partnership (JVPPP), set up to investigate and address a range of urban environmental problems relating to water supply, energy, waste and transport. EPDC grew out of an undertaking - involving UNAM, the Municipality of Windhoek, various private partners (Namibia Breweries, Namibia Beverages, Hartliet and Meatco) and various public partners (MTI, DWA/MA WRD) - to address an industry effluent treatment problem at the Ujams Water Treatment Works in Windhoek by using zero-emission integrated bio-system technology (ZERI IBIS) involving UJAMS. This is EPDC's first, and so far only, project.

### **A3.6 Public-Private Partnership Defined**

The term Public-Private Partnership (PPP) describes a spectrum of possible relationships between the public and private actors for co-operative provision of infrastructure services. The only essential ingredient is some degree of private participation in the delivery of traditionally public domain services. Private actors may include private businesses, as well as Non-Governmental Organisations (NGOs) and Community-Based Organisations (CBOs). In this context, CBOs typically represent directly one or several communities, while NGOs are intermediaries between government and communities, and often provide communities with technical and financial assistance for the development of their projects.

#### **A3.6.1 Major objectives of PPP**

There has been a world-wide trend towards PPP as a form of financing local government. The following are commonly claimed gains for PPP:

- 
- Improving efficiency through enhancing managerial skills.
  - Increasing government access to capital and
  - Government budgetary relief and focus scarce resources to non-directly profit-making investments

### **A3.6.2 Option 1 - Capacity Building**

#### *Framework*

Under this option a partner would develop and build the capacity of the Council and its staff to carry out the latter's operational responsibilities. In the context of the provision of wet services and electricity, this could include activities such as:

- location and mapping of infrastructure;
- preparation of asset management plans and investment needs;
- operation and maintenance of reticulation systems, pumping stations, and treatment facilities;
- reduction of system losses; and
- improved metering, billing and revenue collection.

### **A3.6.3 Option 2 - Service or Agency Contract**

#### *Framework*

Under this option a partner would enter into a contract with the Council to manage and operate the water and sewerage services on its behalf, i.e. as an agent of the Council. The contract would set out the range of services to be provided by the partner and could, for example, include any combination of the activities listed in A3.6.2 above for the capacity building option.

This option requires a contract defining clearly inter alia:

- the range of services to be provided;
- performance standards to be achieved;
- procedures for performance monitoring;
- terms of payment; and
- penalties for non-performance.

This form of partnership does not address the issue of capital development and normally leaves the Council with the responsibility for securing capital funds, although the partner may be required to carry out capital works to the Council's instructions. The option also requires a contract that is fair to both

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parties and the ability within the Council to manage the contract to protect its interests.

#### **A3.6.4 Option 3 - Concession or Lease Contract**

##### *Framework*

Under this option the assets of the Council are leased to the partner for a specified period depending on the services involved. During this period the partner operates and maintains the assets on behalf of the Council to agreed performance standards in a similar way to that of the service contract described above. However, the major difference is that in a concession contract the partner is required additionally to finance and carry out improvements and capital investments in accordance with the Council's needs. Under this option it is necessary to have a strong regulatory body independent from the Council and the private sector to monitor the quality of services provided, tariff setting and protect the interest of all parties including consumers.

#### **A3.6.5 Option 4 - Joint Venture**

##### *Framework*

Under this option the Council and the partner establish a jointly owned private company which will operate, improve and expand the water and sewerage services on behalf of the Council. Equity in the new company is derived from the water and sewerage assets transferred from the Council to the company, and cash from the partner. This may be on the basis of a 50/50 arrangement whereby the partner provides cash to the value of the Council's assets, or such other arrangement as may be agreed by the partners.

From the above analysis, a PPP option to consider will be largely informed by the kind of challenges experienced in a particular urban management environment, namely in urban service delivery and/or infrastructure financing.

#### **A3.6.6 Option 5 - Community-Based Provision**

Community-based provision starts when financial limitations prevent the government from providing adequate waste and water services to sectors of the population, forcing these residents to rely on their own means of serving

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their needs. Community-based providers might include individuals, families, or local micro-enterprises. Often, such activities are not recognized by and not well integrated into the formal system. In many cities, however, where local governments, and/or NGOs have recognized, organized, and assisted these informal groups; service has improved. CBOs play a key role in organizing poor residents into taking collective action and in representing their interests in negotiations with NGOs and governments. NGOs provide inputs into the management process, mediating negotiations between the CBOs and the wider political party, networking, disseminating information, and promoting policy reform.

### *Potential Strengths*

- Community-based provision taps into local knowledge, which often results in the more efficient provision of services and prevents against bad investments.
- Community-based arrangements typically reduce initial investment costs by integrating local resources, e.g. labour, local materials, as well as guarding building materials, supervising workers and provisions, etc.
- Community-based provision can provide local residents with a stable form of income, which can improve local economic conditions.
- Community groups are dynamic and often able to respond better to customer demand, which will result in more sustainable infrastructure services.
- Community-based services often cover areas with difficult access for formal providers, especially in the waste sector (e.g. steep hills, settlements with very small access ways).

### *Potential Weaknesses*

- The two main concerns with community-based provision are coverage and scale. Although community-based projects are successful in some neighbourhoods, they are often unable to move to a larger scale or to be replicated in other neighbourhoods.
- To build up sustainable community-based infrastructure projects can take more time than business partners and the government are willing to accept.
- Governments are sometimes reluctant to support community-based providers because their informal methods of service provision are viewed as illegal and unstable.

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## **A4 BENEFICIARIES**

### *Indirect beneficiaries*

Urban residents in selected local authorities and settlement areas are the indirect beneficiaries of the programme through improved access to and quality of urban services provided. Medium to small local entrepreneurs, NGOs and CBOs participating in the programme will also benefit indirectly in terms of skills transfer, economic opportunities provided by PPPs and the overall institutional learning generated from the project execution.

### *Direct beneficiaries*

The direct beneficiaries shall be the institutions and their people who will participate in programme activities. These institutions include regional and local authorities as statutory urban service providers as Regional Councils also provide municipal services in settlement areas under their jurisdiction. However, due to limited resources available, the pilot projects will be limited to a maximum of 7 local authorities only. Regional authorities will be supported through other programme interventions, such as providing policy guidance and ad-hoc technical advice on PPP.

The following criteria will thus apply in selecting participant local authorities:

- Local authorities that are already involved in partnership arrangements or initiatives but which are in need of capacity building to sustain those efforts;
- Medium to small local authorities which substantively lack the institutional and resource capacity to render urban services effectively;
- Local authorities experiencing rapidly deteriorating infrastructure and quality of environment due to urbanisation and other effects;
- Local authorities that are autonomous in the running of their community affairs;
- Local authorities having taken steps or showing willingness to create an enabling environment to support PPPs at local level;
- Local authorities that are prepared to adhere to minimum conditions as provided for in the national model policy guidelines.

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## **A5 INSTITUTIONAL AND REGULATORY CONTEXT**

### ***A5.1 Institutional Context***

#### *Ministry of Regional, Local Government and Housing*

Responsible for the administration of regional and local authorities acts and supervision of these sub-national bodies in terms of adherence to legal provisions and providing support where necessary.

#### *ALAN*

An umbrella association representing all local authorities in Namibia in terms of articulating the interests of the members and encouraging networking and relevant institutions.

#### *ARC*

An umbrella association representing regional authorities in Namibia and serving as policy advocate on behalf of its members.

#### *Namibia Chamber of Commerce and Industry*

A national body representing major businesses in Namibia which provides an important link between the government and the private sector.

### ***A5.2 Legislative and Policy framework for a decentralised form of government***

Chapter 12 of the Namibian Constitution provides for the establishment of a system of regional and local government throughout the country. Article 102(1) which specifically provides for the structures of regional and local governments states that, "for the purpose of regional and local government, Namibia shall be divided into regional and local units which shall consist of such regions and local authorities as may be determined and defined by an Act of Parliament."

In 1992 Parliament, in putting into effect the provisions of Article 102(4), Chapter 12 of the Namibian Constitution, enacted two key pieces of legislation, namely; The Regional Councils Act, Act 22 of 1992 and The Local Authorities Act, Act 23 of 1992. Both Acts provide for the establishment of regional and local councils, their functions, sources of revenue, legislative and executive authority inter alia. Another piece of legislation which has a bearing on local and regional governance, is the



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Traditional Authorities Act of 1995, which provides for the establishment of traditional authorities; the designation and recognition of traditional leaders and councils of traditional leaders. The enactment of the above three pieces of legislation aimed, in a broad sense, at laying a strong foundation for the establishment of sub-national structures necessary to enhance popular participation in the socio-economic development process.

### **A5.2.1 *Types of Local Authorities***

The promulgation of Regional Councils Act and Local Authorities Act in 1992 culminated in the establishment of 13 regions and 47 local authorities administered by democratically elected councils. Local authorities are classified in three categories, namely municipalities, towns and villages, according to their administrative, infrastructural and resource capacity. The first category is constituted of 16 municipalities which are further classified into two groups:

- Three Category I municipalities (Windhoek, Walvisbay and Swakopmund) which have a solid financial foundation and greater autonomy, notably with regard to the negotiation and obtainance of loans and the determination of the rate of property tax.
- Thirteen Category II municipalities whose financial foundation is fragile and which are subject to control exercised by the Ministry of Regional, Local Government and Housing in terms of their ability to obtain credit facilities and determine the rate of property tax.
- The second group is constituted of 12 underdeveloped towns located in the former homelands, with the exception of Arandis and Rehoboth which resorted under former "police zone" (white economy). These local authorities cannot balance their budgets without substantial intergovernmental transfers or other forms of donor assistance.

### **A5.2.2 *Regional Councils***

At the second level of government, there exist thirteen Regional Councils established under The Regional Councils Act, 1992 (Act 22 of 1992). These Councils do not play a major role in the activities of the local authorities other than in four main areas:

- Regional Councils have the responsibility for development of a regional plan in co-operation with the National Planning Commission and must consult with local authorities in their region to ensure that the planning is compatible with that of the local authority;

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- Local authorities may act as agents for, or co-operate with, Regional Councils in the exercising of the latter's powers, duties or functions;
  - Regional Councils may assist any local authority in the exercise of its powers; and
  - Local authorities are required to transfer 5 per cent of their income from assessment rates to the Regional Councils.

Within the urban management context, regional councils have a crucial role to play in providing urban services to settlement areas located in their regions. In this respect, as is the case with a number of local authorities, opportunities exist for PPP to improve service delivery status in settlement areas under regional authorities.

### **A5.2.3 Policy Context**

Although sectoral policies encouraging private investment in services such as electricity, energy exist, there is no overarching policy on PPP.

### **A5.2.4 Decentralisation Policy**

The Namibian Government approved the decentralisation policy in December 1996 whose objective is to transfer political, administrative, legislative, financial and planning authority from the centre to regional and local authority councils. This decentralisation process provides opportunities for PPP in the provision of water, electricity, and waste management among others.

### ***Particular challenges facing government in fiscal decentralisation***

- Striking a balance between responsibility versus competence
- Local priorities and preferences versus safeguarding of national interest
- Equity versus efficiency (i.e. financial equalisation should not discourage local authorities from rigorously raising local revenue)
- Dependency on intergovernmental transfers versus local financial stability.
- Locally managed infrastructure and service delivery versus economies of scale
- Local revenue generating autonomy versus need for overall control of macro-economic fundamentals, particularly when it comes to external borrowing by local authorities.

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- Central government need for adjusting of grants versus sub-national governments' need for predictability.
  - Government intention to decentralise versus present local capacity.
  - Assignment of expenditure versus revenue assignment.

The inherent challenge of striking a balance between the positive intents of the policy of decentralisation and the existing institutional and resource capacity at local government level (which is usually lacking or insufficient), calls for private sector intervention in municipal service delivery and infrastructure development.

#### ***A5.2.5 Commercialisation /Corporatisation policy***

Faced with the budget deficits and high cost of running inefficient public companies, many of which operated at a loss, the Government of Namibia also decided to "commercialise" the parastatals. Commercialisation of parastatals involves their restructuring, so that a particular service is identified separately, new management operating along commercial principles is brought in to streamline the service provision, train personnel, retrench excess labour force and provide services for fees that reflect their real costs. Public companies in virtually every sector, including transport, tourism, water, electricity, telecommunications and postal services have undergone or are undergoing such restructuring. The results are mixed, with some generating profit, others breaking even and yet others running at a loss.

These efforts are aimed at creating a competitive environment in each sector and by so doing enhancing the provision of services on a cost effective and competitive basis. In the same vein the Government has adopted policies introducing a regulator in both the water and electricity industries which are primarily aimed at promoting efficient and effective management operations of the utilities and reticulators.

Efficiency improvement and strict control over tariff setting will ultimately culminate in competitive prices for the services concerned. Hence there is a clear opportunity for private sector participation, particularly in water and electricity industries.

#### ***A5.2.6 Local and Regional Development Strategy***

There exists structural inequality between the 16 affluent municipalities and the 12 towns located in the former homelands in terms of their

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administrative, infrastructural and revenue generating capacity. It is for this reason that the government of Namibia for the past ten years has concentrated its development effort in underdeveloped regions with a view to achieving a balanced regional development approach. Achieving sustainable development is a complex task which possesses various dimensions and hence requires institutional capacity, viable and implementable economic development policies, requisite human and financial capital, all of which are either lacking or inadequate in many of the so-called secondary towns. The importance of regional and local development strategy clearly articulated in the National Development Plan 1 (NDP1), cannot be over-emphasised. Specifically the plan states that, in order to address the problem of development inequity and poverty at the local level, the Government of Namibia has initiated a decentralisation movement as an anchor to advancing democratic and popular participation in the socio-economic development process.

## **SECTION B: STRATEGY FOR USE OF UNDP RESOURCES**

### **B1 THE PROPOSED PROGRAMME IN THE UNDP CONTEXT**

The proposed programme accords with statements made concerning the mission and objectives of the UNDP

- The UNDP mission statement states "UNDP, at the request of governments and in support of its areas of focus, assists in building capacity for good governance, population participation, *private sector development and growth with equity...*"
- Under heading C.2.1, Poverty Eradication and Livelihood for the Poor, of the "Classification Scheme for UNDP Areas of Focus Conceptual Framework", January 1998, say "Interventions include *participative strategies which link public services more directly to those currently under- or un-served, and strategies which foster strengths and capacities of individuals and communities for sustaining their own livelihood systems*"

Perhaps the most pertinent policy statement regarding PPP is given in the Habitat II Agenda, section IVF-4, Involvement of Local Authorities and Civil Society, including the Private Sector. Paragraph 238 of this section states that "the contribution of local authorities and civil society, including the private sector, to development can be enhanced by:

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- a) Developing planning and policy making procedures that facilitate *partnerships and co-operation between Governments and civil society in human settlement development*;
  - b) *Encouraging business enterprises to pursue investments and other policies, including non-commercial activities that will contribute to human settlement development especially in relation to the generation of work opportunities, basic services, access to productive resources and construction infrastructure.*

## **B2 IDENTIFICATION OF KEY ISSUES**

### ***B2.1 Constraints to PPP***

Review of documentation and discussions with diverse stakeholders from local and national government, private sector and civil society revealed a number of generic barriers (non-specific to particular service sectors) to the development of PPPs, in general, and in urban infrastructure development and service delivery in particular, but also pointed out ways and means to address these obstacles. This section provides a brief summary of these barriers as well as options to overcome them.

- a) Lack of organisational and managerial capacity at local government level*

The need for local government training and capacity building in all aspects of urban management and service delivery is fundamental. While the lack of existing local government capacity, especially management capacity, is a barrier to PPPs, it is also a strong rationale for local government structures to consider entering into partnerships with the private sector and civil society organisations. Private businesses, NGOs and/or CBOs may be able to contribute essential expertise, thus removing organisational bottlenecks.

- b) Bureaucratic rigidity, red tape and top-down approaches in local government*

Traditionally, in Namibia as elsewhere, government (local and national) has often displayed a lack of administrative flexibility, streamlined procedures, operational transparency and accountability, and participatory governance styles. The perception of this being the case, if not the fact, still lingers on. This tends to alienate the private sector and civil society and thus acts as a barrier to PPP.

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*c) The gap between policy formulation and implementation in the public sector*

In the 10 years since independence, the GoN has made considerable progress in overhauling a number of outdated and inappropriate policies from the past. However, the implementation of the new policy frameworks has generally lagged far behind. This is in part a question of political will to overcome bureaucratic inertia and vested interests in the status quo. The political will is often really tested only when it comes to actually making new policies work on the ground.

