

Swedish Support to Urban Development and Housing in South Africa

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Sida Evaluation 05/07

Department for Africa

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Acronyms

BCM	Buffalo City Municipality
CBD	Central Business District
CITE	City Integrated Housing Demonstration Project
CUP	Comprehensive Urban Plans
DPLG	Department of Provincial and Local Government
ELTLC	East London Transitional Local Council
EU	European Union
GURP	Galeshewe Urban Renewal Project
ICT	Information and Communications Technology
IDP	Integrated Development Plan
IOD	International Organisation Development-SA
KWTTLCL	King Williamstown Transitional Local Council
MURP	Motherwell Urban Renewal Plan
NGO	Non Governmental Organisation
NMMM	Nelson Mandela Metropolitan Municipality
NURCHA	National Urban Reconstruction and Housing Agency
PELIP	Port Elizabeth Low Income Housing Development Programme
PHP	Peoples' Housing Process
PLWHA	People Living With HIV/AIDS
RHLF	Rural Housing Loan Fund
SALGA	South African Local Government Association
SALA/IDA	Swedish Association of Local government Authorities/International Development Agency (Svenska Kommunförbundet)
SPM	Sol Plaatje Municipality
UDH	Urban Development and Housing
UPE	University of Port Elizabeth
URP	Urban Renewal Programme
USN	Urban Sector Network

1 Executive Summary

1.1 Overview

Overall, the Swedish International Development Agency (Sida) urban development and housing programme has been successful. It is notable for innovations and the introduction of new concepts and technologies that have valid application in the South African context. Some of the projects that have been developed under the programme match best practice anywhere in the country.

The programme is now eight years old, and has led to a wide of projects and initiatives with its three partner local authorities: the Sol Plaatje Municipality (SPM), the Nelson Mandela Metropolitan Municipality (NMMM) and the Buffalo City Municipality (BCM). It is well-designed on a technical level, and has achieved an effective balance between viable and more experimental projects. The higher-risk projects form a manageable proportion of overall programme activities.

Technical assistance has been effective and is highly valued. The full-term advisors have played a central role in ensuring the effectiveness of the programme. In most cases, the advisors have stuck to their advisory role – there appear to be relatively few instances of substitution for local technical shortages. However, this is an ever-present danger, especially where municipal capacity is lacking, which is the case to varying degrees in all three municipalities.

The programme has not been overly successful in building sustainable skills and capacity in the three municipalities. This has been due to a combination of inadequate design for this aspect, high levels of staff turn-over, administrative confusion during municipal restructuring, and personnel shortages.

The programme has not been especially effective in reaching out to its identified target groups – however, this is also due to the paradox of providing support for hard technical projects (for example, aerial photography) which have no direct impact on the lives of the urban poor or other disadvantaged groups.

The programme has incorporated an international component, in which city-to-city relationships have been developed with the Swedish municipalities of Falun/Borlänge, Göteborg and Gävle.

The evaluation report includes a range of recommendations, relating to the programme overall and with specific reference to the partner municipalities. These are set out below.

1.2 Overall Programme

- The concept of Housing/Community Support Centres proposed in BCM and NMMM should be clarified, with a clear statement of objective, purpose, functions and operating arrangements.
- Sida should produce a well-researched public report on the achievements and lessons of the urban development and housing programme for wider dissemination.
- Sida should ensure that the Urban Advisors in particular play a structured role in oversight of formal capacity-building. Specifically, this role should include monitoring the outputs of capacity building programmes, as well as the direct mentoring and coaching to their immediate programme counterparts. It is important that this role is written into their Terms of Reference, and that one of their outputs should be evidence of this monitoring role. This role could also be included in the brief to Long-Term Advisors in specific relation to the programme or project to which they are assigned.

- Sida should continue to apply the use of bridging finance for low-income housing projects mechanism in appropriate situations, for example the social housing sector. It should be cautious in providing capital for retail lending finance for low-income housing.
- Sida should improve definitions of its target groups, notably the ‘urban poor’. In addition, more specific programme interventions are needed if Sida wishes to directly assist women-headed households and people living with HIV/AIDS

1.3 Sol Plaatje Municipality

- The programme in SPM should develop a transition strategy as a matter of urgency, taking into account the need to align with the city-to-city partnership programme. This notwithstanding, serious consideration should be given to extending the advisory and technical support to the Galeshewe Urban Renewal Programme (GURP) to the end of 2005, if resources can be found to allow for this. Within this there should be a conscious element of capacity building for the GURP unit and the staff within it.

