



NEWS

A NEWSLETTER FOR P³ PARTNER MUNICIPALITIES & ASSOCIATIONS | 2010/3

PARTNERSHIP | PARTICIPATION | PROGRESS

Strengthening the Economic Dimensions of Council – insights on Business Enabling Environment Surveys



Local business person making a comment on BEE Survey

Business-Enabling Environment (BEE) Survey presents an important tool for promotion and improvement of prospects for municipal economic growth. In its simplest form, BEE aims at undertaking strategic initiatives that reduce the costs and risks of commercial activity in a competitive system in order to increase economic growth, reduce poverty, and improve overall socio-economic livelihoods. Creating a business enabling environment offers significant opportunities, challenges and risks for effective service provision and improvement in quality of life.

In P³ Project, it is our belief that some of the problems faced by businesses can be created or resolved by local authorities. This could be true for licensing and permit requirements, inspection regimes, Building Plan approvals, servicing of land with road networks, street lighting,

etc. and refuse collection. It is in this spirit that we undertook BEE surveys by way of prompting responses from the business community who also had to recommend through the survey, what they thought would be the most appropriate council interventions to help business to thrive in their locality.

Though a number of surveys have been done in the past by different bodies, the BEE surveys were received with mixed feelings. Some respondents thought that they were your usual question and answer interactions where they would not even know where the information they provide would end up.

But these apprehensions were sooner dispelled when survey participants were invited to the local economic development roundtable meetings that brought together business community representatives and

council to initiate a dialogue around the issues emerging out of the survey. Some of the participants shared their perspective on the BEE Survey as a process and the results. 'I believe through BEE survey, councils will improve the services they offer to business community in order for them to grow local economy,' said an intern at BALA. A member of community from Kgatlang District stressed that 'with the survey, I felt that wow! The missing link that connects business with its local municipality has finally been found.' During the discussion of the survey results, a business man from Lobatse remarked that 'I hope the BEE survey results will help us to collectively draw innovative ways of doing business in Lobatse.'

In our commitment to helping the councils to build an enabling environment for local economic growth and in response to emerging issues from the business enabling environment survey, P³ Project Process Facilitators will further assist councils to undertake initiatives on the following tools; 1) *leak-plugging* – supporting community based economic actions which promote positive local money and resource flows 2) *business retention and expansion* – responding to needs, opportunities and plans of existing businesses in order to create new jobs locally and retain existing ones, and 3) *red tape reduction* – improving the quality of processes and regulations to eliminate barriers. ●

Growing a transparent & accountable local government

– FINANCIAL MANAGEMENT TRAINING

Financial Management is a priority for building transparent local governance. In P³ Project, the component in Financial Management focuses on enhancing the capacities of councils/municipalities to improve transparency and

P³ is a cooperation between the national associations representing local governments in Sweden, South Africa, Namibia and Botswana. Assisted by funding from the European Union and the Swedish International Development Agency, the cooperation focuses on the importance of transparency in the relationship between local governments and their communities. The cooperation is implemented through two projects during 2009–2011.

The P³ Transparency and LED Projects work with partner municipalities to improve transparency and performance and to facilitate local economic development.

PARTNER MUNICIPALITIES

South Africa	Namibia
<i>Eastern Cape*</i>	Mariental
Senqu	Otjiwarongo
Elundini	Walvis Bay
Intsika Yethu	Gobabis
Emalahleni	Arandis
	Omaruru
Western Cape	Botswana
Theewaterskloof	Kgatlang DC
Cape Agulhas	Lobatse TC
Hessequa	Southern DC
Mossel Bay	Chobe DC
Free State	Ghanzi DC
Naledi	North West DC
Kopanong	
Mohokare	
Setsof	

* further partners to be confirmed



This cooperation is funded by the European Union and Sida



Hon. B.J. Disele, of Finance Committee and Chief Finance Officer, Southern DC, Ms. Kamiwa



Kgatleng District Council team

Recently, municipalities were trained in budget guide and tariff setting tools. The training is held over one full day. It allows participants to carry-out hands on exercises and use 'live-examples' from their municipalities on financial management. In evaluating the usefulness of the

accountability in municipal expenditures and stimulate citizen's engagement in decision-making process over public resources.

These are achieved through providing municipalities with technical assistance to produce 1) *Budget Guide* – simple guidelines for citizens, councillors, officials and civil society organisations, explaining the budget process and format, and how municipal income, expenditure and tariffs are determined. 2) *Tariff Setting* – involves setting tariff policy, tariff processes and tariff calculations, based on a realistic assessment of the cost of services and potential income. 3) *Citizens Budget* – an easy-to understand, graphic summary of the annual municipal budget for citizens' consumption. 4) *Citizens Report* – that provide accessible summaries of municipal annual and financial reports which report on implementation of the annual plan and budget, as well as tender award reports. 5) *Capital Investment Planning* – determining and prioritising the funding of projects designed to address community needs.

workshop and tools offered, the Councillor for North West District Council posits that 'this training is going to help us to put our house in order.' For the President of BALA and chairperson of Kgatleng District Council Finance Committee and the chairperson of finance committee in Southern District Council, they found the training helpful in reflecting on the councils' budgeting weaknesses, charges, losses they make and further reflect on Councillors could influence change in the way councils are run. 'The tariff model makes so much sense that sharing this revelation with other stakeholders including the President of Botswana becomes imperative,' said Rev. Moruakgomo. In the same spirit the Chief Finance Officer for Lobatse Town Council, Mr. Masole added that 'this has been an eye opener, the tariff calculation model puts into perspective the extent of the loss caused by undercharging for municipal services.' Between trainings, participants are given assignments to put in practice the learnt skills at their municipalities. ●

Answering the call to Talk – Lobatse Town Council

'Pitso' – the traditional tribal forum normally called by the chief to discuss community issues – was hosted by Her Worship the Mayor, Hon. Caroline Lesang to inform and get feedback from the Lobatse business community about the operations and services of Lobatse Town Council (LTC). This was the first forum to be held in response to the LED roundtable recommendations and a sign of commitment to P³ Project initiatives.

Particular attention was given to discussion on procurement and payment procedures, licensing and regulations, customer service standards on Council-businesses relations as well as other factors that impact on local economic development.

Her Worship the Mayor of Lobatse Town Council said the primary objective of the Pitso, is to create a meeting place where

businesses, particularly product and service suppliers to LTC, can have an opportunity to discuss issues, share views and further give feedback on services being provided to them by the Council. 'Our endeavour is to have good relations with the business community. If you deliver on time, the right goods, then we will have no reason not to pay or discard you' said the Mayor to 200 participants from small to large companies.

In a converging view, the Town Clerk, Mr. Dipholo stressed that 'if we want to position ourselves as the council of choice, we must at all costs engage you in our initiatives for effective service delivery. Our organisation does not discard anybody or company as we believe that you can help us realize our full potential with the services and products you provide.' ●



From the editor



I am pleased to give you insights on P³ findings and achievements. The P³ Project initiatives are geared towards 'enhancing transparent local governance' and 'promoting local economic development for growth'. In this edition, we present some of the experiences from Business Enabling Environment Survey, Financial Management and an example of how municipalities implement the recommendations from the local economic development roundtables. These lessons are a demonstration of how the P³ partners experience the project at personal and municipal levels.

In view of the positive changes that P³ project is already realising at municipalities, the Project Manager and Financial Management Expert have recently been invited to participate and contribute to the task on 'expansion of councils' revenue base and collection strategies. The task team is established by the Minister of Local Government in Botswana. To us, this is a great achievement as we are able to contribute to policy decision making processes that help municipalities grow.

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