*d) Insufficient attention to demand patterns and demand-side management of service delivery*

Conventional approaches to service delivery in essence focus on meeting projected demand for services through increases in supply, whereby demand projections are arrived at by extrapolating prevailing demand trends in a simplistic fashion. Little if any attention is given to understanding the factors that shape service demand - such as tariffs levels and structures, efficiency of end-use technology, and level of consumer awareness about options to reduce service consumption while still getting the necessary service level and quality - and to limit demand increases (rather than necessarily expanding supply) by acting on the demand-determining factors through suitable incentive systems. The possibility also exists to more accurately determine and control demand by involving users in service planning and management through creative PPPs.

*e) General lack of business principles being used in public services delivery*

One of the main criticisms of public service delivery is that it tends to be inefficient because it is not organized on the basis of business principles, such as the following:

- monitoring and maintaining quality of service;
- monitoring and maintaining consumer satisfaction;
- setting agreed rules and being consistent and transparent in enforcing rules.

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The above business principles can be used to take necessary mutually reinforcing actions including:

- i) investing an appropriate part of the revenue in infrastructure;
- ii) preventive maintenance of infrastructure, to reduce system losses (e.g. unaccounted-for water or electricity) or break-downs;
- iii) improving collection efficiency, notoriously bad in most of the new towns;
- iv) improving customer service (e.g. responding quickly and effectively to reported malfunctioning of equipment or service breakdown); and
- v) raising awareness among the end users about what it takes to ensure effective service delivery, and involving the end users in town-level decision-making about improved service delivery.
- vi) PPP arrangements hold considerable promise for adopting business principals and taking necessary action to improve service delivery.

*f) Lack of capacity in the private sector*

It is widely agreed that the private sector in Namibia is quite underdeveloped and fragmented. In traditional fashion, most people in the country still look to the government for the satisfaction of their needs, including service provision and job opportunities. Entrepreneurial talent is scarce (people tend to shun business risks) and where available not sufficiently nurtured, for lack of adequate incentive and support systems (e.g. lack of access to relevant knowledge, credit, and tax incentives). The private sector generally is not sufficiently broad-based and diversified, it tends to be under-resourced, lacks managerial experience, and is rather conservative in evading greater business risks (thus foregoing potentially greater business opportunities).

Private sector fragility, lack of business dynamism and the relative absence of an enabling environment for entrepreneurial development, taken together, act as a significant obstacle to the formation of PPPs. Throughout national and local government tiers and structures, there seems to be consensus about the desirability of partnering up with the private sector in improving service delivery, but invariably the question 'where is the private sector?' is posed. In perception as well as fact, suitable private sector partners continue to be hard to come by. This barrier can only be removed over time, through persistence in creating a national culture as well as an enabling policy environment for private sector development.

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*g) Far-reaching dependence within the private sector on strategic decision-making abroad, in particular South African holding companies*

Many Namibian businesses are subsidiaries of South African private companies, or are otherwise controlled by South African business structures and interests. Where Namibian companies are mere extensions of business structures abroad, it may become more difficult and/or time-consuming to form local PPPs. Negotiations may have to involve the holding companies and transaction costs may increase.

*h) Monopolistic market structure and lack of consumer choice and service*

Namibia's private sector is not broad-based or large enough to provide much space for true market competition among a larger number of independent market entrants. For this reason, one generally finds monopolistic (or oligopolistic) structures and behaviour throughout the private sector.

One consequence of this situation is that there is widespread lack of consumer choice and a conspicuous absence of a business culture emphasizing consumer service. It may therefore be more difficult to find the kinds of private businesses that would bring with them the attitude and culture necessary to successfully introduce some of the necessary business principles within PPPs for improved local-level service delivery (see point e) above).

*i) Mutual distrust between the public and private sectors - and lack of platforms for relationship building.*

In Namibia, as elsewhere, deep-seated mistrust between the public and private sectors (and civil society) continues to exist. In spite of the recognition of the important role of the private sector in national development, there is still a widespread perception among government officials that private sector actors are irresponsible and out to make a killing at the expense of others and that NGOs/ CBOs are troublemakers. Conversely, many in the private sector - and civil society - view government and the civil service as bureaucratic, unresponsive, and top-heavy. Such perceptions stand in the way of successful PPP arrangements.



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*j) Lack of access to finance for urban infrastructure development and service delivery*

Access to finance is one of the critical resources town administrations often lack to a considerable degree. PPP arrangements can help in this respect, if credible and creditworthy private partners are engaged.

In Namibia, there is plenty of money around looking for applications - the country is actually an exporter of financial capital. Especially pension funds (foremost in size the N\$ 9 billion GIPF - Government Pension Fund) and insurance funds, now required by law to invest at least 35% of their financial capital within Namibia, are potential sources of finance for infrastructure development and service delivery. But asset management institutions responsible for managing these pension and insurance funds have so far abstained from investing into these applications.

Changing their current wait-and-see attitude to a posture more favourably inclined to urban infrastructure investment applications could make a significant difference to the availability of finance for PPPs in service delivery. Of course, it would be within the power of government to simply legislate a compulsory minimum proportion that public pension and insurance funds would have to invest in urban infrastructure provision, backing this legal requirement with a government guarantee. Such a step could go a long way in mobilizing finance for municipal- and town-level service delivery.

*k) The impact of public utilities crowding out the private sector*

In recent years, the national government has moved to turn large public utility monopolies - NamPower, NamWater, Telecom, etc. - into entities run on a commercial basis (while remaining publicly owned), and to pass sectoral policy reform legislation promoting competition in production (e.g. electricity) and reticulation (e.g. electricity and water) and instituting public regulatory bodies in charge of overseeing all sectoral activities. At the same time, the former public monopolies were allowed to engage in secondary business, not core to their operations heretofore.

There are strong indications that the former public utility monopolies are moving swiftly to establish themselves in secondary business - local-level electricity distribution (NamPower) and water distribution (NamWater) - entering into public-public joint venture partnerships with various towns.

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In these public-public partnership deals, there are risks of towns negotiating lopsided deals with the more powerful partners and of the public utilities, in the absence of ring-fencing requirements, exposing public core assets to the risks of secondary business.

*l) Local government losing revenue as a result of PPP*

Urban service delivery usually constitutes a crucial source of revenue for towns and municipalities. Notably electricity distribution often accounts for half or more of total revenue. Any form of PPP which threatens to undermine this revenue base without some form of compensation, is likely to stand little chance of being accepted.

*m) Consumers mistrust of the private sector*

There are examples outside Namibia where a PPP has led to tariff increases that were felt to be exorbitant by the local consumers. This problem may occur, also in Namibia, where a town or municipality does not retain sufficient control over tariff setting specifically and service delivery generally. It is crucial that PPP deals leave enough margin for supervision to the public partner, for instance through close and regular monitoring. It is essential that the public sector retains the responsibility for monitoring of the private sector.

*n) Absence of an overarching national PPP policy*

There is currently no specific PPP policy in Namibia, even though sectoral policy frameworks may open the door so such arrangements. This lack of a crosscutting policy framework may inhibit the formation of PPPs. Experience in other countries provide indications of the importance of developing a comprehensive PPP policy framework.

## **B2.2 Opportunities for PPP**

### ***Revenue Management***

Partnership in revenue management is sometimes seen as an attractive option when local government commitment to fuller private participation in service delivery is weak. This is the case with many urban centres in Namibia whose institutional and technical capacity and data on the conditions of the infrastructure, are still in the development stage and hence

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may need to take some time before they explore the full options of privatisation.

*Areas of revenue management which present greatest opportunities for PPP:*

- The development and constant updating of a database that will be adequate for revenue management purposes could be earmarked as a process that can be performed in partnership
- The second element is the process of metering (reading of meters, registering consumption and validating the information)
- The billing process is the third element that can be done in partnership. This entails the preparation and delivery of accounts that are regular and correct.
- Providing pay-points and managing the receipts until they have been deposited in the banking account is another element of revenue administration that can be handled in partnership with the private sector.
- The last opportunity for partnership arrangements is in the revenue collection process, often referred to as credit control function.

### ***Labour-based road construction and street sweeping***

The white paper on labour-based system provides enormous opportunities for job creation at urban level. The promotion of labour intensive methods in road construction and street sweeping has already been by the City of Windhoek involving the contracting out of such services to community-based contractors. This approach can be promoted in other local authorities in the form of Community-based provision form of partnerships to promote local economic activities and thereby create job opportunities for the urban poor.

### ***Waste collection***

A one-man contract system of waste collection has been implemented in a number of local authority areas including Oshakati and Windhoek, particularly in their high-density areas. The system works in such a way that the town gets divided into zones, each zone is then allocated to one single contractor to collect all the solid waste, put the refuse in plastic bags for collection by the municipality. The contractor is then paid a fixed fee per bag. This approach presents further opportunities for PPP involving individual and small contractors in service provision.

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### ***Abattoirs operation***

Running an abattoir is a big headache to many local authorities. It is usually a loss making service due to a number of reasons, one of which is a bureaucratic method of running such a service. Many local authorities have completely privatized their abattoir function. The question is whether those councils had looked at enough alternatives to make the best choice of the most advantageous option, which may warrant opportunities to local authorities to get advice under PPPUE on how best to go about handling privatization and/or contracting out of municipal services.

### ***Delivery of water heating services***

Delivery of water heating services to urban households by means of solar water heating (SWH) systems, in new homes or buildings or replacing electric geysers in existing homes/ buildings.

This could be structured as a PPP involving municipalities/ towns interested in limiting household electricity demand (thus avoiding otherwise necessary expansions in local electricity distribution infrastructure), private companies supplying SWHs, and the future Renewable Energy and Energy Efficiency (REEE) Centre to contribute in terms of system standard development and testing, awareness building, etc. The public sector may be in a position (possibly with the help of donors funds - viz the GEF application) to provide low-interest credit or other forms of financial subsidy.

### ***Integrated energy service provision in low-income rural/peri-urban areas***

This is a promising area for PPP, where considerable institutional innovation is possible and necessary. The HomePower programme may move in this direction. PE/NamPower is reported to be in the process of actively developing the concept of Energy Service Companies (ESCO) providing decentralised integrated energy services meeting the full range of end uses, with the possibility of the first ESCOs being deployed (on a pilot scale) in selected regions perhaps sometime in 2001. It is quite conceivable that ESCOs may involve PPP-type arrangements.

### ***Independent Power Producers (IPPs)***

These may include small-scale 'embedded' systems (like the Lüderitz wind power farm) contributing to local electricity service provision. Another still smaller-scale example that has been mentioned (at an idea stage) relates

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to solar power generation for hybrid electricity provision at the Gobabeb Regional Desertification Research and Training Centre.

***Disposal of solid and sanitation waste, and waste recycling***

This is a growing field at municipal and town level and generally lends itself to PPP arrangements (viz. outsourcing), given local government capacity and financial constraints and the already existing level of private sector and NGO/CBO activity in these areas.

***Housing***

Following the decentralisation of the housing provision function to sub-national levels, local and regional authorities now have a chance to look for interested private partners to take joint responsibility for housing provision. Some Non-Governmental Organisations and community-based initiatives such as Namibia Housing Action Group (NHAG) are actively involved in housing provision for their members. These organisations can partner with local and regional authorities to provide such essential service.

**B3 UTILISATION OF UNDP RESOURCES**

***B3.1 The Project***

The programme is designed for 18 months and has seed money to the tune of U\$ 300 000. The core budget will be mainly used for technical inputs including training and capacity building activities, policy development, and technical advisory services. Additional funding from other donor agencies and other partner organisations have been explored to finance some activities in the programme or to have parallel programmes.

In this programme, the strategy for use of UNDP resources will be to facilitate creation of an enabling environment for PPPUE in Namibia, with special attention paid to local level, bringing together stakeholders and providing technical assistance. It is important that the programme should serve as a model of partnership itself, with all stakeholders actively participating and implementing the programme. The technical advisory services to be rendered by the programme will be demand driven, with possibilities of cost sharing.

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### ***B3.2 Programme Management Set-up***

The programme will be implemented in the form of a partnership involving different stakeholders. Partner organisations will actively participate in programme implementation using their own infrastructure. A flexible management arrangement composed of a Steering Board responsible for providing overall guidance for the programme and implementation arrangement is proposed. The Programme Co-ordinator will be responsible for day-to-day co-ordination of the programme activities.

The Programme Co-ordinator in conjunction with the Steering Board shall, upon resumption of duties, define the following management operational matters:

- How the Programme Co-ordination Unit (PCU) will fit with the existing administrative configuration of MRLGH, including day-to-day interface between the programme management and the recently established Planning and Investment Co-ordination Unit.
- Internal organisational reporting lines to the Steering Board;
- External reporting lines between Programme Co-ordinator and officials within MRLGH;
- Legal status of the Programme Co-ordination Unit (notably with respect to ownership of procured assets, management of financial liabilities and claims arising for actions and decisions of Unit personnel);
- Resource flows and accounting structure for the effective management of UNDP, MRLGH and other donor's resources being applied to Programme activities;
- Distribution of decision powers within and between PCU and the Steering Board, MRLGH and UNDP, inter alia with respect to: budgeting and expenditure on budget, Project activities which may have major future resource implications; Project activities which have policy or political implications; the active role of interested stakeholders; etc.

## **B4 THE OUTCOME OF CAPACITY ASSESSMENT**

The Preparatory Assistance phase of the PPPUE Namibia Programme entailed quick situation analysis of capacities of stakeholders. Following are the main findings:

### **Ministry of Regional, Local Government and Housing**

Although the Ministry lacks real experience on PPP, it sees this initiative as

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a means to support the on-going decentralisation process in Namibia. Specifically, the Ministry sees PPP as providing opportunities to local governments to broader service coverage and quality to local communities, especially to the poor urban dwellers, on a sustainable basis through resource flow from the private sector. Within the context of decentralisation, the MRLGH has been mandated by Cabinet to implement local government reform with the view to strengthen institutional and service delivery capacity of the sub-national structures. As such PPPUE initiative is expected to contribute towards local government capacity building and hence support national efforts in implementing decentralisation sustainably.

MRLGH has, among others, two divisions that are directly involved in steering decentralisation efforts. That is the Division of Decentralisation and Professional Services Division. A Planning and Investment Co-ordination Unit, within which the programme management operations will be housed, is in the process of being established within the Ministry.

#### *Potential to implement PPPUE Programme Components*

MRLGH will house the Programme Co-ordination Unit within its Planning and Investment Co-ordination Unit and hence will cover overhead costs. PICU will also facilitate co-ordination between PPPUE and other government, NGOs and donor projects in areas of local governance, water, environment, SMEs and micro-financing. The MRLGH will also share the travelling and accommodation costs for local government officials who will attend the training courses/workshops to be delivered.

#### **Association for Local Authorities in Namibia (ALAN)**

ALAN has an administrative establishment of 5 personnel many of whom are still new to local government field. The Chief Administrative Officer has however, demonstrated beyond any doubt ALAN's willingness to support this initiative as it addresses the current demand on the ground in a far as requests from its member authorities to get assistance and guidance on PPP opportunities is concerned.

As a contribution to overall local government reform, ALAN has been assisting local authorities to develop strategic plans which go a long way to define strategic positioning of these authorities in terms of PPP opportunities and their core business.

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*Potential to implement PPPUE Programme Components*

ALAN will substantially contribute to the implementation of capacity building and training component, particularly in areas such as strategic planning and various aspects of PPP.

ALAN will also contribute to the organisation and funding of consultative forums on policy and legislative reviews.

**Association of Regional Councils in Namibia (ARC)**

ARC has somehow played a less active role in the field of regional governance as compared to ALAN. It is relatively a new body (about 3 years old) which is still in the development stage. However, ARC has the potential to play a role in the implementation of this initiative in as far as soliciting and articulating the thinking within regional government fraternity with regard to PPPs and how they could be used to improve service delivery in the settlement areas under their jurisdictions.

*Potential to implement PPPUE Programme Components*

ARC will sensitise its member authorities to look at PPP as an option for improving urban service delivery in settlement areas. This intervention will enhance the relationship between regional authorities and private sector and community based initiatives to explore partnerships in urban service delivery within the context of capacity building and training objective.

**Local Authorities**

Currently many local authorities are overwhelmed by requests from the utility companies such as NamWater and NamPower to enter into partnerships in the water and electricity sector. Overwhelmed in the sense that they do desire to explore PPP initiatives but lack capacity to negotiate and conclude partnership deals that safeguard the interest of the communities they represent. Many of them thus require policy and regulatory guidance and the technical advice in the area of contract negotiation, design and management to ensure mutual benefits. Understanding of the concept, forms of PPPs, their workings and implications is very poor among local and regional authorities.

Many local governments also have little knowledge on the state of urban services and about the condition and value of their infrastructure which condition is paramount to determining the investment and improvement requirements under any partnership.