1.4 Nelson Mandela Metropolitan Municipality

- The Partnership Management Committee should consider giving more emphasis to tourism development in deciding priorities for partnership activities, given its potential for future business linkages between the two cities.
- The programme must develop activities for the SEK1 million allocated for institutional capacity building as a matter of urgency.
- A monitoring and evaluation framework should be put in place to measure the capacity building impact over the remaining time of the project.
- A transition strategy should be designed soon, closely linked to the monitoring and evaluation framework suggested above, and taking into account the need to align with the city-to-city partnership programme.
- Sida should only consider being involved in NMMM’s intention to support adjacent municipalities after a thorough assessment of the situation in and proposed work programme for those municipalities.

1.5 Buffalo City Municipality

- BCM and Sida should consider including a component for improving councillors’ competence.
- Consideration could be given to including capacity building programmes to strengthen management of outsourced contracts, including a sustainability component to build institutional knowledge.
- Consideration should be given to designing and implementing a programme to strengthen the capacity of inter-disciplinary delivery teams in the areas of development planning and housing.
- The Sida programme in BCM must develop a clearly identified focus on skills transfer and institutional capacity building.
- BCM and Sida should consider introducing a new activity in their programme to train municipal staff that can support ward committees and reproduce capacity building work with each new committee.

- A monitoring and evaluation framework should be put in place to measure the capacity building impact over the next two years of the project.
- A transition strategy should be designed and put in place before the final year of the programme, closely linked to the monitoring & evaluation framework suggested above, and taking into account the need to align with the city-to-city partnership programme.

1.6 Partnership Activities

- It is recommended that the partners make a self-assessment of possible future work, with a view to focusing on key sectors only.
- It is recommended that Sida reaches an early conclusion on future funding arrangements for partnership activities as soon as possible to provide clarity among partner municipalities. The possible use of Svenska Kommunförbundet (SALA/IDA) should be further explored.

1.7 Design of Future Programmes

- Explicit outputs and outcomes should be built in at the design stage, and relate to clearly identified, properly defined target groups where appropriate.
- Clear performance indicators and arrangements for regular monitoring and evaluation should be built into the programme design.
- Programme design should include explicit capacity development frameworks, with a focus on building sustainable institutional memory as well as individual skills.
- Replicable experience from demonstration projects within the South African programme can be applied in other programmes given appropriate tailoring to local circumstances.
- Any future programme should include a specific activity for knowledge sharing and dissemination
- Programme design should include an intention to identify and implement 'quick win' activities during its early phase. These should be small-scale, high visibility projects, ideally related to immediate community needs.

2 Background

2.1 Aims of the Review and Evaluation

The aims and objectives of the review and evaluation were as follows:

- To study the extent to which the objectives of Sida's support to urban development and housing in the three partner municipalities, during 1996–2004, have been achieved.
- To study the relevance and sustainability of the urban programmes given the context of the South African environment
- To assess the impact of various methods and instruments which were part of the cooperation, including the role of the urban advisors, 'shoulder-to-shoulder' cooperation, technical assistance to

project implementation, establishment of housing delivery organisations, provision of funds for housing finance, and the cooperation resulting from the partnership programme.

- To receive input on how the design and implementation of future urban programmes could be improved.

In addition, the Evaluation Team was asked to comment on the current partnership arrangements and in particular their prospects for future sustainability.

The full Terms of Reference for the evaluation are attached in Annexe One.

The review and evaluation was carried out over September–November 2004 by a team of three consultants: Steve Topham and Ingrid Obery (IOD-SA) and Hans Hede (Stockholm County Council/Regional Planning Office). The team's method of work included document review, key informant interviews, site visits to various projects, and participation in the Sida Partnership Planning Workshop (held in Pretoria 27–29 September 04). The list of people interviewed is attached as Annexe 2.

The approach of the Evaluation Team was to assess the overall development, evolution and impact of the programme. The team did not conduct in-depth investigations of individual projects or activities, but rather sought to evaluate the most important processes, approach and aspects of the programme. In turn, this has led to a range of recommendations, some of which are quite specific, and have been amplified by suggestions on how they could be implemented.

2.2 Acknowledgement

The Evaluation Team is grateful for the assistance provided by Sida staff and advisors, and for the active participation of councillors, management, staff and wider stakeholders in the Buffalo City, Sol Plaatje and Nelson Mandela Metropolitan municipalities during the course of this evaluation assignment. The assistance and information received from national departments and other international development cooperation agencies is also acknowledged gratefully.

2.3 Disclaimer

The views expressed in this report are that of the Evaluation Team, and are a synthesis of the information received from a wide variety of documents and key informants. They should not be taken as being official Sida policy.

3 The Development Environment

3.1 Evolution

The Sida Urban Development and Housing Programme has been operational since 1996. The broad development environment as it relates to local government, housing and urban development in South Africa since 1994 has evolved through three phases. The main highlights of these phases are:

Inception and Establishment 1994–1999

- The first democratic government, under President Mandela

- A focus on establishing and bringing into operation the new structures of government at national and provincial level
- The creation of the new Constitution, the formulation of the ‘three spheres’ of government, and the establishment of the principle of cooperative governance
- The design and promulgation of the first tranche of post-apartheid legislation and strategies
- The implementation of the Reconstruction & Development Programme, with its focus on rolling out basic services and housing
- The 1996 White Paper on Local Government, which initiated the concept of ‘developmental local government’
- The 1998 Municipal Structures Act which designated the categories and functions of local authorities

Consolidation and New Programmes 1999–2004

- Municipal demarcation which reduced 843 local authority areas to 284 local, district and metropolitan municipalities, the basis for the 2000 Local Government elections
- Establishment and restructuring of the three Sida UDH municipalities – Nelson Mandela Metropolitan Municipality (Port Elizabeth, Uitenhague and Despatch); Buffalo City Municipality (East London, King Williams Town, Bisho); Sol Plaatje Municipality (Kimberley).
- The 2000 Municipal Systems Act which established the framework for integrated development planning, performance management and effective use of resources
- The initiation of the Urban Renewal Programme (URP) in 2001, with eight nodes in key cities. All three cities in the Sida UDH have a node – Galeshewe (SPM), Mdantsane (BCM) and Motherwell (NMMM)

Deepening Development and Delivery 2004 onwards

- New Sustainable Human Settlements Strategy (released October 2004)
- Release of new Urban Strategy (imminent November 2004)
- Operation of the Municipal Finance Management Act

3.2 Local Government Capacity

When the Sida programme began, local government transformation was in the ‘Interim Phase’ of local government development, when the constitutional and policy framework for local government was finalised, new local government legislation promulgated and new municipal boundaries demarcated – a process which required the final amalgamation of previously ‘black’ and ‘white’ municipal areas into single integrated local authorities.

It was expected that the amalgamation process would be relatively smooth. Further assumptions were made about the impact that institutional restructuring and organisational reforms would have on local government capacity.

According to the national Department of Provincial & Local Government’s (DPLG) National Capacity Building Framework, it was assumed that:

- Amalgamation would provide municipalities with a critical mass of financial and administrative capacity
- New systems of developmental local government would make the objects of local government easier to manage
- After the institutional changes laid a structural foundation for the final form of local government, few further changes would be necessary
- The changes introduced would pressure municipalities in the short term, but they would ultimately relieve strain by clarifying municipalities' purpose and operational requirements, and clarify the capacity needed to meet responsibilities
- As a consequence of institutional and systems developments, the ability of municipalities to grow capacity would rapidly increase
- The additional capacity building support needed by municipalities would be easily sourced from national and provincial governments playing their new constitutional role

Many of these assumptions were incorrect. The DPLG National Capacity Building Framework draft states that:

Because of the structural weaknesses in the local government system, municipal capacity needed to address the development challenge has not grown at a corresponding pace. In addition, the demands of institutional changes and organisational reforms introduced by the transition have destabilised local government. In many instances municipal capacity has effectively declined relative to that needed to meet development objectives. The overall result is that the gap between available capacity and capacity required for service delivery and development has increased.

Much of this analysis is borne out by the experience in Sida's three partner municipalities, and the effect of these weaknesses has had an impact on the programme. Aspects of this in relation to capacity building are treated in more detail elsewhere in this report.

4 Sida Programme Approach

4.1 Overview

Given the development needs of the housing and urban development sectors, and the relatively low capacity of local authorities, Sida put in place a programme that would focus on development in the Sol Plaatje, Buffalo City and Nelson Mandela municipalities (development projects as well as service delivery improvements), and be aligned to municipal priorities. Sida's role would be to provide the technical assistance, knowledge transfer and (where appropriate) development finance to facilitate, strengthen and add value to municipal activities. In short, integration was a guiding principle for the programme.