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Some donor agencies such as GTZ, Ford Foundation, FES have been actively supporting local authorities to improve managerial skills and to enhance service delivery capacity for the past 7 years. Hence the experience built up by these donor interventions (as reflected in sub-section A2.2) will be an important input in this project.

#### *Potential to implement PPPUE Programme Components*

Local authorities can contribute to PPP related policy development by organising consultative forums thereby promoting the dialogue amongst stakeholders at the local level. The potential also exists for local governments to partially pay the training fees for their officials attending the training. This contribution by local authorities is crucial to ensure that the programme is financially sustainable

#### **NCCI**

NCCI has broad membership of businesses in Namibia among which some might be interested to explore PPP with local authorities. The Chamber is now active in promoting closer relationship between its members and the government through regular dialogue forums and meetings with the government, particularly with the Ministry of Trade and Industry. NCCI can therefore contribute remarkably to the programme's objective of building trust between the private sector and the government. Through its regional offices NCCI can forge partnerships with local authorities throughout the country thereby contribute to a creation of a conducive environment for PPP development.

#### **Private Sector**

There is an obvious mistrust of the government in the private sector ranging from a perceived lack of government commitment to privatisation to raising government spending. Private sector is reluctant to try PPP in local government environments where there is a perceived lack of managerial credibility and poor state of cash flow (although this could be seen as a situation providing scope for PPP). The attitudes amongst many asset fund managers are that, unless there is full government guarantee, investment in basic urban services remains very risky. However, having said the above, there is a state of preparedness among some businesses to try PPP, particularly when obtaining conditions for successful PPP are in place.

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In the Namibian case, the traditional view of the private sector being the most efficient and cost-effective driven animal might be misleading, as there is an obvious lack of capacity within the private sector. Hence the capacity building mechanism and the training course on PPP proposed in this project document should be flexible enough to also accommodate the capacity building needs of the private sector which can be rendered on a cost-recovery basis.

#### *Potential to implement PPPUE Programme Components*

Private training institutions can render training to both public and private actors interested in exploring PPPs. Commercial banks and other financial institutions can finance PPP projects where practicable to enable local authorities meet the financing requirements of such business deals.

### **NGOs**

NGOs generally lack capacity to engage in projects of large-scale nature. However, some NGOs have been quite active in the SME development sector, the water sector and their experiences can serve as a good foundation for PPP, particularly community-based service provision.

#### *Potential to implement PPPUE Programme Components*

NGOs have extensive experience in working with the communities. Their involvement in community developmental affairs ranging across sectors has contributed to a strong relationship building with those communities concerns. Hence NGOs will be instrumental in mobilizing the communities to organise themselves into community-based initiatives and small entrepreneurs who can then engage in the provision of urban services on a small scale in partnerships with local authorities.

## **SECTION C: OBJECTIVES, OUTPUTS, INDICATORS AND ACTIVITIES**

### **C1 OUTLINE DESCRIPTION OF PROJECT**

The project starts from the premise that the access of Namibia's poor to urban services may be significantly enhanced through the mechanisms of Public-Private Partnerships, but only if these partnerships are well conceptualised, designed and executed with a pro-poor bias in mind. Weakly conceived and badly procured partnerships may be very detrimental

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to the interests of the poor. The challenge, therefore, is to develop mechanisms to guide and assist municipalities to construct the right kinds of partnerships. If municipalities had easy access to guidelines, decision making tools, training & capacity building and, above all, in situ technical assistance at reasonable cost, the chances of them entering binding partnerships that are not to the advantage of poorer residents, but serve only the narrow interests of the private sector partner, would be greatly reduced. The Programme structure provides a set of these mechanisms, and lays a foundation for their ongoing development.

The primary objective of the Programme is to create an enabling environment for PPP development at the local level. Capacity building and the development of a policy framework are key components of the programme aimed at assisting Namibian sub-national government structures (both the regions and various categories of municipalities) to identify viable opportunities for PPPs, define clear projects, and procure and contract-manage appropriate private-sector participation. The programme will be implemented in a form of partnership in which key stakeholders will play an implementation role of programme components. The programme will go through two phases. Phase one, which will see the actual programme implementation, will run from June 2001 to November 2002, whereas phase two shall run from October 2002 and will involve the development of a proposal for the institutionalisation of PPP support in Namibia after the first programme phase.

The Programme Co-ordinator (PC) will be provided with a fixed term contract funded either by the MRLGH or UNDP, or through a cost sharing arrangement. The PC contract will require him or her to deliver a set of fixed outputs tied to the objectives of the project. The main objective of the programme is to contribute to the creation of an enabling policy and institutional environment for PPP development at local level. The four outputs are as follows:

1. Produce preliminary guidelines and facilitate the development of a policy framework on PPP. This output will be achieved through short term and medium term interventions involving policy and legislative review, the production of preliminary guidelines and guiding principles to guide local and regional authorities on what is allowable under the current legal framework and how PPP projects can be developed in a sustainable way.

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2. Provide, directly or through intermediaries, specific training on PPP issues to meet capacity building needs of local and regional authorities, private sector and NGOs as well as raising awareness of all stakeholders on the opportunities and implications presented by PPPs. The short term approach will entail the delivery of relevant training services which will run for a few days or weeks, while the longer term approach will see an institutionalised training course on PPP at a Namibian tertiary institution.
  3. Provide, directly or through partner institutions, on-demand technical support to local and regional authorities involved or intending to get involved in PPP. This output is a demand-driven response to requests from local and regional authorities, private sector on PPP development and management issues. Procedures on how to solicit such technical advisory services will need to be developed to manage this process.
  4. In collaboration with MRLGH, enhance the co-ordination of donor activities involved in local governance and other related fields. To achieve this output the programme will demonstrate the effectiveness of partnership-based approaches by structuring the programme as a partnership between various stakeholders, and effectively institutionalising this approach.

The objectives, outputs and activities are elaborated in detail in C2 and C3 below.

In delivering these outputs the Programme Co-ordinator will be assisted by implementing partners, particularly those represented in the Steering Board. Additional expertise will also be solicited for specialised technical support interventions on a short-term basis. The programme co-ordination will be integrated in the PICU within MRLGH. Thus the PC will be provided with office space within MRLGH as part of the contribution of the ministry to PPPUE programme implementation.

The PC will report to a Steering Board of between 8 and 10 members representing various sectors involved in the programme. The Steering Board will meet frequently between mid-April and mid-May 2001 to kick-start the project, and thereafter periodically each quarter to consider updated reports on progress. It will meet initially to ratify the work programme of the Programme Co-ordinator and to select such PC, to

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oversee the contracting process, to co-ordinate the institutional housing of the project within PICU, to communicate Project intent to stakeholders at large; etc.

The Steering Board will be responsible for overseeing the development of a proposal for the institutionalisation of PPP support in Namibia after the completion of the first phase, including setting a direction on securing long term funding for such facility. The Board will also be responsible for commissioning an independent evaluation of the Programme before its wind-up in August 2002.

Various components of the Programme will be funded and implemented in partnership with the key stakeholders. Primary contributions will come from UNDP to a value of US\$ 300 000. Potential matching contributions from MRLGH, ALAN, ARC, country donors and the private sector have been sought initially, many of which still have to be concretized at programme commencement (see Section D on potential inputs). These will be in cash or in kind, for example through the provision of office accommodation to the Programme Co-ordinator, fixed period secondments of Specialist Advisors, or free technical capacity to undertake feasibility studies, contract negotiations, etc. The provision costs of technical advisory services rendered by the Programme Co-ordinator will be subsidized but if, as envisaged, a number of these will be in response to requests for assistance from municipalities with PPP ideas, services will also be client funded to a minimum of 25% of project costs.

The Programme will unfold in two stages:

- **Stage 1:** (June 2001 to November 2002) Implementation. The full work programme as defined in this Project Document, and further elaborated in the first meetings of the Steering Board, will be implemented. Clear milestones are set out in C2 and C3 below. Depending on the feasibility for long term funding, availability of relevant skills and the demand level for continued technical support on PPP issues, this period may culminate with the development of a formal proposal for the institutionalisation of PPP support in Namibia.
- **Stage 2:** (October to November 2002) Winding-up of the Programme, proposal for institutional mechanism and its business plan, evaluation. This period will see the finalisation of a formal proposal on the institutionalisation of PPP support in Namibia, the formal closure of the

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Programme, and an external evaluation. During this phase, longer term financing for supporting the institutionalisation of PPP support will be concretized with potential financier(s).

## **C2 OBJECTIVES**

Four complementary objectives have been identified for the programme. These are stated below as both desired outcomes and practical aims.

### **Objective 1:**

Create a policy and legislative environment conducive to the smooth and rapid completion of Public Private Partnerships, and thereby reassure both local government and the private sector that any contract they agree will be enforceable in law, but which nevertheless also ensures that some minimum conditions are always adhered to by the municipalities entering into partnerships, and thereby protects in law the interests of poor and vulnerable groups. Provision of preliminary guidelines and guiding principles will enable local and regional authorities to observe the necessary obtaining conditions for mutually beneficial and sustainable PPP projects. Practically this has been interpreted as an objective to **develop guidelines and policy framework**.

### **Objective 2:**

Institute training and capacity building interventions whose aim is to build a universal basic understanding of PPPs, as well as advanced technical competence in selected fields relevant to the PPP procurement process, provide local government, private sector and community based initiatives with high level education and training. In a practical sense, this objective is termed as the **provision of training and capacity building**.

In a practical sense, this objective is to be achieved through three interventions. The first intervention, in which partner institutions such as ALAN, NCCI, ARC will take a lead involves *trust and relationship building between the public sector on one hand and private sector, NGOs and Community Based Initiatives on the other*. This process shall see consultation and dialogue forums organized by implementing partners to raise awareness on the workings of PPPs, the opportunities and potential benefits they represent.

The second intervention will entail the *delivery of short training courses on PPP issues on an ad-hoc basis* depending on the needs of the stakeholders

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The third intervention, which is a longer-term approach, is *commissioning a recognized training provider to develop and certify a number of Namibian-relevant 'professional development' training courses*. To meet a variety of needs under different circumstances, it is anticipated that a variety of training products differing in form and content will have to be tested with stakeholders, inter-alia through a comprehensive training-needs assessment.

### **Objective 3:**

Support the development of PPP's initiated by local government by providing, or facilitating access to, the necessary expert advice and technical assistance. If the programme is to demonstrate the utility of small scale PPPs that meaningfully involve small entrepreneurs and communities, and that are clearly in the interests of poor residents, support for municipalities promoting the initiation of such projects is essential. The Programme will therefore respond to requests for technical assistance from those municipalities that have decided to pursue PPP opportunities. In practical terms this objective has been interpreted as the **provision of on-demand technical support**, which will be advanced in three forms:

- Advice provided directly by the Programme Co-ordinator or an agent of the Co-ordinator identified from one of the partner institutions;
- An up-to-date database of available in-country technical expertise from various sectors. This database (reflecting qualified professionals' capacity for specific tasks, past-experience, contact details, etc.) will be accessible to municipalities trying to procure, at their own expense, the specialist support they need for PPP development.
- Limited subsidisation of municipalities' own procurement of technical assistance from qualified professionals (for feasibility studies and business planning, legal advice and contract negotiations, financial modelling, and so on). This will be available only when a project promises to provide optimal "demonstration effects", or when the technical assistance can be synthesised into a product which can be disseminated more broadly (such as the material for a decision-making toolkit). Strict application criteria and procedures will apply.

### **Objective 4:**

Demonstrate the effectiveness of partnership-based approaches by structuring the Programme as a partnership between various stakeholders,

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and effectively institutionalising this approach. To ensure that the benefits from the Programme do not appear to come from only a single agency, the Programme will be designed as a true partnership between government, private sector, academic institutions and, where applicable, donor organisations.

Responsibilities for various outputs and activities will be vested with one or other of the partner, on the basis of clear terms of reference and the corresponding transfer of programme funds. The execution of separate sets of responsibilities by each partner institution will be overseen by, but not directed by, the Project Co-ordinator. Wide representation of stakeholders in the Steering Board, the integration of the Programme Co-ordination Unit within the PICU of MRLGH and the establishment of the Inter-ministerial Donor Co-ordination Committee, all together shall create an obtaining condition for effective co-ordination of government, donor and NGOs' activities in relevant fields to PPPUE Programme. Hence this objective is interpreted as donor co-ordination.

### **C3 OUTPUTS AND ACTIVITIES BY OBJECTIVE**

#### **Objective 1: Develop Guidelines and Policy Framework**

##### *Output 1.1: Establishment of national policy task force*

- Activity 1.1.1: Establish a 5 persons National Policy Task Force (NPTF) composed of some Steering Board members on the basis of both appropriate political representation and legal and policy competence. It is however recommended that, if the Steering Board or any other existing mechanism can effectively perform the functions that are to be assigned to the task force, the establishment of the NPTF might not be necessary. In which case the resources allocated for the purpose of implementing this activity will be shifted to other important programme components.
- Activity 1.1.2: Draw a detailed terms of reference for the policy task force which defines its mandate and its relationship to the Programme Co-ordinator and the Programme Steering Board.

*Output 1.2: A review of all existing policies and legislation related to PPP at local level to determine the status quo and the likely bottlenecks to PPP development*



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- Activity 1.2.1: Either using the human resources of the Policy Task Force, or contracting policy and legal experts where necessary, conduct a thorough audit of all policies and legislation with the aim of listing all policy or legal provisions which may likely cause bottlenecks to PPP development. Consultations with private sector partners, municipalities that have initiated PPPs, and lending institutions will start the review process. The review will also consider the by-laws and operating practice of a representative sample of 10 Namibian municipalities.
  - Activity 1.2.2: Compile the existing legislation and policies that provide a guiding framework for the status quo.
  - Activity 1.2.3: Draw up an analysis report on potential barriers and disincentives for PPP that should be addressed through policy dialogue and legal reform.

*Output 1 .3. A set of preliminary guidelines providing local and regional authorities and private sector with authorised guidance on what is allowed to do under the current legal framework*

- Activity 1.3.1: Draft clear terms of reference and commission a specialist to work with the National Policy Task Force to draft preliminary guidelines. Consultations with all key stakeholders to be held as the need dictates.
- Activity 1.3.2: Publish the guidelines and distribute to all local and regional authorities.

*Output 1.4 Guiding principles for PPP development based on lessons learned from national and international experiences, which give guidance on how PPP projects can be developed in a sustainable way.*

- Activity 1.4.1: Convene a consultation session between the advisory task force, Programme Coordinator and relevant stakeholders who can assist the Project Coordinator in identifying all key points that must be covered in any guiding framework.
- Activity 1.4.2: Draft clear terms of reference and commission a specialist to work with the Programme Coordinator to draft a guiding framework. Consult with stakeholders and municipalities where necessary.
- Activity 1.4.3: Publish the framework and distribute to all local and regional authorities.

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*Output 1.5 Three to four toolkits to be used as reference instruments describing the process of carrying a PPP project at the local level, for example: the utility of PPPs under different circumstances; best practice in the PPP procurement cycle, different forms of PPP contracts and what these usually cover; the nature of PPP project financing; etc.*

- Activity 1.5.1: Working with the task force to identify issues which require more detailed educational booklets.
- Activity 1.5.2: Draft terms of reference and commission specialists to write resource booklets on separate issues.
- Activity 1.5.3: Access the toolkit on "Building Municipal Capacities for PPPs being developed by PPPUE Global Unit as well as parts of sector toolkits on water and sanitation (World Bank) and waste management (SKAT, SDC, World Bank) for adaptation to the Namibian national context.
- Activity 1.5.4: Publish the booklets and distribute to all regional and local authorities.

*Output 1.6: Interim arrangement to distribute tools to municipalities*

- Activity 1.6.1: Distribute toolkit to all municipalities with an open invite to comment and contribute to the Programme Coordination local refinements.
- Activity 1.6.2: Adjust and refine tools on the basis of any valuable feedback received.

*Output 1.7 Process to develop mechanisms to store, make available and continuously re-develop decision tools*

- Activity 1.7.1: Commission or undertake with Project Team resources a short study exploring medium to longer term options to make decision tools more broadly accessible. Accessibility requires both cost-effective mechanisms to distribute irregular updates of tools to municipalities, as well as a way to convey resources to other municipalities outside Namibia. Options such as a web site and the re-collation of the toolkit into a CD-Rom format, which can easily be updated, will be investigated.
- Activity 1.7.2: Cost the preferred approach and develop a funding proposal. Approach stakeholders and donors with the proposal with a view to securing funding by end June 2002.

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*Output 1.8 A process to draft new policy and review legislation in the medium to long term*

- Activity 1.8.1: Under the auspices of the MRLGH and the National Policy Task Force, initiate a process to provide remedies to the policy and legislative obstacles identified in the audit. In the short term to medium term, priority shall be given to addressing the removal of barriers for PPP development at the local level, while in the long run a comprehensive policy and legal framework might become necessary. The latter part of the exercise will involve a minimum of a two-year process of policy and legislative cleanup with careful intergovernmental consultation and negotiations.
- Activity 1.8.2: If this is indicated as necessary by the policy and legislative review, initiate a process of defining overarching policy which regulates the development of local government PPPs. Such policy may define minimum requirements for PPP procurement (e.g. the need for competitive tendering, under what conditions this can be waived, dealing with unsolicited bids from the private sector, etc.) and outline minimum PPP contract requirements (the need for affirmative and local procurement of goods and services by PPP project companies, extent of allowable public-sector guarantees, insurance cover, etc.)

## **Objective 2: Provide Training and Capacity Building**

*Output 2.1 A capacity needs analysis, which lays a foundation for the detailed design of an institution to support PPP development*

- Activity 2.1.1: Conduct a follow-up round of stakeholder consultations with the specific purpose of determining PPP capacity building and technical support needs.
- Activity 2.1.2: Draft terms of reference and commission specialists to undertake capacity building needs assessment.
- Activity 2.1.3: Synthesize the outcome of the consultations into a concise concept document for a capacity support plan and an institution geared to carry the plan by providing, amongst other services training.

*Output 2.2 Training needs analysis to determine substance of training required by Namibian local government and appropriate forms to deliver this training*

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- Activity 2.2.1: Tender out to a recognized Namibian-based service provider full responsibility for developing locally relevant training programmes to build professional capacity for PPPs. The brief to the service provider will require that any course development must be based on a full training needs assessment identifying both training needs and training products geared to meet these needs. The service provider is also encouraged to get exposure and guidance from the Yale-based PPPUE Distance Learning Course so as to structure and provide the PPP course to interested Namibians in the most effective manner.
  - Activity 2.2.2: Refer the results of the training needs assessment to the Steering Board for approval.

*Output 2.3 Different training courses to meet differentiated needs (ranging from brief introductory courses to specialised certificate programmes)*

- Activity 2.3.1: Require development of needs-tailored PPP training courses by March 2002, with course developers to work with the Programme Co-ordinator to incorporate relevant material (decision tools, learning cases from the field etc.) into the programme.
- Activity 2.3.2: Require the Service Provider to attend an existing PPP professional development course in South Africa, ideally a two to three day introductory course run by the National Business Institute (NBI) in Johannesburg or elsewhere.
- Activity 2.3.3: Under a cost structure approved by the Programme Co-ordinator and the Steering Board, require the Service Provider to pilot one course by end-May 2002.

*Output 2.4 Bursaries to substantially subsidize training for 2 years*

- Activity 2.4.1: On the basis of a successful pilot, work with the identified service provider to develop a funding proposal to support training by this provider for a 2 year period. Financial support may best be sought through a request for a specified number of bursaries which both build in all course-delivery costs and which meet a target of trained personnel agreed by the Steering Board. It is understood that financial support will be partially supplemented by initial PPPUE funds as well as by municipalities own fees or in-kind support should training courses be held on their premises. However, there will remain a substantial gap.

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- Activity 2.4.2: Work with the service provider to approach funders to secure medium term financial support.

*Output 2.5 Between 100 and 200 municipal practitioners trained by November 2002*

- Activity 2.5.1: Develop a schedule of training courses to ensure that at least 100 (and ideally 200) regional and municipal officials and a number of private sector representatives are trained by November 2002. It is understood that training will continue beyond this at the sole discretion of the service provider.

*Output 2.6 Increased awareness and understanding of PPP amongst stakeholders*

- Activity 2.6.1: Forums are established at national, regional and local levels to promote on-going consultations, interaction and dialogue amongst principal stakeholders. The success or failure of such interventions will result in an increased or decreased level of interest in PPP as reflected in a number of PPP deals initiated, struck and viably operational.

### **Objective 3: Provision of on-demand technical support**

*Output 3.1 Database of available technical expertise and technical support provided through programme*

- Activity 3.1.1: Consult with partners and select municipality regarding ideal format of electronic database.
- Activity 3.1.2: Contract a database developer to build a database framework in an appropriate, easily accessible programme (likely either Excel or Access).
- Activity 3.1.3: Advertise through print media the development of the database, and invite applications from professionals to place their name, relevant experience and contact details on the database.
- Activity 3.1.4: As municipalities access technical expertise through the database, update the database records to reflect which expertise has been deployed for what purpose.

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*Output 3.2: Procedures, application forms and criteria for access to subsidised technical assistance*

- Activity 3.2.1: Develop a set of application and selection procedures and criteria for access to subsidised technical assistance.
- Activity 3.2.2: Test the procedures and criteria with partners and select municipalities.
- Activity 3.2.3: In terms of the procedures developed, log all enquiries, applications, decisions and reasons for decisions taken.
- Activity 3.2.4: Following the procedures developed, oversee, monitor and evaluate the utilisation of funds for subsidised technical assistance.

*Output 3.3 Widespread awareness of technical assistance component of programme*

- Activity 3.3.1: Advertise the availability of ad-hoc advice from the Project Co-ordinator, the existence of the database, and the availability of other support services.
- Activity 3.3.2: Disseminate application forms and criteria for application to all municipalities and regional councils.

*Output 3.4 Broad agreement on the need for a proposal for the institutionalisation of PPP support in Namibia to sustain technical assistance and capacity building interventions in the long run*

- Activity 3.4.1: Assess the level of demand, potential long term funding and the availability of required skills to determine the feasibility of an institutional mechanism to deliver technical support to local authorities on an on going basis
- Activity 3.4.2: Distribute the concept document capturing the assessment results to all regional and local authorities, as well as select private sector organisations and donors, asking for considered input, particularly on the need, form, functioning, life-span and institutional position of such mechanism. Provide 1 month for written comments from local government. Project Team to be available to reply to specific queries.
- Activity 3.4.3: Collate responses and determine whether broad buy-in has been achieved.

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*Output 3.5 A detailed business plan for the institutionalisation of PPP support agreed to by Steering Board by August 2002*

- Activity 3.5.1: Arrange a short study tour for Programme Co-ordination team to visit the South African Municipal Infrastructure Investment Unit and the Public Private Partnerships Unit in the SA National Treasury.
- Activity 3.5.2: On the basis of formal responses to concept document and the lessons learnt from the MIU and PPP unit, draw a detailed business plan for the Partnerships Facilitation Unit. Contract in technical expertise where necessary. The business plan should outline the immediate steps for the Unit's establishment, and provide a five year strategy for its ongoing development and consolidation. The business plan should be written so that it may easily be converted into a funding proposal to donor organisations.
- Activity 3.5.3: Test a draft business plan with two roundtables of selected private sector organisations and municipalities. The roundtables should have the dual objective of building trust and ensuring a common understanding of what can be done with PPPs in Namibia and what is needed institutionally to support PPP development.
- Activity 3.5.4: Depending on the results of previous consultations, develop a strategy for resource mobilization.

#### **Objective 4: Donor Co-ordination**

*Output 4.1 Structured partnership with clear assignments of programme implementation responsibilities*

- Activity 4.1.1: Through the Steering Board, agree on a distribution of operational responsibilities between Programme Co-ordinator and partners organisations depending on the unique capabilities each brings to the partnership
- Activity 4.1.2: Formalise the allocation of responsibilities by drawing clear terms of reference for tasks to be undertaken by each partner, and design an appropriate remuneration / cost sharing arrangement to fund the allocation.
- Activity 4.1.3: Agree on a monitoring and evaluation framework by which the Programme Coordinator can assess delivery and the realisation of intended outcomes by each partner.
- Activity 4.1.4: Where necessary, structure a capacity building strategy to strengthen the ability of partner institutions to deliver on their mandated responsibilities.

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- Activity 4.1.5: Each partner to execute assigned responsibilities and Programme Coordinator to oversee capacity building and to monitor and evaluate implementation.

*Output 4.2: Enhanced collaboration between PPPUE Programme and other donor-supported initiatives in the field of local governance*

- Activity 4.2.1: Integrate PPPUE programme coordination into the Planning and Investment Coordination Unit (PICU) within the MRLGH
- Activity 4.2.2: Define the working relationship and the overall modus operandi between the Programme Coordination and PICU regarding the day to day coordinating activities with other donor-supported projects operative within the field of local governance
- Activity 4.2.3: Hold a joint consultative meeting with all donor representatives involved in local governance to decide on project to project collaboration and cooperation. This activity will be on-going throughout the life-span of the project.

*Output 4.3: Institutionalised inter-ministerial donor coordination*

- Activity 4.3 1: Establish an *Inter-ministerial Donor Coordination Committee* with Terms of Reference agreed upon by all ministries and donor agencies involved.
- Activity 4.3.2: Facilitate consultations on a regular basis, through PICU, between PPPUE programme and other donor-supported projects.

## **SECTION D: INPUTS**

This section outlines the principal inputs required from the UNDP towards the costs of the Programme, as well as contributions in cash or kind from other sources (either funders, government, and partner organisations).

### **D1. UNDP INPUTS**

UNDP inputs are calculated at exactly \$300 000 for the eighteen months period.

UNDP inputs have been deliberately skewed away from personnel and administrative costs and towards activity expenses. This is on the understanding that the Namibian government and other stakeholders will directly take part in the implementation of programme components.



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UNDP funds will cover the majority of costs of a Programme Co-ordinator through one contract, for the whole life-span of the programme. The term contract will require a top-up contribution (in the order of US\$ 15 000 - \$US 20 000) from Programme Stakeholder. \$10 000 will be contributed to administrative costs, with the balance coming from stakeholders, and \$7 000 is reserved for evaluation.

UNDP inputs are also limited to fixed-term, fixed-fee contracts for specified outputs. The fixed contract with a recognized training service-provider and which is readily equipped for this task, UNAM or Polytechnic, will enable the development of a full training programme. It is expected that all administrative costs will be internalized within the contract fee, minimizing the administrative burden on the Programme Co-ordination Unit and its host institution. The contract will also lead to the full institutionalization of future training courses to the benefit of the service provider's own account. This creates the basis for sustainability. The approach has the further benefit of instilling the ethos of contracting partners best equipped to assume responsibilities for specialized work.

The following eight sets of contracts are envisaged:

1. *Technical support to draft a business plan*

The majority of work on institutional framework business plan will be done internally by the Programme Co-ordinator. However, it is envisaged that some ongoing technical support will be necessary to assist with elements of the business plan development, notably with respect to long term costing and pricing of services, options for legal-establishment, account set-up, drafting of articles of association, etc. A short-term contract covering specific elements will be awarded to a specialized consulting firm as required.

2. *Technical expertise for assessing capacity needs and short term training design*

This contract will entail undertaking a capacity needs assessment to inform the design of the training programme. This exercise will cover the assessment of the other on-going training and capacity building interventions being implemented under other projects so as to avoid duplication of efforts and to maximize synergy effects.

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3. *Provision of expert advisory services*

Where the Programme Co-ordinator will not be able to provide expert advice to local and regional authorities seeking such advice on PPP issues, short-term consultants will need to be hired to deliver such services.

4. *Development of mechanism to store and disseminate decision making tools*

Although the majority of work under this activity will be conducted by the Programme Co-ordinator, some highly specialised technical expertise may be needed in the exploration of options, such as web site development, to help local and regional authorities to access template toolkits for effective decision making will need to be undertaken.

5. *Drafting, printing and distribution of PPP guidelines*

This will ideally involve a fixed term, fixed fee contract with a suitable consulting firm to draft, print and distribute PPP guidelines. The consultants' team will work closely with the Programme Co-ordinator and the relevant officials of the host institution, MRLGH.

6. *Policy and legislative review and initial drafting of new policy*

This will involve a fixed term, fixed fee contract with a suitable law firm or legal consultancy to conduct a thorough policy and legislative audit, advise on remedies to identified bottlenecks and assist in starting a policy drafting exercise if this should prove necessary.

7. *Drafting, collation and distribution of decision tools*

As with 3, this will entail fixed term, fixed fee contract with a suitable consulting firm to develop and fine-tune PPP decision tools. The consultants will work closely with the Programme Co-ordinator and relevant key officials of the MRLGH.

8. *Development and management of training programme*

This will involve a fixed fee, fixed term contract with a recognized training service provider to develop and launch a PPP training programme. Attendance of course developers on an existing South African course will be a contractual requirement. The contract will make some funds available for start-up administration via bursaries for a specified number of students, which amount will need to be augmented through other sources of funds.

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## **D2. MINISTRY OF REGIONAL AND LOCAL GOVERNMENT AND HOUSING INPUTS**

MRLGH views PPPUE Programme within the overall framework of local government reform programme launched by the Namibian government a year ago. MRLGH intends to utilize part of the N\$ 5 million it has budgeted for the implementation of local government reform programme to fund PPPUE Programme related activities. Since the N\$ 5 million is a lump sum figure for all reform activities, it is not possible to quantify the amount of resources the MRLGH will make available to the execution of specific components of the programme. Nevertheless, the Ministry shall make the following contribution to programme implementation:

- MRLGH will provide institutional housing (provide office accommodation and other facilities) for PPPUE Programme;
- MRLGH will co-finance some activities with Programme Co-ordination in the area of training and capacity building and policy development;
- MRLGH will cover operational costs related to programme administration;
- MRLGH will pay the costs of travelling, accommodation and per diems for local government officials who will attend the training workshops. This cost could be shared with the local authorities concerned; and
- Possibility to access funds under the Regional Development Fund for Equity Provisions.

### **ALAN Inputs**

ALAN has pledged to make a substantial contribution to the implementation of the training and capacity building component of the programme, especially in the area of strategic planning which is crucial to local government strategic positioning in relation to PPP. In the same vein, ALAN will also contribute to the implementation of the policy development process by organizing workshops and forums to stimulate local government engagement in the policy dialogue. Similar forums will also be used to sensitise member authorities so as to look critically at PPP as a viable option to local government financing

### **NCCI Inputs**

NCCI has pledged to act as a relationship builder by facilitating contacts between the government and its members. In the same vein, NCCI will also play a critical role in sensitizing its members to forge linkages with local

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authorities in the area of urban service delivery by organizing seminars and workshops for such purpose.

### **VSO Inputs**

VSO, a voluntary organization, has about 70 volunteers deployed throughout Namibia to assist the government, NGOs and community development initiatives in fulfilling their developmental goals. VSO has an arrangement of co-financing volunteer resource persons with partner, where the partner organization covers a monthly subsistence allowance of N\$ 2 376, medical insurance of about N\$ 300 per month, and accommodation cost whereas VSO covers the rest of the expenses amounting to about N\$ 120 000. This means if VSO was to make one of its volunteers available, PPPUE Programme will have to foot the bill according to the above outlined cost-sharing arrangement. Coupled to this arrangement is the longevity in terms of the process of recruiting such experts.

#### *Potential contribution*

1. Mr Hudson has vowed to follow-up a possibility of obtaining a resource person on a short-term basis under the collaboration arrangement the organization has with some consultancy institutions.
2. To contribute to a proposed database on the availability of expertise under on-demand technical assistance component, VSO shall look at the possibility to have its available resource persons captured in such database so as to enable local authorities and regional authorities access the required expert advice.
3. Depending on successful advancement of the idea of institutionalizing PPP support for longer term intervention, VSO will, with time, seek an expert volunteer to man or be part of such institutionalized technical support mechanism.

#### **D 2.1 The following funding gaps have been identified in the Programme:**

- Mechanism to store and disseminate decision making tools: Various mechanisms will be investigated to disseminate the decision-support tools developed by the Programme, including a centralised resource centre, on-line database, regular country-wide workshops, secondments of practitioners, web-facilitated learning networks, etc. These mechanisms will be beyond the scope of existing Project funds

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and will require ongoing donor support. The learning mechanism will be linked to the PPPUE Global Learning Network.

- Policy consultations: Should initial consultations and investigations conducted under the Project suggest that this is necessary, a full policy and legislative review process will be undertaken. In this event, extensive consultations with affected municipalities will be necessary under the auspices of MRLGH. This implies large workshop, conference, printing, dissemination and response processing costs. Donor funding for a full-policy and legislative review process may prove necessary.
- A two-year training programme following the piloting of a professional-development course. Existing project funds will be used to design and test a PPP training programme to build the capacities of practitioners. The programme will then be institutionalized in a recognized training provider. The provider will be expected to partially own-fund the programme from course-fees, but experience shows that many such programmes falter because beneficiaries cannot always justify the expense of staff training under tight budgetary constraints. The costs of participation in the training programme will therefore need to be subsidised, ideally via a donor contribution for bursaries for a specified number of course places (providing a clear output target) over a two year period.