This rationale was and remains valid, and has been the practice throughout the programme. This consistency is commendable.

4.2 Main Aspects

The programme has three broad aspects, that both reflect its evolution over time and the application of the chosen approach:

- Planning and the establishment of baselines
- Implementation of projects identified within the planning processes
- Ensuring sustainability of programme activities

It should be noted that this was not necessarily a time-based linear progression – for example, implementation of some projects ran parallel with baseline processes. While this is a departure from the traditional procedure of survey-analysis-plan-programme-project, it did not prove to be detrimental to the overall success of the programme. Rather, it demonstrates flexibility, responsiveness to local requirements and good programme management.

To illustrate, the programme in all three municipalities began with support to producing a comprehensive development plan, which represented a new departure from the previous land-based spatial paradigm common in South African municipalities. These comprehensive urban plans (CUPs) were done well, and as will be reported elsewhere in this document, had a significant positive influence on future integrated development planning processes in the three municipalities.

Furthermore, the early phase of the programme was also characterised by a number of technically straightforward capital projects. While not particularly adding value in terms of knowledge or technology transfer, these projects were important. By achieving ‘quick wins’ they had the following impacts:

- Created a profile for the programme within the beneficiary township communities
- Demonstrated Sida’s commitment to the local partnership
- Boosted the prospects for the programme’s sustainability

Across the three municipalities, these projects included:

- Tree planting
- Installation of street lights
- Creation of small urban meeting spaces
- Pavement improvements

These projects contributed to Sida’s overall presence and credibility in the programme, and certainly built confidence in its ability as a serious development partner. The need to build in such ‘quick win’ activities should be included in the design of any future urban programmes.

The second aspect of the programme was to implement projects identified in the planning process, taking into account municipal policy directions and priorities. Most notably, these involved more sophisticated approaches to low-income housing development (including technical support via Housing Support Centres, finance mechanisms, and sustainable technologies). In addition, projects emanating from the various CUPs included:

- Creation of public open green spaces
- Taxi rank upgrades
- Development of bicycle lanes

The final aspect of the programme is to ensure future sustainability of its activities. In some respects, this is achieved by influencing and informing the basis for future process, for example, in the way in which the CUPs improved the approach to the development of the future municipal integrated development plans (IDPs). In other cases, this has been accomplished by ensuring that projects and activities are co-funded, or have been accepted into the municipality's IDP and medium-term budget plan. By adhering to the guiding principle of alignment to municipal priorities, Sida has ensured that projects have proved sustainable.

However, this test of sustainability shows different outcomes for capacity building activities. As will be seen later in this report, the Evaluation Team found that while undoubtedly individuals' ability and knowledge were enhanced, the same could not be said for institutional capacity.

4.3 Technical Assistance

It is worth commenting here on the various forms of technical assistance provided via the programme. This has been primarily in the form of consultant experts, although there are also examples of valuable technology transfer. The consultant experts can be categorised as Urban Advisors, long-term advisors (mainly from international sources) and short-term experts (sourced from within South Africa as well as internationally).

The Urban Advisors have responsibilities for programme oversight, management and delivery, as well as to provide inputs drawn from their specific areas of technical competence. There are Urban Advisors currently attached to the NMMM and BCM programmes and based in those cities. Technically, there is an Urban Advisor responsible for the SPM programme, but he is based overseas and now provides limited inputs on a short-term basis. While this is understandable as the SPM programme draws to its close, it places unanticipated requests for assistance on the Long-term Advisor in that city. The remit of the Urban Advisors includes oversight of the various Long-term advisors and short-term experts involved in the programme.

The Long-term Advisors are responsible for the specific programme or project to which they are assigned. Projects provided with Long-term Advisors are:

- Motherwell Urban Renewal Programme (NMMM)
- Sustainable Communities Project (NMMM)
- Galeshewe Urban Renewal Programme (SPM)
- Environment & Coastal Zone Management (BCM)

Short-term experts have been used to provide support on a wide range of projects, including the development of plans for public transport, integrated waste management plans and housing policy and implementation.

The Urban Advisors' role is complex, with at least four lines of accountability to:

- Sida/Embassy of Sweden, Pretoria
- Sida Head Office
- Their South African partner municipality
- The managing consultant who provides their services

The Urban Advisors are the pivot between Sida and the municipalities. They have to be a combination of advisor, innovator and initiator. While this clearly has the potential for conflicts of interest or emphasis between Sida and the municipalities, in practice this was not reported to be a significant problem.

4.4 Consistency

The abiding overall impression of the Sida programme is one of consistency. By formulating the main aspects of its approach at an early stage, and ensuring that these have been adhered to, Sida maintained the overall integrity of the programme, and made certain of its continued application and relevance in a very changeable policy environment. In many respects, Sida's programme anticipated the increasing sophistication of the overall approach to urban development in South Africa by a number of years. The period immediately post-1994 was characterised by prioritising capital investments and quantifying deliverables (number of houses, water connections and so on). Generally, it is mainly since 2000 that the need for integrated sustainable approaches has become the prevailing paradigm.

5 The Sida Programme in the Three Municipalities

5.1 Sol Plaatje Municipality

5.1.1 Overview

The Kimberley Transitional Local Council (KTLC) was the first municipality where the Sida urban programme became operational, in 1996. The evaluation team believes that this was a good choice. As a secondary city, Kimberley was small enough to be manageable, big enough for activities to be significant and as the Northern Cape capital close enough to the provincial government to allow access to decision makers on housing and infrastructure programmes. Equally important, the 2000 local government demarcation process which led to the creation of the Sol Plaatje Municipality (SPM) was much more straightforward and administratively simple than in many other local authorities.

The programme began with the development of a Comprehensive Urban Plan (CUP) for the municipality. It is particularly significant in that it represents the transition between the land/zone approach that typified pre-1994 planning, and the more integrated development planning ushered in under the democratic dispensation. All informants commented on how valuable an exercise this had been, and without doubt it laid the foundations for a much better approach to integrated development planning in the city, as well as securing a strong baseline of institutional knowledge by 2000. In turn, the influence of the CUP can be discerned in the municipality's impressive Integrated Development Plan (IDP), and its progress in housing, urban renewal, environmental projects and Central Business District (CBD) development. Notably, SPM developed its IDP without the use of external consultants, a process led by one officer who had benefited greatly from involvement in the CUP process and from exposure to Sida technical expertise.

In addition to the CUP, important demonstration projects in SPM include:

- *Greening the township and tree planting.* Most of the trees planted under this programme have survived and make a welcome contribution to creating a more liveable environment.
- *Bicycle lanes* (which was definitely an imported concept from Sweden via the CUP). These have now been incorporated as a regular feature in transport planning activities.

- The *Eco-Village* demonstration project. This project, which showcases low-cost environmental housing, the sustainable use of resources, and alternative sanitation technologies, received high exposure during the World Summit on Sustainable Development in 2003. It remains a flagship project in the country.
- The *Hull Street Integrated Housing Project* is the first social housing project in the Northern Cape, and is supported by Sida with technical assistance and a capital revolving fund. The project is well-located, and draws on the eco-friendly housing principles and technologies demonstrated at the Eco-village, and provides a range of housing units for rent, direct sale or rent-to-buy. The current phase plans for 500 units, but this may be constrained by the availability of housing subsidies. Future phases (and there are substantial land parcels available) could accommodate up to 2 000 more units. The project is popular, with a waiting list of 500 people, and after initial start-up difficulties, is making effective use of contracts to promote local construction businesses. Sustainability is incorporated through the establishment of viable management and development partnerships with the Residents Association and the Housing Company.
- The *Housing Support Centre* is seen as a particularly significant and relevant project, and has provided a solid concept that is under serious consideration for implementation in both BCM and NMMM. It has been grant-aided by Sida, and will eventually be incorporated into the SPM budget. It provided support for the start-up of the Social Housing Company, as well as to emerging building contractors. The centre rapidly became the key institutional source of technical expertise that proved critical in developing the Eco-Village and Hull Street Integrated Housing projects.

5.1.2 Role of Sida Advisors

There is an Urban Advisor responsible for the SPM programme, but he is based overseas and now provides limited inputs on a short-term basis. While this is understandable as the SPM programme draws to its close, it places unanticipated requests for assistance on the Long-Term Advisor in that city. The Long-Term Advisor in SPM, who works primarily on the Galeshewe Urban Renewal Programme (GURP), as the counterpart to the GURP Manager. The Advisor's contract expires in May 2005. The Advisor holds an important position – Galeshewe houses 100 000 of SPM's population of 210 000, and the GURP is one of the eight Presidential Urban Renewal nodes. The Programme Manager and the Advisor form the core professional resource responsible for managing the development of the GURP. In addition, the Advisor provides technical assistance on other development planning programmes and issues within the municipality as required.