### **D3 TOTAL COST**

The detailed total cost of the Programme will be finally defined during Stage 1 of the programme for the 18-month period. A total of \$300 000 seed money has been provided from UNDP PPPUE funds.

## **SECTION E: MANAGEMENT**

### **E1. ROLES AND RESPONSIBILITIES**

The roles and responsibilities of the institutions involved in this programme are outlined below. Consideration should be given though to the institutional and resource capacities of these institutions to play their envisaged roles and to carry out the assigned responsibilities within the programme context as reflected in Section C1 earlier. (See Section B4 for the potential contribution to programme implementation by partner institutions listed below)

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*Ministry of Regional, Local Government and Housing (MRLGH)*

MRLGH will be the lead government ministry for the overall implementation of the programme. As part of its functions, MRLGH shall be responsible for coordinating all government activities related to this programme including playing an advocacy role towards the creation of a conducive regulatory and policy environment to PPP at national level.

*National Planning Commission (NPC)*

NPC, being the government agency responsible for economic planning, will apply the concept of PPP in the design and funding of national capital projects. In the same vein the Commission will support PPP initiatives, within the programme context, through facilitating project funding by donors.

*The United Nations Development Programme (UNDP)*

The role of securing donor funding to the programme will be fulfilled by UNDP in conjunction with MRLGH. UNDP has already provided seed money for the implementation of the first phase of the programme.

*Association of Local Authorities in Namibia (ALAN)*

ALAN, as an umbrella membership body, shall continuously engage its member authorities with the view to assess constraints and the viewpoints of local authorities pertaining to PPP initiatives. This engagement will then enable ALAN to play an advocacy role in terms of articulating the obtaining conditions for successful PPP initiatives and relating local authorities to capacity building support mechanisms. At the implementation outset of the programme, ALAN will also facilitate the process of identifying suitable PPP pilot projects involving local authorities.

ALAN has also a role to play in terms of assisting PPP focused local authorities to identify and define their core business and opportunities to add value to existing assets, thereby strategically positioning themselves for PPP projects. The assistance should culminate in overall local strategic plans which clearly indicate opportunities for PPP initiatives. The envisaged role coincides with ALAN's on-going project assisting local authorities to develop their strategic plans as part of local government transformation efforts underway in Namibia. Collaborative efforts could be forged in this respect between ALAN and USAID as the latter is also involved in a similar project providing financial support to 6 towns, (Usakos, Okahandja, Gobabis, Otjiwarongo, Swakopmund and Keetmanshoop) to develop their

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strategic plans with the emphasis placed on Small and Medium Enterprises (SMEs) development.

*Association of Regional Councils (ARC)*

ARC shall contribute to the programme through sensitization efforts of its member authorities to engage the private sector to partake in service provision in the settlement areas. Part of this responsibility is educational and should be seen as a contribution in kind. ARC will provide a linkage between the programme and the regional authorities needing support to explore PPPs.

*Namibia Chamber of Commerce and Industry (NCCI)*

NCCI will serve as a linkage point in the effort to develop a positive relationship and trust between the government (particularly at local government level) and the private sector. Organising national and regional forums to discuss potential benefits that could be derived from PPPs and the positive contribution private businesses can make to urban service delivery will form part of NCCI function. The chamber shall furthermore provide information on a regular basis to its members on existing and planned PPP projects with the view to encourage the private sector to take part in the provision of urban services.

*Local Authorities*

Local authorities participating in the programme will do the following as part of their responsibilities:

- Building positive relationships with the private sector culminating in partnerships in local service delivery;
- Fulfilling their obligations as per contractual arrangements of PPPs;
- Conducting awareness raising programmes on PPP among urban communities with the view to enhance public acceptability and legitimacy of PPP initiatives;
- Ensuring that private sector partners meet performance standards as per partnership contracts through effective contract management. In the same vein local authorities need to develop monitoring and evaluation mechanisms thus safeguard the public interest in those partnerships
- Creating conducive regulatory and policy frameworks and procedures to facilitate PPP at local level;
- Developing and adopting strategic plans clearly defining their core business and opportunities, thereby strategically positioning themselves

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to explore and undertake PPP projects in line with their priority objectives;

- Developing assets management plans indicating the overall conditions and value of their infrastructure as a prerequisite to entering into PPP as this information is crucial to determine the investment needs into local infrastructure;
- Ensuring that PPP projects contribute to local economic development through SMEs development and inclusion into those partnership arrangements.

As the capacity to carry out the above-mentioned functions does not exist in most local authorities, technical support will need to be provided by the programme.

#### *Private Sector*

By the end of the programme, at least 5 to 7 model PPP projects are operational leaving the local and regional authorities and the businesses involved as the most important players in those projects thereby ensuring the sustainability of the projects in the long run. It is assumed that the selection of private businesses as service providers, will be done on a competitive bidding basis, thus ensuring transparency and fair play. Hence, businesses are required to prepare and submit proposals for advertised PPP initiatives, negotiate and implement contracts as entered into with local authorities. Following the selection of the successful bidders by the local authorities, private businesses will also need to obtain technical assistance from the programme in order to ensure those PPPs are structured on a win-win situation as well as being consistent with the overall development objectives of the programme.

#### *University of Namibia or Polytechnic of Namibia*

In collaboration with the programme management team and subsequently the Partnership Facilitation Unit (PFU), the University or Polytechnic of Namibia will develop a training course on PPP to provide training on a long-term basis to local authorities and businesses interested in accumulating a body of knowledge or in exploring PPP.

#### *NGOs*

NGOs will contribute to the mobilization of communities interested to form CBOs for possible participation in service delivery through PPPs.



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### *Programme Management Team*

The team will be responsible for the implementation of the programme within the identified intervention areas as reflected in section C 1-3. The team will, from time to time, source technical expertise from elsewhere when necessary for conducting some interventions.

## **E2. PROGRAMME MANAGEMENT SET-UP**

The programme will be implemented in the form of a partnership involving the different stakeholders. The possibility for duplication of institutional infrastructure has been avoided so that the programme can tap on institutional structures already in existence. A flexible management arrangement is thus proposed as follows:

- a) A Steering Board which will be responsible for providing overall guidance for the programme and implementation arrangement. The Steering Board also selects the Programme Coordinator and decides, on a consensus basis, about the implementation arrangement for each component. Representation on the Steering Board is broad covering all key sectors of interest to PPPUE Programme as reflected below:
- MRLGH, UNDP, ALAN, ARC, NCCI, Urban Trust for Namibia, MTI, Northern Electricity, JCC, Representative from financial sector, Polytechnic/UNAM, Programme Coordinator (ex-officio)

The Steering Board will have the following roles and responsibilities:

- Provide strategic direction and guidance on programme implementation and development
  - Provide overall supervision in order that the programme is working towards achieving the set goals
  - Review programme when necessary, budget allocation within the agreement parameter
  - Support the Programme Coordinator in programme implementation
  - Serve as a linking platform to ensure active participation in programme implementation by partner organizations
  - Give direction to Programme Coordinator on donor activity coordination within and without local governance field
- b) A Programme Co-ordinator who will be located within the newly established Planning and Investment Coordination Unit of the MRLGH. He/she will coordinate the implementation of programme components

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through different partner organizations and external consultants. Depending on programme development and funding availability, the project facilitator might be supported by additional specialists. This set-up may evolve into a partnership facilitation unit, but the implementation responsibility should always be with the programme partners.

The Programme Coordinator is responsible to the Steering Board and has the following two principal responsibilities:

- Facilitate the implementation of project components through project partners and consultants, including MRLGH, ALAN, NCCI, academic institutions.
  - Coordinate inputs and joint activities with related government, donor or NGO supported programmes.
- c) Implementing Partners As stated earlier, the programme components and activities will be implemented through partner organizations which have the required strengths and capacity to conduct the operations. Steering Board members are preferred implementation partners. This management set-up allows the greatest buy-in of the different stakeholders as well as an effective coordination with other programmes and units inside the MRLGH.

### **E3. DONOR COORDINATION**

To ensure that the benefits from the Programme do not appear to come from only a single agency, PPPUE Programme is designed as a true partnership between government, private sector, NGOs, academic institutions and, where applicable, donor organisations. Responsibilities for various outputs and activities will be vested with one or other of the partners, on the basis of clear terms of reference and the corresponding transfer of programme funds. The execution of separate sets of responsibilities by each partner institution will be overseen by, but not directed by, the Programme Coordinator.

Three levels of donor coordination:

1. *Donor coordination within PPPUE Programme Implementation*

As PPPUE is a multi-lateral donor driven initiative, various donor contributions to programme implementation shall be coordinated by the Programme Coordinator with the support of the Steering Board.

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2. *Coordination of all donor-supported interventions involved in local governance*

To ensure complementary results and synergy effects generated by PPPUE Programme and other donor interventions in the field of local governance, the Programme Coordinator will be stationed in the recently established Planning and Investment Coordination Unit (PICU) within the MRLGH. The Programme Coordinator will liaise directly, or through PIU as the case may be, with those other donor-funded projects operative in local governance sphere to enhance programme-to-programme collaborations and cooperation.

3. *Inter-ministerial donor coordination*

PPPUE, a national initiative, encompasses multiple areas of intervention such as water and sanitation, environmental management, job creation and economic sustainability etc. Promotion of PPPs will therefore target the provision of urban services in the above mentioned service areas.

In the light of the above, it only makes sense that the PPPUE Programme be implemented in close coordination with those other on-going or planned activities in such fields as identified above.

Thus an Inter-ministerial Donor Co-ordination Committee (IDCC) will be established to decide on programme to programme supportive approaches, exchanging information and do, where practicable, joint programme reviews. The IDCC will be coordinated by the PICU and shall meet bi-annually with an option to meet as regularly as circumstance demand.

The IDCC will comprise the following Ministries: MRLGH, MTI, MA WRD, MET, MEET, Donor representatives involved in projects concerned.

The Terms of Reference of IDCC will be drawn up by the Programme Co-ordinator in conjunction with PICU and will be presented to all other ministries involved for their consent.

## **SECTION F: MONITORING AND EVALUATION**

### **F1. MONITORING**

The logical framework for each programme component constitutes the basis for the measuring of programme progress. During implementation, the

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project document is specified and adjusted to the changing environment in work plans. The work plans are derived from the logical framework for the intervention.

The project monitoring will include the preparation of quarterly progress and financial reports and annual monitoring report. Reporting will enable analysis for planning and further development of the project and feed-back to decision making.

The Steering Board will monitor overall project implementation and progress and shall reassess the assumptions in the light of the changing circumstances. The Steering Board will also monitor expenditure within the annual work plan/s as approved. Examination of the indicator will constitute part of the whole monitoring system. SC will monitor progress on a quarterly basis and will account to the two principal programme implementing partners, namely, MRLGH and UNDP Board at the semi-annual or annual Steering Board meetings.

The Programme Co-ordinator will be responsible for internal monitoring and quality control of the project. The normal procedure should be that experts produce monthly results and activity plans and progress reports. The Programme Leader will co-ordinate the production of progress reports and collate for the SC, work plans, progress and other reports, and will provide semi-annual reports for approval by the Steering Board.

The Programme Coordinator, with the assistance of specialist advisors, shall produce a completion report before the Programme winds-up.

Monitoring is divided broadly in two aspects: the process monitoring of the programme advancement and the impact monitoring of the capacity building activities.

#### *Process monitoring*

Process monitoring covers the monitoring of the outputs and activities, against the set timetables and objectives. Special emphasis should be placed upon the viability of networking (inter-organisational linkages) to ensure that the project objectives are shared by the key stakeholders. Participatory methods of monitoring should be applied to locate conflicts of interests in advance, particularly at municipal and regional levels. Participatory process monitoring can also be used as a tool for conflict resolution, if necessary. The job-related work monitoring of the experts and

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the financial monitoring are naturally parts of the process monitoring. The indicators for various processes to be monitored are described under the respective programme components.

### *Impact monitoring*

The impact of the capacity building activities can take place at two levels: i) capacity building activities in the LAs, ii) improvements in service provisioning and enhancement of resources at local level.

## **F2. EVALUATION**

The aim of the project evaluation is to serve as an instrument in supervising and modifying the programme (mid-term review) and secondly to serve as a policy instrument to disseminate conclusions, recommendations and lessons learned.

Evaluation aims also at:

- improving the quality, effectiveness and efficiency of the project through providing better knowledge of its content and consequences
- providing basis for accountability to the political decision makers and general public.

The Mid-term Review of the project could be undertaken in August 2001 because possible changes can still be taken into account and the project cycle, on the other hand, is in such a phase that impacts are visible.

## **SECTION G: WORKPLAN**

The Programme is divided into two stages.

### **Stage 1**

Stage 1 comprises the body of the Programme period. It is initiated in June 2001, and formally lasts until November 2002. This work-plan is provisional and is subject to refining by the Programme Coordinator during the early period of the programme implementation.

Key milestones for Stage 1 are as follows:

- A PPP guiding framework should be distributed to municipalities by end September 2001 and a set of more detailed guidelines distributed by beginning March 2001

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- A policy and legislative review to identify key obstacles to PPP development should be completed by December 2001. A process to remove these obstacles, including a possible overarching PPP policy, must be initiated by early February 2002.
  - A package of decision support tools (financial models, cost-benefit analysis frameworks etc.) should be distributed to municipalities by September 2001.
  - A pilot PPP training course must be held by March 2002 and approximately 200 participants trained by November 2002.
  - A donor coordination mechanism should be established and institutionalized by October 2001 to enhance synergy effects amongst donor-supported interventions in the area of local governance, SMEs and micro-financing, water and sanitation and environmental management.

## **Stage 2**

Stage 2 runs in parallel with the end of Stage 1. It involves a careful evaluation of the output-to-purpose, resource utilization and developmental impact of the Project. It runs between October and November 2002 during which a proposal for the institutionalisation of PPP support will be prepared carefully in the light of the level of demand for technical support, financial feasibility and availability of skills locally.

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## WORKSHOP RESOLUTIONS

Taking cognizance of the crucial potential role the private (including CBOs, NGOs and community enterprises) and public sectors can play in urban service delivery in Namibia, and admitting the limited involvement of private businesses in the urban environmental management field to date;

Taking further cognizance of the need to improve access to and the quality of urban environmental services, particularly for the benefit of the urban poor;

Reaffirming the supportive stance of the Namibian Government to promote private sector participation in the traditionally public sector dominated service sectors such as water, energy, environmental management etc.;

Being aware of the potential impact of the decentralization process on local governance capacity in terms of taking over and performing decentralized functions on a sustainable basis;

Taking further cognizance of the global trend towards pursuing Public-Private Partnerships as a viable form of local government financing;

*Now therefore the ALAN Congress Workshop on Public-Private Partnerships for urban environment (PPPUE) agrees and declares the following:*

1. That ALAN, with the full support of its member Authorities, endorses the PPPUE Project Document as presented in its entirety to form the basis for a continuous consultancy process;
2. That ALAN plays a role with other stakeholders on the Steering Committee in the implementation of some programme components such as training, capacity building and policy development;
3. That Local Authorities create conducive policy and regulatory environments at local levels that are supportive of PPPs and to strategically position themselves by defining their core businesses and the opportunities presented by PPP's;
4. That ALAN propagates the PPPUE National Programme and sensitize and encourage its member Authorities to explore opportunities presented by PPPs in Namibia and make full use of advisory services and government support before entering into PPPs within the context of the Local Authority Act.

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**WORKSHOP 3**  
**Pollution Control and Solid Waste Management**



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## OPENING STATEMENT

**Hon. Cllr. T. Samaria, Mayor of Walvis Bay**

I am greatly honoured to make this official statement on Solid Waste Management and Pollution Control, one of the critical areas of socio-economic development confronting our cities, towns and villages on a daily basis.



Local Authorities are faced with a challenge to manage the environment for development and thus must develop strategies and modalities to address the issue of sustainable development through effective management of solid

waste and pollution control and introduction of local economic development (LED) business plans.

Environmental protection is an issue of increasing importance in most countries including Namibia. Therefore, political commitment and environmental awareness among the population as a whole and strong public support is a prerequisite for any waste management programme. Public private partnerships for urban environment are essential for continuous sustainable development.

Sustainable development has become so important that the very survival of our cities, towns and villages depends on the implementation of environmentally sound planning and development.

The uncontrolled influx of people into our cities and towns is putting an ever-increasing demand on ever-decreasing resources. Hence we need to strategically position ourselves to address these issues.

The Association for Local Authorities in Namibia (ALAN) has conducted a number of capacity building courses across Namibia to equip Local

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Authorities with practical skills to deal with the critical issue of Solid Waste Management and Pollution Control. ALAN will continue to address this issue.