5.1.3 Partnership Programme

The partnership between Kimberley and Falun/Borlänge was initiated in 1997 but did not become fully operational until 1999. There is active political support for the partnership in the municipalities, involving study visits and fact-finding missions by both officials and councillors. Partnership arrangements are coordinated from within both municipalities.

The municipalities involved have attempted to raise the profile of the partnership with public events. The organisation of a South Africa week in Falun/Borlänge and a Swedish week in Kimberley are seen as successful events that received good media coverage.

There have been various areas of cooperation over the life of the partnership, with the main ones being:

- Cooperation between schools in the various cities involving Agenda 21 activities.
- Planning for sustainable development
- Advice on municipal organisation and administration

- Solid waste management
- Comprehensive Urban Planning
- CBD development

The need for CBD protection and regeneration was identified in the CUP. The operational approach to CBD management in Falun, with its emphasis on public-private partnership, was particularly appreciated in SPM. As a result, the SPM has created the post and appointed a CBD Manager with a (relatively small) operating budget to initiate a similar programme to its Swedish counterpart. The SPM CBD Manager remains in contact with and receives advice from her counterpart in Falun.

5.2 Nelson Mandela Metropolitan Municipality

5.2.1 Overview

The Sida programme in the Port Elizabeth Transitional Local Council began in 1997 with the development of a CUP, and has continued through the transition into the Nelson Mandela Metropolitan Municipality (NMMM). The creation of the new administrative arrangements for the NMMM (built around high-level business units corresponding to political portfolios) was only completed in mid-2004, and so the Sida programme has had to function under circumstances of administrative uncertainty for a longer period than in the other two municipalities.

The programme in NMMM is significant, representing the greater proportion of programme expenditure, and Sida's only relationship with a metropolitan authority. Given the size and complexity of metropolitan authorities it is understandable that Sida activities are of a more focused and strategic nature, focusing largely around planning and housing-linked activities related to improving municipal service delivery and support to the Urban Renewal Programme.

The CUP was developed over the period 1997–1999, with a clear operational structure involving a Technical Committee and work groups involving Sida-sourced consultants and local counterparts. It is regarded as a particularly useful intervention, forming a solid baseline for the city's subsequent Spatial Development Framework.

Subsequent planning-related activities include:

- The *Sustainable Communities Project*, which involves the development of sustainable integrated planning for local communities. This project is at pilot stage, and is definitely pioneering a new concept in South Africa. While it may be too early to judge its success, it represents a potentially significant initiative between the NMMM and Sida, which may have national impact. As always, issues of replication are apparent – assuming a successful pilot stage, the NMMM faces the challenge of capacity to roll out the concept on a broader level.
- The *public transport component of the city's Integrated Transport Plan*, where Sida assistance has supported computer modelling for travel patterns, provided technical support for the development of the Khulani public transport corridor (including an international study visit to Bogota) and is preparing to support improvements to the city's traffic safety database.

Housing-related activities include:

- *Support to People's Housing Process (PHP)*. Sida has provided support to the PHP project at Masangwanaville, involving a first phase of 150 units. The PHP aims to support households who wish to enhance their housing subsidies by building or organising the building of their homes themselves.

While the PHP allows any household with an income of not greater than R3 500 per month to access and enhance their subsidies, in practice it is primarily targeted at the poorest families, earning less than R1 500 per month. Such families are able to access a full subsidy of R 16 000. Under the national Department of Housing's new sustainable communities programme, the full subsidy level will be increased to R25 800, but requires a cash or 'sweat equity' contribution of R2 479.

The project is in line with Sida's stated objectives targeting the urban poor. It is included in the NMMM IDP, which refers to PHP implementation as an item projected to be complete by 2003/04, and includes capacity building for the participation of communities in housing delivery. This project is one of the relatively rare examples of a formal project partnership with an NGO in the whole Sida programme, involving facilitation, delivery and project management services provided by Isodef, a locally based NGO. An interesting aspect of this project is that it also involves the training of municipal officials to improve their engagement within the PHP.