I have no doubt that this workshop will produce practical solutions and strategies to enable local authorities to address environmental management issues effectively and efficiently by introducing the new strategies.

I am looking forward to participating and sharing experiences with you.

I thank you very much.

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# **POLLUTION CONTROL AND WASTE MANAGEMENT IN NAMIBIA**

**Harald Rensvik & Teofilus Nghitila**

**Directorate of Environmental Affairs (DEA) Ministry of Environment  
and Tourism (MET)**

**Water pollution and problems due to poor waste management practices are the two major concerns within the brown environment area in Namibia. So far the Ministry has focused on five development areas: Improved management of general domestic solid waste, improved handling of hazardous waste, water pollution, awareness raising and the need for better legislation and institutional structures. Two strategically important proposals are underway: a new Pollution Control and Waste Management Act and a proposal on how a better waste management service provision can be established in line with the decentralization policy.**

## **1. The problems as they appear on the ground in Namibia.**

The two major concerns in Namibia are the risks posed to public health and Namibia's fragile environment caused by poor waste management practices and lax control of water pollution. Namibia has its share of pollution effects such as climate change and the depletion of the ozone layer, which also require some attention.

There are no reliable data on the volume or weight of generated general domestic waste in Namibia. A rough estimate gives a total of +/- 300 000 tons a year.

Currently, domestic waste is disposed of on dumpsites near the urban centres. The standard of disposal varies between rarely occurring "controlled landfills" with daily covering and burning of the waste to the frequently used disposal on open sites without any covering and without any fences.

These current practices imply several risks such as mixing of general domestic waste with hazardous waste, littering that leads to injuries (e.g. plastic bags eaten by animals and broken glass), degradation of the land

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used as dumpsites and water pollution when the dumpsites are flooded in the rainy season or when leakages seep into the groundwater.

Medical waste is the waste category within hazardous waste that concerns the stakeholders most in Namibia. There are incinerators at most of the hospitals for medical waste. Their performance is not known and some untreated hospital waste is dumped on the dumpsites.

Natural degradation of waste is generally low in the arid environment of Namibia. Unless some change in current practices is brought about, all the above adverse effects will increase in line with the volume of domestic waste. The risks posed by hazardous waste will increase over time and with industrialization.

The most significant category of pollution is water pollution. This may occur over the rainy season, at sites where there have been or are industrial activities or otherwise as ground water pollution. This has increased over the years due to the accumulation of water pollutants in the ground water basins (e.g. Nitrates etc.)

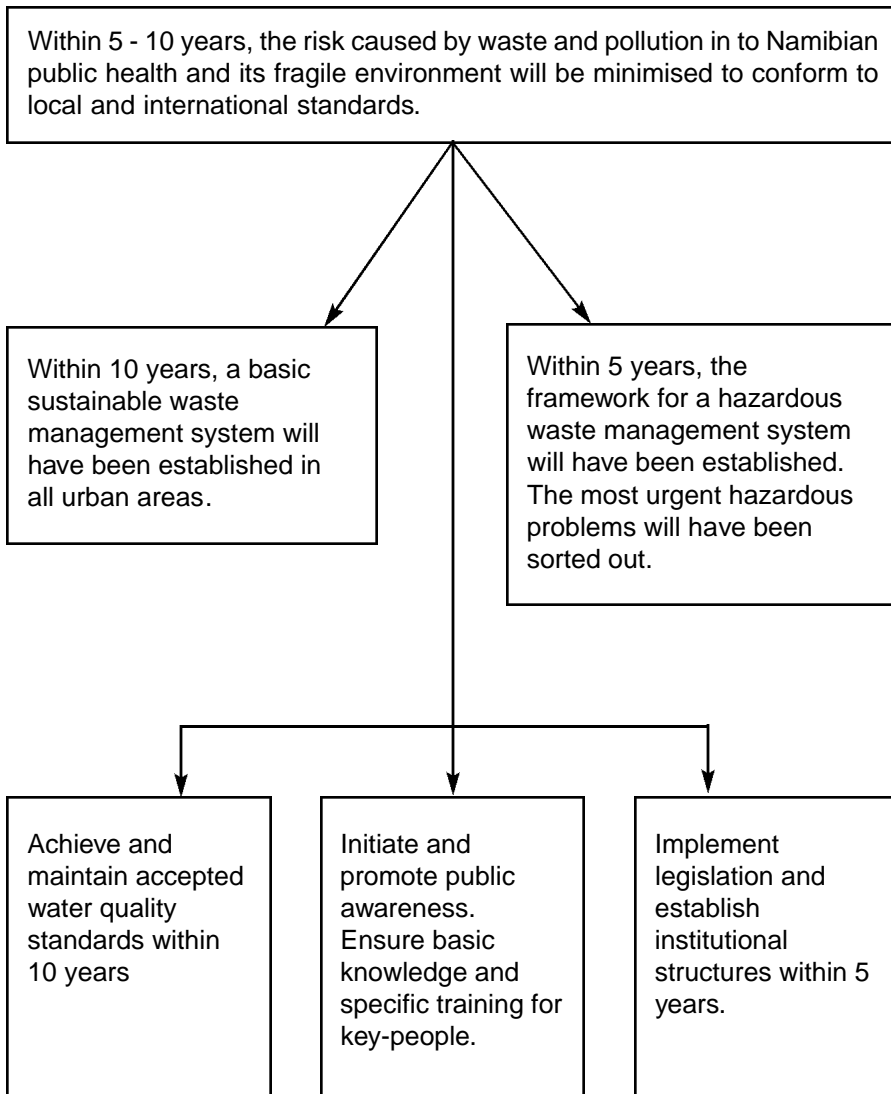
In addition to these direct risks because of poor waste management and loose water pollution control, some indirect risks should be considered. Firstly, most tourists will notice littering and how this is in sharp contrast to the beauty of Namibia. Some of them will take this as an indication of how much they should rely on other hygiene matters such as food safety etc. Secondly, Namibia is a big fish and meat exporter. The markets in Europe and Japan are extremely sensitive to any risks associated with pollution at the sites where these products are being produced.

## **2. The most important development areas.**

Except for some risks caused by hazardous waste (e.g. medical waste), the risk level does not demand immediate action. On the other hand, poor waste management practices and lax water pollution control, will over a period of years lead to increased risks and expensive clean-up costs. To avoid these future costs and to minimize the risk level, it is strongly recommended that the implementation of a structured and achievable programme is started now. The time-schedule does not need to be very tight, but should allow some high priority concrete actions, capacity/competence building, awareness raising and improved institutional structures to evolve in parallel

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and over some time. Based on the current problem perception and the above reasoning, the following mission and targets have been proposed:



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### **3. The need for improved legislation.**

An adequate legal framework is an essential pre-requisite for effective pollution control and waste management.

Most of Namibia's legal and institutional framework for pollution control and waste management is contained in a number of pre-independence statutes applied during the period of South African administration in Namibia. In practice, however, due to the manner in which South African statutes were applied, particularly in the period after 1977, it can be difficult to determine which laws or parts are currently in force in Namibia.

The principal text dealing with water pollution is the Water Act of 1956 although provisions relevant to water pollution are also to be found in the rather outdated 1919 Public Health Act and in municipal drainage regulations. While the Atmospheric Pollution Ordinance of 1976 contains a number of relatively detailed provisions on air pollution, it has not been fully implemented in Namibia and is of relatively little effect. At present, this legislation are being reviewed in South Africa.

Apart from a few minor references in the 1919 Public Health Act, Namibia has no legislation on waste management and while the Hazardous Substances Ordinance could be applied to hazardous waste if such waste contained substances classified as hazardous in accordance with its provisions, no such classification has taken place in Namibia. Consequently, the management of hazardous waste is unregulated.

Several provisions on pollution control and waste management are contained in sectoral legislation, such as mining and petroleum legislation, although these are likely to offer little practical protection to the environment.

Namibia is party to a number of international agreements relating to pollution control and waste management including the Montreal Protocol and the Basel Convention. It does not appear that Namibia is currently fully in compliance with its obligations under international law.

The conclusions of a baseline review carried out in 1998/1999 are that Namibia's legal framework for pollution control and waste management is outdated, fragmented and incomplete and that it is in need of fundamental revision.

As a part of Norwegian/Namibian cooperation, a Bill for Pollution Control

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and Waste Management has been drafted.

This draft has not yet passed the Cabinet. Put in place, the new legislation will provide a consistent legal framework for all activities causing pollution and waste problems. The legislation can be further detailed by issuing regulations in specific areas such as general domestic waste, hazardous waste etc.

#### **4. The need for a better waste management service delivery system in Namibia.**

Because of the current lack of capacity and competence in Namibia, a new institution, "NamWaste", has been proposed. By setting up a new service provider we would kill two birds in one stroke: We would more efficiently solve our waste management problems and we will create more jobs.

Most countries have experienced a positive contribution to reducing unemployment by developing pollution control and waste management services as viable economic activities. Currently, the total number of employees providing these kinds of services in Namibia is around 900. If the standard all over Namibia is increased to "Windhoek standard", the number of jobs will increase to somewhere between 2000 and 3000. With further development of recycling as business opportunities, the number of jobs in the sector will be even higher.

Three options for a "NamWaste"- organization have been considered.

The first option is to go on within the current structures. The second option is to build up a centralised structure where the Government could play a major role at the owner side. The third option is to create effective regional bodies by clustering the current local and regional structures. These regional bodies could, besides providing services, outsource contracts to local entrepreneurs within the local villages. As we currently see it, this third option is the most beneficial for all the involved parties.

The suggested structure for "NamWaste" implies a three-tier organization. The basic building bloc is the regional body, which is supposed to link up with local towns/villages or waste management entrepreneurs. These regional bodies should then be connected within a national network through a coordinating central office.

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There are four options for funding:

- Improved funding by improving the tariff structures. The tariffs should be constructed in a way that ensures the heaviest burden on the biggest waste generators.
- Levies on packaging materials. If one puts 2 cents on each plastic bag and 10 cents on each metal can, the income will amount to N\$ 20-25m.
- More funding from the private sector (private/public partnerships)
- Other funding sources such as donors.



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## **CONSULTANCY TEAM**

**Mr. E. Emvula**

### **OVERVIEW**

The Project Team has visited all 13 regions in Namibia with the aim of collecting data from relevant regional and local authorities, health and agricultural sectors and other potential sources of secondary information.

Specific tasks:

- visits to regions to gather information
- evaluation of data on on-going basis
- critical analysis of data
- identification and elaboration of potential indicators

### **CURRENTLY**

The team is currently in the report writing phase of the project. However, some data are still missing or incomplete. In order to prepare the highest quality report for use by Namibia's decision-makers, we request that you assist us by providing us with all relevant information regarding waste management practices.

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# **POLLUTION CONTROL PROGRAM IN THE CITY OF WINDHOEK**

**Ms. L. Ilonga City of Windhoek**

## **ABSTRACT**

Wastewater has over the years been an essential resource for the Windhoek community as this has been reclaimed to drinking water for 30 years. Water has long been suspected of being a carrier of many illnesses of man, which is why the City of Windhoek took upon itself the responsibility to provide water that does not contain any substance that is deleterious to the health of the Windhoek residents, visitors or the environment. The reclaimed water could be a potential hazard to human health if hazardous chemicals and other substances are present. It is due to this fact that the City has embarked upon the pollution control program.

Water treatment and the disposal of industrial waste is increasingly becoming a challenging field as a great variety of waste is produced from established and new industries. Stringent measures are required to prevent hazardous chemical waste to enter our water sources. The pollution control program is based upon legislative control and also emphasizes the pollution prevention principle, which is, taking action at source to reduce or eliminate the generation of waste in all its forms, e.g. material, water and air emissions. This proactive principle gives highest priority to eliminating the cause of the problem rather than treating the symptoms, and also encouraging the industry to use sound environmental management practices. In practice, environmental sound management is a continuous process of information gathering and dissemination, negotiation with the industries and adjustment.

Pollution experienced in the City of Windhoek is from both known (point) and unknown (non-point) sources. Point source pollution can be easily regulated whereas non-point source pollution cannot easily be regulated using the regulatory measures that are in place. Some control strategies can however be given for non-point sources by simply finding good technical solutions. It is therefore important that everyone is educated about the effects and how to combat pollution as an individual and as a society. Pollution control is thus a joint effort from the City, industry and the community at large.

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This paper will discuss the methods and procedures adopted by the City of Windhoek to enforce pollution control and to ensure participative and collective pollution control management with the private sector.

## **BACKGROUND**

For over 30 years the City of Windhoek has been reclaiming wastewater for potable use. This is due to the fact that the City is situated in the Savanna vegetation where there are no perennial rivers or any other water source that the Windhoek community could obtain water from with ease. The city has therefore seen the need to augment their water sources by harnessing and preserving the little that it has.

At the moment the City of Windhoek has three water sources i.e. purified surface water, borehole water and reclaimed sewage. Purified sewage is reclaimed and blended with surface and underground water to produce water that conforms to drinking water standards. Purified sewage is also used for the irrigation of cemeteries, public parks and gardens and sports fields. The City of Windhoek is well known locally and internationally for reclaiming wastewater for potable purposes. The use of domestic sewage as a source of drinking water has increased the attention on public health and the environment, as water has long been suspected of being a carrier of many illnesses of man. Over the years many new chemicals have been produced for household, gardening, agricultural and industrial purposes. Most of these substances are carried to our watercourses and have serious effects upon the environment of the catchments. The reclaimed water could be a potential hazard to human health if hazardous chemicals and other substances are present.

The population of Windhoek is on the increase as people come from rural regions to look for better opportunities in the capital. This put a strain on the City to provide potable water to this increasing population. Apart from the domestic water supply demand, are the ever-increasing industrial activities as development continues in the City. Coupled with the water demand is the problem of human waste and wastewater disposal. With the development of the city area, it is necessary, from public health and aesthetic considerations to provide a proper drainage system or sewer system to carry such waste. The City of Windhoek's sewer system has been designed in such a way that domestic and industrial effluents drain to two different catchment areas Gammams and Ujams Water Care Works respectively. At Gammams WCW

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a biological system is used to treat predominantly domestic wastewater whereas industrial effluents are purified by means of oxidation ponds at Ujams WCW. However over the years new activities have emerged in the southern part of the city, where the sewer system also drains to Gammams WCW. These pose a threat to the treatment works as great variety of wastes are produced from established industries and the introduction of wastes from new processes at the existing industries. Apart from the industries there are also the research laboratories that use a variety of chemicals, some of which are persistent and non-biodegradable. In fact neither biological degradation processes nor chemical treatment techniques can remove some of these substances completely. Therefore they build up in the system until they reach unacceptable levels, and can be damaging to the environment and the human health.

These facts led the City of Windhoek to opt for control measures in order to control the composition of industrial waste that enters the Gammams treatment works, as polluted water can lose its value to the City both economically and aesthetically. Strict industrial effluent control measures are being applied to control the pollution burden in the catchment. These control measures involve a legislative approach and a pollution prevention approach. The pollution prevention principle is a shift from the traditional end-of pipe treatment to waste minimisation at source. The legislative approach involves constant monitoring of the industrial effluent and charging the industry that does not comply with the effluent standards that are in place. This approach is suited for point-source pollution, i.e. industries, but may not work effectively with non-point sources of pollution. Education is therefore important for both the private sector and the public on combating pollution especially non-point sources.

## **OBJECTIVES OF THE PROGRAM**

Due to the increase in the industrial activities the City has set its objectives to create a healthy environment for all its residents, this includes implementing new programs to improve the current environmental situation and prevent further environmental damage. These implementations included the pollution control program whose main objective is to reduce the amount of pollutants that enter the catchment areas. The program was also set to achieve the following:

- Identify the polluters and the types of pollutants.

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It is of utmost importance that the City knows the sources of pollution in order to deal with each polluter individually. Pollution experienced at the catchment is diverse as the industries vary and have different processes in place.

- Determine the pollution burden at the sources and reduce the total pollution burden at sources.

Most pollutants from the industries are already diluted by the time they reach the catchment, and the extent of pollution from individual industries is unknown. It is therefore essential that the pollution burden is determined at source. With this information the industry will be able to look for alternative processes that discharge lower amounts of pollutants or look for on-site treatment processes, to avoid the pollution charges.

- Determine the quantities and types of pollutants and calculate the total pollution burden at the catchment areas.
- Implementing data base center for the sources of pollution (point sources and non-point sources).

This keeps record of all the sources of pollution and is helpful for decision-makers and the public. It is also helpful to the pollution control officer to determine the efficiency of the program.

- Highlight the weak points on environment management and encourage the industry to implement environmental management strategies.
- Public education and participation on pollution and its effects.