- The *Port Elizabeth Low-Income Housing Development Programme* (PELIP) was an unsuccessful attempt to supply housing loans to low income families to supplement subsidised housing. Although a laudable attempt to link credit to subsidies in line with the national housing policy prevailing at the time, it proved unworkable due to, inter alia, poor rates of repayment and mismanagement. The R26m remaining under the PELIP programme was transferred to capitalise the *Ubutyebi Trust*, a newly constituted wholesale lender, which will offer housing loans via retail intermediaries. The risk profile of potential borrowers is lower than under PELIP, with only 5% of the target book intended for low-income borrowers. The Ubutyebi Trust plans to establish new retail intermediaries – apparently there are no suitable organisations in the city who could take on this role in the housing sector. This aspect will involve grant finance for capacity building, design of new targeted loan products, and marketing activities. The Evaluation Team was pleased to note that the Trust's management has already investigated the operations of the Rural Housing Loan Fund (RHLF) in this respect, given that it has established and operated successfully a very similar programme (albeit focused in rural areas) since the late 1990s.
- *Housing Support Centres*. Five of these are planned, and conceptually draw heavily on the experience in SPM. However in NMMM these are being re-conceptualised as 'Community Support Centres', not only providing advice and support for local development (including advice to construction contractors and support to urban agriculturalists) but also decentralised offices and contact points for municipal services. Furthermore, the Community Support Centre envisaged under the MURP also includes creative industry facilities. The NMMM IDP indicates that the establishment of these centres will take place over 2003/04/05, while in 2005/06 the activity projection refers to 'maintenance of Housing Support Centres, evaluation of role and review of new integrated uses for the facilities eg community education'. There is a target of one support centre per project.
- Support on social housing via the *IMIZI social housing association*. It is fair to say that the history of social housing development in the NMMM has been a particularly contested terrain. While IMIZI has yet to develop any housing units, the Abahlale Social Housing Association has a stock of around 400. As reported to the Evaluation Team, the current issue appears to centre on merging the various associations into a single entity, which is not likely to be a straightforward process.

Municipal Service Delivery activities include:

- The NMMM *Integrated Waste Management Plan* was developed with Sida technical assistance, and draws heavily on the practical experience in waste management, air pollution monitoring and recycling in the City of Göteborg.

In addition, Sida has a Long-Term Advisor on the *Motherwell Urban Renewal Programme*, and has supported an intense programme of technical activities in the MURP, which includes:

- Development of the Urban Design Master Plan (due October 2004)
- Motherwell Skills Audit (due October 2004)
- Job Creation Feasibility Study (due April 2005)
- Urban Agriculture/Nursery project plan (due May 2005)
- Nelson Mandela Peace Park (contractor appointed and construction complete by April 2005)

On average, these Sida-supported activities all slipped in their timescale by up to six months. This slippage was largely due to the revising of the original MURP Business Plan, difficulties in coordinating responses across Business Units, the slowness of council procurement procedures, and a lack of capacity in professional service providers and contractors. This situation will hopefully improve now that the NMMM administrative reorganisation is now complete.

The MURP also includes a Housing/Community Support Centre in its plans. It appears to be a combination of Housing Support Centre (similar to SPM), multi-user space, ICT/tele-centre and community radio station, plus a municipal service contact point.

5.2.2 Other Aspects

Currently, consideration is being given to extending programme support from NMMM to adjacent smaller and less capacitated municipalities. This is an admirable intention, and in line with the recent 'Project Consolidate' initiative announced by the DPLG. At the time of the valuation, no details were available of what this form of support would entail.

In addition, the programme has a budget item of SEK 1 million identified for Institutional Capacity Building. At the time of the evaluation, no specific activities had been allocated to this.

5.2.3 Role of Sida Advisors

Sida has two advisors in NMMM. The Urban Advisor has a more programmatic role, acting on a range of projects located in various business units. He also takes responsibility for and has a full-time counterpart in the Office of the Deputy Mayor in relation to the Partnership programme. Due to his expertise in housing, the Advisor has also provided support to housing projects in SPM and BCM.

The MURP Advisor is located in the programme unit, with the programme manager as his counterpart. The unit is relative small (although still larger than that of the GURP) and comprises the Programme manager and three sector coordinators for infrastructure, economic development and social issues. The MURP Advisor's contract began in December 2003 and is due to end in May 2005.