## **THE PROGRAM**

It is a difficult task to start a pollution prevention program, as some of the industries are aware of the pollution problem but tend to ignore the situation because there is no one keeping an eye on their performance. Starting such a program to them means that they would require putting prevention measures in place and this costs money. This can however not limit one to start with such a program, which, in the long run is a money saving process for both the polluter and the council.

The pollution control program involves a legislative approach and the pollution prevention principle. These are discussed below.

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## LEGISLATION

This approach is concerned with the effluent pollution load at source, and involves the following.

### **i) Inspection**

Before commencement of the program all major industries were inspected by the Pollution Control Officer and surveyed to determine if they qualified to be listed on the industrial effluent list. The industries are qualified on the basis of the effluent quality (see effluent monitoring) and the size of the industry. Once these have been listed regular site inspections are then required to determine environmental practices that have been put in place and the performance of the industry. A full site inspection involves gathering information about the raw materials used, activities of the process units and the quality of the final effluent. Apart from the site inspection, an industrial effluent questionnaire is used which is more specific. However one does not have a guarantee that the owners will be honest in answering some of the questions. It is therefore advantageous to do both the site inspection and the questionnaire. This information can then be compiled in a database and the information used when necessary.

Any extensions to an existing industry or construction of a new industry would also require a full site inspection to determine inclusion into the program. Existing information in the database on a particular type of industry will be helpful to put preventive measures in place before commencement of a similar activity.

### **ii) Effluent monitoring**

All industries included in the program and those surveyed had their effluent sampled and analyzed at the Gammams laboratory. Each industry is sampled over a period of time depending on the activity and the number of shifts in the industry. Analyses are done to give an indication of the effluent pollution load discharged as a result of the activity. Traditionally physical-chemical analyses are used to determine the pollution load. Some of these tests are able to reveal the type of chemicals or substances present in the effluent and also give an indication of the biological activity of the effluent, however many harmful chemical pollutants that cause chronic effects remain unknown.

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Apart from these analyses being good environmental indicators, the fact that they reveal the composition of the effluent gives a good idea as to what type of effluent treatment can be implemented on site to reduce the pollutants. These can also give an idea to the origin of the pollutant, i.e. from which unit process it is released.

Existing analytical information in the database on a particular type of industrial effluent will be helpful to put preventive measures in place before commencement of a similar activity.

Once the industries have been inspected and the *effluent* monitored these can now be categorized according to the type of activity occurring, e.g. abattoirs, hospitals, garages, research and educational laboratories, panel beating shops, restaurants and hotel kitchens, photo-shops, laundries, salons and hair dressing shops, butchers, etc. This can help prioritizing the industry according to major activity causing pollution.

### **iii) Effluent standards**

The City of Windhoek uses the Model Sewage and Drainage Regulations, which has been adopted from the Government Gazette of the Republic of Namibia's Model Sewerage and Drainage Regulations. These are however outdated as new chemicals and processes that require strict regulations have come into place. The City has therefore taken the initiative to formulate new standards to account for these new synthetic chemicals and new processes. The standards were formulated by expertise from educational institutions, the government and private consulting companies. They have been compared to regional and international effluent standards and have been designed to suit the Windhoek situation where wastewater is reclaimed to potable water and can hopefully be adopted by other municipalities in Namibia.

It is significant to inform the industry of their involvement in the pollution control program and it is the duty of the City to disseminate this information. Hence, public meetings have been held where the industries were invited to air their view before any decisions were taken or any industry was added to the program list.

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#### **iv) Industrial Effluent Tariff**

The current City of Windhoek sewer tariff has been in use for over twelve years. This tariff has been found deficient, as the formula used in the tariff does not allow the industries to pay a realistic price for the pollution they cause.

The City therefore looked at all these deficiencies with the idea to adjust the current tariff system and to design a fair tariff system.

##### Basic principles of a fair tariff system

There are principles that can be seen as guidelines for a fair sewer tariff system in general and the following two are particularly applicable to industrial effluent:

- a) The tariff should recover the cost from a consumer group as far as possible and should be fair to the consumer.
- b) The tariff system should be easy to understand and to implement.

##### Factors affecting the wastewater tariff

The wastewater tariff consists of two portions, i.e. the portion for the reticulation cost and the portion to cover the treatment cost. The industrial effluent tariff is based on the strength (pollution load) of the effluent presented as the permanganate value or as the chemical oxygen demand.

##### Industrial effluent formula

The formula that is currently in use is:

$$189.28\{1 + 0.2(OA - 70)/70\} \text{ cent per m}^3$$

As mentioned earlier this formula is not ideal as it uses the permanganate value (OA) to determine the pollution strength. This parameter does not give the true picture of the pollution load in the effluent and many industries benefited from it. This formula does also not provide for the reticulation cost of the sewerage system, thus further benefiting the industries.

The new formula on the other hand uses the chemical oxygen demand (COD) as the parameter and also gives provision for both the reticulation



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cost and the treatment cost of the sewerage system. Unlike OA, COD gives a true reflection of the pollution load as a stronger oxidant is used that covers a wider range of pollutants in the effluent. The COD formula is given below:

$$0.6757 + 1.7526 \{1 + 0.24(\text{COD} - 700)/700\} \text{ N\$ per m}^3,$$

where 0.6757 is the reticulation cost and 1.7526 is the treatment cost.

#### **v) Permits and Registration (Draft)**

The registration of industries has been done solely by the Division of Health. As most of the industrial activities contribute to pollution, the application procedures should therefore also go through the Pollution Control Office. This has been done on recommendation bases where the concerned industry is referred to the Pollution Control Officer who then writes a recommendation letter detailing the conditions under which the activity can commence. Some industries however go unnoticed by the Pollution Control Office, as they may not apply as a factory but as a business activity.

This gap in the registration procedures has led to the suggested procedures of registration, which are still in draft form and would require input from all major stakeholders within the City of Windhoek.

#### **Pollution prevention (P2)**

##### **i) What is pollution prevention?**

Pollution Prevention could be defined as the means used to prevent pollutants from entering our environment. These means could be taking action to reduce the creation of waste in all its forms. According to the US Environmental Protection Agency the official definition of P2 means, "source reduction", where source reduction is further defined as any practice which:

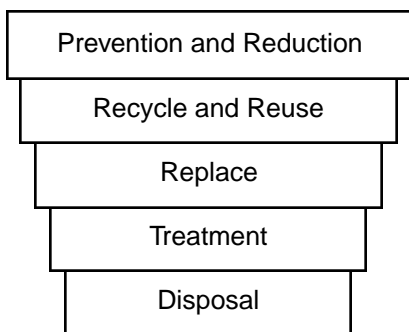
1. reduces the amount of any hazardous substance, pollutant, or contaminant entering a waste stream or otherwise entering the environment prior to recycling, treatment, or disposal and
2. reduces the hazards to public health and the environment associated with the release of such substances, pollutants, or contaminant.

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Source reduction includes equipment or technology modifications, process of procedure modifications, reformulation or redesign of products, substitution of raw material, and improvements in housekeeping, maintenance, training, or inventory control.

The US EPA definition of P2 does however not include out-of-process (end of pipe) recycling, waste treatment or combustion of waste. The fact that there is waste to be treated implies that waste has not been prevented at all. However in-process recycling can be viewed as a form of prevention as the materials are directly re-incorporated back into the same process.

P2 can be established in a hierarchy as follows:



P2 is a newly developed field and there is a lot of terminology used by individuals, which are yet not well defined. The term pollution prevention itself can have a variety of meanings depending upon who is uses it. The City of Windhoek is currently strengthening the 5R principle where the industries are encouraged to reduce (the use of toxic material), reuse, recycle, recover and replace (toxic material with less toxic ones) and disposal as the last option.

**ii) P2 implementation, public participation and information dissemination**

Implementing a pollution prevention concept demands participation from all stakeholders and constant communication between all these stakeholders, i.e. industry, the city council and the public at large. Windhoek has a unique water system and this fact of reclaiming water for potable use make the industry more willing to participate, as they are also aware of the possibility

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that whatever they put down the drain might return to them. The industries are therefore educated in detail on this unique water system and processes and how they can help to prevent entrance of pollutants into the system. P2 is not as such part of the legislation and the industries are not bound to carry this out, it is rather based on awareness and accountability of the industry to the environment.

The public on the other hand is reached through the municipal newspaper and they are just more than willing to report any form of pollution they come across. The public is often provided with information on pollution prevention in their household.

### **iii) Response from industry**

Pollution Control is still in its infancy, but response from industry is encouraging. Industry is interested in ways how they could reduce the pollution load and some have already implemented treatment facilities to reduce the chemical oxygen demand. One such industry has reduced its COD level below the required limit and would therefore not have to pay any industrial effluent tariff.

Other industries have also looked at on-site recycling facilities such as distillation of waste solvents for reuse. This does not only reduce the amount of solvent entering the sewer but it also reduces the cost. Windhoek has about 15 photoshops but only one of these has installed silver recycling equipment.

## **CONCLUSION**

Water in Namibia is a rare and complex resource and care should be taken to preserve this resource. Although industries play a major role in the amount of wastewater produced, industrial wastewater and industrial waste control alone cannot ensure the City waters to be free of pollutants. It is always taken for granted that the major polluters are the large industries, this should be determined with caution as small industrial sectors may use hazardous material which when present in small amounts could have deleterious effects to the environment.

In order to manage industrial effluents effectively one needs to be abreast all industrial activity occurring within the boundaries of the council. It is of utmost importance that these activities are monitored on a regular basis.

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The implementation of a comprehensive industrial survey and monitoring plan is highly recommended especially where no vital information concerning industrial activity is available.

Apart from the industrial pollution control the city is also looking at other forms of reducing the amounts of pollutants entering the water system, for example the treatment of chemical waste.

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## WORKSHOP RESOLUTIONS

### Pollution Control and Solid Waste Management: National Legislation

*Poor waste management practices cause problems such as:*

- Mixing of hazardous waste with other waste;
- Unwanted stockpiles;
- Degradation of land;
- Pollution that seeps to the ground water;
- Fragmented recycling.

*Problems identified include:*

- Used engine oil containers;
- Sea pollution
- Rehabilitation of disposal sites;
- Lack of funds;
- Removal and handling of car wrecks;
- Lack of education;
- Establishment of approved landfill sites.

*Poor practices are due to:*

- Missing regulatory framework;
- Missing awareness;
- Missing physical and “soft” skills (e.g. data) at all levels.

*To introduce programmes:*

- Basic Waste Management;
- Water pollution;
- Hazardous waste management;
- Awareness-Education;
- Regulatory Framework.

*Three Organisational Scenarios:*

1. Business as Usual (Don't Change)
  - Local ownership
  - Tailor made
  - Limited opportunities
  - Risk to public health

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## 2. Centralised State-Owned

- Quick start
- Easy to build
- Supply driven
- Not in line with decentralisation

## 3. Regional Clusters

- All the best of (1) and (2)
- Bottom-up approach
- Good co-ordination and job creation.

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**WORKSHOP 4**  
**Women in Local Government**

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## **THE IULA WORLDWIDE DECLARATION: WOMEN IN LOCAL GOVERNMENT, ALAN'S LOBBYING AND ADVOCACY ROLE IN A GLOBAL CONTEXT**

**Hon. Cllr. Priscilla Beukes, Outgoing President of ALAN**

I am highly privileged and honored to be amongst you today to attend this very important seminar, which is aimed at training and development of Women in Local Government (WLG). Local Government, as a key player in development and as the level of government with the most direct influence on the daily lives of women, has a critical role to play in bringing about gender equality and can be a key vehicle for change and development.

Local governments have a responsibility to provide services, which are crucial to the living standards and status of women. Within the responsibilities of local authorities lie the provision of basic services, all of which are recognized as being important potential catalysts for improving the living standards and status of women.

In 1998, the IULA Worldwide Declaration on Women in Local Governments was launched as a "local Beijing Declaration," stating the commitment of local governments to work towards gender equality and the rationale behind this.

It was presented to the United Nations Commission on the status of women (Beijing+5 Prepcom2) in March 1999 and to the Beijing Review Conference in June 2000. I was fortunate to have led the representatives of 40 countries in New York, United States of America.

In terms of the IULA Worldwide Declaration, ALAN has encouraged the World Local Governments, particularly Namibian local authorities, to ratify and adopt this international mechanism to enforce gender equality in governance.

IULA Task Force on Women in Local Government, particularly ALAN, is happy to note that a nationwide training and development programme for women has commenced. The first seminar was recently held in Witvlei, which was willfully attended by the representatives of Omaheke Region.



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We acknowledge the very important role that such continuous training to women can only enhance confidence, skills and expertise to deal with practical pressing issues confronting local governance on a day to day basis for informed decisions and appropriate policies to be developed.

We are fortunate to have my predecessor both at ALAN and World Level to facilitate this workshop namely former President of ALAN Ms. Balbina Pienaar. Her contributions in this particular field have been felt.

I trust that this workshop will open new innovations and techniques to advance women in municipal governance and pave the way for 50/50 by the year 2005, thus meaning that by the year 2005 women representation or gender equality in governance will be completely equal.

I thank you for your attention.

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## **WOMEN IN LOCAL GOVERNMENT, A CONTRIBUTING FORCE TO SUSTAINABLE DEVELOPMENT AND PARTICIPATORY DEMOCRACY IN THE CONTEXT OF THE NATIONAL GENDER POLICY**

**Hon. Ms. M. Mugunda, Deputy Minister of Women Affairs and Child Welfare**

The theme for your 52nd Conference is dedicated to the Namibian women who, representing a large portion of the population and especially the urban and rural poor, are often excluded from the decision-making process. My appeal is that the world and in particular Namibia, should reflect and act on two aspects of this theme:

- The role of women as decision-makers in our society, and
- The need to address issues which are of particular concern to women.



Women need to be involved in major urban and rural management decisions. Involving women in local governance is a key principle. Not only because it is right, but because it is practical. We need to promote and enhance the role of women in local governance.

Our efforts today would only be paces on a stagnant surface, every ounce of energy unproductive, if in our development programs we continue to operate on exclusionist and inconsiderate dogma. Dogma that aims at keeping women out of the decision-making process and, if included, as minimal as possible. Dogma that reasons that development concerns count more than the well-being of our communities.

Such thinking finds no home in our Constitutional Democracy, for the principles of State Policy have pronounced themselves on the role of women. Our Constitution also makes mention of the protection of the

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environment and empowers constitutional institutions to ensuring its preservation. It is therefore an honour to congregate here with you and express a sense of togetherness and hope in the future as we observe moments to reflect on our progression and our future conduct as we prepare the future.

Today you and I have more hope than we did yesterday. You and I see a future that is prosperous for our children, and a future that is worth our efforts. We may only hold this hope true if all sectors of our society lend their hand, contribute in their thinking and in their way of living, to making tomorrow livable for others. For as it is said, we hold today in trust for tomorrow. Increasingly, women too will be pivotal in the decision-making process, for we represent an appreciable portion of the human population in both rural and urban settings.

You will therefore agree with me that the inclusion of women in governance, at regional and local level, can only make our cities and our villages more functional as you have more minds to solve our societal problems, and you have more hands to lay the water and power lines. This inclusive approach to advancing our societies does not only redress the inequity of gender discrimination, but also, it provides our industries with an untapped human resource.

I therefore join the SADC Heads of States in their sentiments underlying the 1997 Blantyre Gender Declaration, which commits our region to promoting more women into decision-making positions. As Namibian women, we salute Namibians for having voted 135 women local authority positions, and close to 20 into the Parliament.

We will always appreciate that women were fighting hand-in-hand with men for the liberation of our country on all planes. Women were also part and parcel of the process for transition to a constitutional order. Today, women need to be part of the process of nation building. Thanks to the political will and vision, our President has been able to include women in all His Cabinet selections till today, we see a Ministry dedicated to progression of women in all spheres of Namibian society. The ball is now in our courts to work hard and prove commitment.

We need more women in positions of power, especially at local government level, where they may be able to deliberate and mould policies that affect us directly, which affect our children in our daily lives. It will only be women in

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local government who will be able to deliberate the commercial, social and educational needs and activities of women as they are affected by the municipal authorities.

It is also us the women, who understand that the advancement of women implicitly means a more pronounced betterment of our environments. From a sociological perspective, we may contribute in the effective combating of crimes against women on our streets and in the making of our living environments safer, for it is only us that can best articulate and address our insecurities and vulnerabilities. From an environmental perspective, empowered women would use diverse and alternative means to sustain their households and therefore reducing the strain on some forms of energy, like wood, and ultimately preserving our flora. From a clinical perspective, it is us the women who would understand what municipal actions would be best calculated to improve hygienic conditions for our households.

Namibia like many other countries in Africa is facing an epidemic, HIV/AIDS, and that has a direct impact on meeting our goals such as education and reduction in infant mortality.

In 1998, alone a total of 12 701 new infections were confirmed by the Ministry of Health and Social Services.

The epidemic has far-reaching consequences in social structure, economic development and human productivity.

HIV/AIDS is contributing to the vulnerability of children in different ways such as:

- Increasing the number of orphans
- Worsening of children's health
- Weakening of the support systems within communities
- Reducing social services

The situation of caretakers is also worsening due to the increase burden of care; increased discrimination of the victims; limited access to resources; exposure to infectious diseases such as TB and lost opportunities for paid employment and education. Life is a precious gift. We as women in local government must be involved in supporting those whose lives are threatened by the killer disease. Mothers have caring hearts and also need to cater for our senior citizens.

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It can also be us the women, who although realizing our closeness to our environments as we oversee our children playing, that will throw cans on the streets so that our children may injure themselves tomorrow. We socialise our children into thinking that this is the best means of waste management and corrupt their thinking.

I therefore urge you all, men and women, to change your way of thinking towards the environment, towards your habitat, and to start treating it with respect.

I urge you to be accommodative in your dealings with those women elected into power to see to it that there is a move away from a disregard for women's views and approaches to addressing societal problems.

The world is as much a woman's boat, as it is a man's. If it should be salvaged, it is by all of us.



## CONCEPTUAL FRAMEWORK AND WORKSHOP OVERVIEW

Ms. BD Pienaar, Afrique Gender Training and  
Consulting

**THEME:** ENGENDERING LOCAL GOVERNMENT: AN  
AGENDA FOR CHANGE SUSTAINABLE DEVELOPMENT  
AND PARTICIPATORY DEMOCRACY IN NAMIBIA

FRAMEWORK:

**A. INTRODUCTION:**

- Contextualising social relations of gender
- Current debates on local government
- Civil society vs. participatory democracy

**B. HISTORICAL BACKGROUND TO GENDER AND LOCAL GOVERNANCE: A GLOBAL PICTURE**

- International trends
- Regional trends

**C. GENDER AND LOCAL GOVERNANCE: THE NAMIBIAN EXPERIENCE**

- Gender equality in a national context
- Affirmative action law vs. women's participation at local level
- Current realities, opportunities and threats

**D. ADVOCAY AND LOBBYING: ALAN'S ROLE TOWARDS AN ENGENDERED LOCAL DEMOCRACY IN NAMIBIA**

- ALAN'S international obligations
- ALAN'S regional, national and local commitments

**E. AN AGENDA FOR CHANGE: EXPECTED OUTPUTS**

- Capacity building, equal participation and service delivery
- Community involvement vs. sustainable local democracy

**F. STRATEGIES TO ENHANCE ENGENDERED SUSTAINABLE LOCAL GOVERNMENT IN NAMIBIA**

**G. RECOMMENDATIONS**

**H. CONCLUSION**

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## WORKSHOP RESOLUTIONS

### Introduction

The workshop which was attended by thirty five (35) Congress delegates, with the majority being women, was officially opened by the Honourable Deputy Minister of Women Affairs and Child Welfare, Marlene Mungunda after a brief introductory remark by Cllr. Priscilla Beukes, the outgoing President of the Association of the Local Authorities in Namibia ALAN.

After a highly comprehensive overview on the conceptual framework and workshop programme by the facilitator, participants were divided in three groups for further discussion, focusing on specific issues related to the workshop theme as follows:

**Group A:** WOMEN IN LOCAL GOVERNMENT A FORCE FOR SUSTAINABLE DEMOCRACY;

**Group B:** GENDER AND LOCAL GOVERNANCE TOWARDS PARTICIPATORY LOCAL DEMOCRACIES;

**Group C:** WOMEN UNITE FOR PEACE AND HARMONY.

The outcome of the group discussions was then debated in plenary which resulted into the following recommendations:

Whilst noting various constraints that hamper the equal participation of women in the local decision making processes such as:

- traditional and cultural beliefs
- lack of confidence and self-esteem which manifests itself at times in attitudes of jealousy
- social structures and attitudes
- educational disparities
- high illiteracy rate amongst women
- lack of support and networking amongst women:

1. The workshop recognized the importance of unity amongst women themselves and resolved to recommend that this be regarded a high priority in order to enhance equal participation of women in local government structures;

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2. Further realizing that sustainable development and participatory democracy can only be successfully accomplished through enhanced capacity of both women and men:

The workshop resolved to recommend that continuous gender related capacity building and awareness raising and educational programmes for both men and women, be initiated by ALAN in partnership with relevant stakeholders as a matter of urgency;

3. The workshop also noted with great concern the negative effects of inherited traditions and cultures on women's equal participation and involvement in socio-economic and political life and resolved to recommend:

That ALAN in close consultation and cooperation with Central Government and Traditional Authorities undertake to spearhead a process of revisiting the current norms, values and beliefs in order to bring them in line with National Policies and programmes aimed at gender equity;

4. The workshop also recommends that ALAN encourages the establishment of Junior Town Councils nationwide to strengthen existing girl-child initiatives;
5. In line with the principles and ideals of the IULA WorldWide Declaration on Women in Local Government:

The workshop noted and resolved to recommend that a gender perspective be mainstreamed in all areas of policy making and Management in Local Government in order to create sustainable, equal and democratic Local Government.

6. Noting the tangible progress made and achieved through the introduction and implementation of gender related national strategies such as the National Gender Policy and Action Plan aimed at enhancing gender equality in Namibia:

The workshop finally resolved to recommend that the system of proportional representation be maintained as a possible mechanism of sustaining and improving all Government efforts to enhance gender equality in Namibia, whereas the ward system might only jeopardize this process.



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The workshop therefore urges ALAN to take up this matter with the line Ministry as a matter of great urgency for discussions at the highest political level.

7. For purposes of implementation and monitoring of above mentioned recommendations the workshop resolved to recommend that the ALAN Commission on Women in Local Government adopted during the 51st ALAN Congress held in Windhoek be revitalized.

## **Conclusion**

The workshop was then concluded by Cllr. Priscilla Beukes, outgoing President of ALAN who extended a word of sincere gratitude and appreciation towards all presenters, the facilitator as well as all participants for their inputs and contribution.

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# THE ASSOCIATION FOR AUTHORITIES IN NAMIBIA (ALAN) 52nd ANNUAL CONGRESS PROGRAMME

18 – 20 April 2001

Ongopolo Sports Club • Cinema Hall • Tsumeb

Theme “ Local Authorities Unite to put Community Agenda first”



*Hon. Cllr. Gruzi Isak Goseb, ALAN  
Vice-President*

*Master of Ceremonies: 52nd ALAN  
Annual Congress*

## DAY 1: TUESDAY 17 April 2001

16:00 Arrival & Registration

## DAY 2: WEDNESDAY 18 April 2001

07:30-08:30 Late Registration

Official Opening of the 52nd  
Annual Congress of ALAN

*Master of Ceremonies: Cllr. Gruzi  
#Goseb*

08:25-08:30 National Anthem

08:30-08:33 OAU Anthem

- 08:33-08:36 Food for thought by Reverend Thomas Johnson  
*Tsumeb Catholic Church*
- 08:36-08:51 Welcoming Remarks: His Worship the Mayor of Tsumeb  
*Cllr. Vincent Mareka*
- 08:51-09:00 Remarks by Governor Otjikoto Regional Council  
*Hon. Vilho Kamanja*
- 09:00-09:10 Remarks by Honourable Asser Kapere  
*President of Association of Regional Councils (ARC)*
- 09:10-09:20 Address by Her Worship the Mayor of Mariental and  
President of ALAN  
*Cllr. Priscilla Beukes*

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- 09:20-09:23 Introduction of Honourable Minister Dr. Nickey Iyambo of Regional, Local Government and Housing by Prof. G. Töttemeyer
- 09:23-09:25 Keynote Address by Hon. Dr. Nickey Iyambo Hon. Minister of the Ministry of Regional, Local Government and Housing
- 09:25-09:27 OAU Anthem
- 09:27-09:30 National Anthem
- 09:30-10:00 TEA/COFFEE BREAK**
- 10:00 Introduction/Announcement of the Four Parallel Workshops  
Workshops Commence
- Workshop No. 1: Urbanisation & Housing*
- Workshop No. 2: Public Private Partnership for Urban Environment (PPPUE)*
- Workshop No. 3: Pollution Control and Solid Waste Management: National Legislation*
- Workshop No. 4: Women in Local Government*
- 13:00-14:00 LUNCH**
- 14:00-16:00 Workshops continue (Drafting of Resolutions)
- 16:00-16:20 TEA/COFFEE BREAK**
- 16:20-18:00 Political meeting: Councillors  
*Chaired by Reverend P. /Goagoseb*
- 16:20-18:00 NALAO meeting with municipal officials
- 18:00-18:30 FREE TIME
- 18:30-23:00 ALAN Presidential Dinner  
Launch of ALAN Website
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### **DAY 3: THURSDAY 19 APRIL 2001**

08:00-09:00 Presentations of Workshop Recommendations to the Plenary by:  
Chairpersons of various workshops

**09:00-09:20 TEA/COFFEE BREAK**

**09:20 STRATEGIC PRESENTATION AND DISCUSSION**

09:20-09:40 "Local Authority Reform and its Implementation Strategy"  
Mr. Samuel /Goagoseb, Permanent Secretary: MRLGH

**PANEL: QUESTION AND ANSWER**

09:20-09:40 Presentation by Mr. Martin Shipanga  
Chairperson of NALAO and Chief Executive Officer City of Windhoek

"Public Private Partnership in the context of Housing Alienation Scheme" *SWABOU*

"Investment Promotion as a Survival Strategy for Local Government in Namibia"

09:40-10:00 "Local Economic Development Strategy towards Sustainable Development at Local Level"  
*Mr. Hafeni Nghinamwaami, Strategic Executive, City of Windhoek*

10:00-11:20 "The Restructuring of Electricity Supply Industry (ESI) with emphasis on the Establishment of Utility Companies for the Local Authorities Namibia"  
*Mr. Kosmos Egumbo, Strategic Executive, City of Windhoek*

**DISCUSSION**

11:20-11:40 AquaSmart Management System: Water Prepaid Meter Technology  
*Mr. Lazarus S. Uadja*

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- 11:40-12:00 Presentation by Walvis Bay Municipality  
*Mr. A. Katiti, Chief Executive Officer*
- 12:00-12:30 Presentation by NamPower  
*Dr. Leake Hangala, Managing Director*
- 12:30-13:00 Presentation by Namwater  
*Lazarus Jacobs*
- 13:00-14:00 LUNCH**
- 14:00-14:20 Fedsure  
*Mr. Bertus Stuwig*
- 14:20-14:40 Welwitchia Independent Insurance Brokers  
*Ms. Salome van Wyk*
- 14:40-15:00 Retirement Fund for Local Authorities in Namibia  
*Chairperson Mr. Eliphas Owos Oab*
- 15:20-15:40 Best Practices at Local Level  
*His Worship the Mayor of Ongwediwa Town Council Cllr. Eratus Utoni*
- 15:40-16:00 Presentation by Firechem
- 16:00-16:20 TEA/COFFEE BREAK**
- 16:20-20:00 Private Sitting
- 20:00-20:20 TEA/COFFEE BREAK**
- 20:20-23:00 Private Sitting
- 23:00 RECEPTION/BARBEQUE**

**WORKSHOP 1: URBANISATION AND HOUSING**

- 10:30-10:40 Opening Statement
- 10:40-10:55 Lessons learnt from Urbanisation and Housing  
*Mr. Joshua Amukugo, City of Windhoek*
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- 10:55-11:20 Progress/trends on affordable housing  
*Ms. Martha Kaulwa (Shack Dwellers Federation) and Mr. Heinrich (NHAG)*
- 11:20-11:40 Presentation by National Housing Enterprise (NHE)  
Chief Executive Officer Mr. Mike Kavekatora
- 11:40-12:00 Urbanisation in the context of Namibia, Challenges,  
Strategies and role of NGOs  
*Mr. Santos Joas, Executive Director Urban Trust of Namibia*
- 12:00-13:00 Discussion
- 13:00-14:00 LUNCH**
- 14:00-15:00 Discussion continues
- 15:00-15:30 TEA/COFFEE BREAK**
- 15:30-17:00 Discussion and Drafting of Workshop Recommendations

**WORKSHOP 2: PUBLIC PRIVATE PARTNERSHIP FOR URBAN ENVIRONMENT (PPPUE)**

**CHAIRPERSON: CLLR. DR. HELEN NKANDI-SHIIMI**

- 10:30-10:40 Remarks  
*Dr. Jaqui Badcock, Resident Representative United Nations Development Programme(UNDP)*
- 10:40-11:00 Statement  
*Hon. Deputy Minister Professor Gerhard Totemeyer Ministry of Regional, Local Government and Housing*
- 11:00-12:00 Presentation by Mr. Eckhard Schleberger: *IDEAS Consultant PPPUE*
- 12:00-13:00 Public Private Partnership workshop continues
- 13:00-14:00 LUNCH**
- 14:00-15:00 Panel Discussion
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15:00-16:00 Drafting of Congress Resolutions - PPPUE

16:00-16:20 TEA/COFFEE BREAK

### **WORKSHOP 3: POLLUTION CONTROL AND SOLID WASTE MANAGEMENT**

**CHAIRPERSON: ERATUS UUTONI**

10:30 Opening Statement by Cllr. Theresa Samaria  
Her Worship the Mayor of Walvis Bay

10:30-10:40 Presentation by Mr. Nghitila Teofilus and Mr. Harold Rensvik  
*Ministry of Environment and Tourism*

10:40-11h00 Presentation by Mr. Eneas Emvula  
*Consultancy Team, NGRCC  
SOER, Waste and Pollution  
Desert Research Foundation*

11:00-11:20 Presentation by Ms. Lorraine Ilonga  
City of Windhoek

**11:20-13:00 PANEL DISCUSSION**

14:00-16:00 Panel discussion continues

16:00-17:00 Drafting of the Workshop recommendations

### **WORKSHOP 4: WOMEN IN LOCAL GOVERNMENT**

Theme: “ *Women Unite For Peace, Sustainable Development and Participatory Democracy*”

**CHAIRPERSON: HON. GRACE USHONA, GOVERNOR OF OTJOZONDJUPA REGION**

11h00 Official Opening

11h00-11h05 “The IULA World-wide Declaration: Women in Local

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Government, ALAN's Advocacy and Lobbying Role in a Global Context"

*Hon. President of Alan, Priscilla Beukes*

11h05-11h10 Presentation by Friedrich Ebert Stiftung Resident Representative  
*Mr. Juergen Peters*

11h15-11h20 Women in Local Government: A contributing force to sustainable development and participatory democracy in the context of the National Gender Policy.

*Hon. Min. of Women Affairs and Child Welfare, Nandi Netumbo-Ndaitwah*

11h20-15h35 Official Opening of the session: Women Unite for Peace and Harmony

*Hon. First lady of the Republic of Namibia, Kovambo Nujoma*

11h35-12h00 Cultural Performance "**Woman Unite**"

**12h00-12h15 TEA/COFFEE BREAK**

12H15-12H15 Conceptual framework and workshop overview  
Ms. B. D. Pienaar, Afrique Gender Training and Consulting

12h30-13h00 Introducing of Parallel Session Chairpersons and Reporters

*Facilitator Ms. B. D. Pienaar*

• **Group A: Women in Local Government, A Force for Sustainable Democracy**

Chairperson: Cllr. Gruci #Goseb, Vice President of ALAN

Reporter: Ms. Augustine Tanjaanda, Town Clerk Ongwediwa Town Council

• **Group B: Gender and Local Governance towards Participatory Local Democracies**

Chairperson: Cllr Theresa Samaria, Her Worship the Mayor of Walvis Bay Town

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Reporter: Cllr. Elaine Trepper, City Council of Windhoek

- **Group C: *Women Unite for Peace and Harmony***

Chairperson: Cllr Josef N. Auala, His Worship the Deputy Mayor of the City of Windhoek

Reporter: Cllr Christofine //Hoebes, Witvlei Village Council

14h00-15h00 Parallel Group Discussion

**15h00-15h15 TEA/COFFEE BREAK**

15H15-15H45 Plenary Discussion

*Chairperson: Honourable President of ALAN, Priscilla Beukes*

Groups Report Back and Recommendations

15h45-16h00 Resolution and Closure

**SPONSORS**

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**MUNICIPALITY OF WALVIS BAY**

**SWABOU**

**MINISTRY OF LOCAL GOVERNMENT**

**GRAY SECURITY**

**FIRECHEM**

**NORTHERN ELECTICITY**

**WELWITCHIA INSURANCE**

**ALEXANDER FORBES**

**MINOLCO**

**WALTONS**

**STANDARD BANK**

**BANK WINDHOEK**