5.2.4 Partnership Programme

The partnership between NMMM and Göteborg became operational in 1999. In NMMM, the partnership's management committee is a troika of three councillors, who are responsible for housing, economic development and recreation, arts and culture. According to the last Sida review of its Partnership Programmes (December 2002), poverty alleviation did not feature in the intended goals of the NMMM-Göteborg Agreement. This has certainly changed, with the management committee councillors stressing that poverty alleviation is the guiding principle of the partnership, and activities must certainly, in NMMM, support the municipality's ambitions towards this goal.

The partnership has a focus in five sectors:

- Tertiary Education
- Arts and Culture
- Business and SMME development
- Tourism
- Municipal Urban Development

In addition to technical support from the City of Göteborg referred to previously in relation to municipal service delivery, the partnership has seen the following recent successes:

- Joint book projects for children and skills development for staff in the Library Service
- Joint arts projects for children
- The idea of the Mandela Bay Tourist Card, drawn directly from a similar visitor tourist card in use in Göteborg
- Support for the Visitor research database
- Diversity training by the Nelson Mandela University to assist the University of Göteborg

The NMMM-Göteborg partnership includes a positive effort to strengthen capacity outside the municipality. For example, Mandela Bay Tourism Agency staff have visited Göteborg, and new initiatives are underway in marketing and promoting the cities to each other, and facilitating connections among tourism businesses.

It was noted that the administrative burden for the NMMM-Göteborg partnership seemed to fall most heavily on the NMMM Partnership Coordinator, with Göteborg making relatively little contribution to the formal reports to Sida on activities. This may be partly due to the fact that Göteborg has outsourced its partnership administration to Business Region Göteborg.

5.3 Buffalo City Municipality

5.3.1 Overview

The Sida programme in Buffalo City is the most recent of its urban experiences in South Africa, although it began in 1997 with the initiation of a Comprehensive Urban Plan (CUP) for King Williams Town Transitional Local Council (KWT TLC). This, the third in the CUP series, followed the by-now standardised approach of fairly large-scale and intense technical assistance sourced from Sweden, with planned programme support of up to R15m. In line with the experience in Kimberley/SPM, the development of the CUP was a fairly central and important technical injection to the operations of the KWT TLC. It certainly positioned KWT TLC as one of the better capacitated municipalities in development planning at that time.

In 2000, local government demarcation brought the KWT TLC together with the East London Transitional Local Council (ELTLC). This period of municipal restructuring was characterised across the country by the teething troubles of merging different council administrations, personnel establishments, procedures and political styles. There is certainly evidence of ‘transition fatigue’ in the uncertainty over staffing environments at this time. The run-up to the establishment of the new Buffalo City Municipality, and its post-natal period, was not exempt from these difficulties, and at one point the

scope and development of the CUP became a contested issue between the politicians and staff of the municipalities.

Local government legislation required that the new municipalities would have to produce their interim IDPs by April 2002, to be followed by the final IDP. Put simply, the IDP process required a 'blank sheet' starting point to planning for the new municipality in an integrated fashion. As a result the CUP, which related to a comparatively smaller portion of the new municipality, remained 'on hold' as an input to the BCM interim IDP. However, as the process unfolded, the evidence from key informants indicates that, much of the CUP informed and was incorporated into the BCM IDP. This process is markedly similar to what happened in NMMM and SPM.

Four years after demarcation, the evaluation team is pleased to report that the problems of contestation over the CUP and Swedish technical assistance have long been resolved. BCM has a clear understanding of its technical assistance requirements, based on its internal assessment of how it is progressing through the various stages of transformation and restructuring. It has planned its technical assistance within two broad categories as phases of the programme:

Phase One 2002–2004: Meeting Information Needs

This is a reflection of the priorities of the municipality at that time. The merger of the old councils had created a vast area (over 2 500km²) including rural areas and villages about which very little hard data existed. Examples of Phase One activities are:

- *Quality of Life Survey*, which was the first of its kind in any of the large South African cities, looking at issues of poverty, access to services, perceptions of safety and security, and overall quality of life in the new municipality.
- *Aerial photo-survey* for the new municipality (co-funded on an equal basis with the BCM)

Phase Two 2004–2006: Developing Sector Plans

This category demonstrates the continued consolidation of the municipality, the emphasis on improving service delivery and the requirement to become a truly 'developmental local government'. Phase Two activities include:

- Environmental Management Plan (currently under development)
- Housing Policy & Implementation Plan
- International Housing Design competition
- Social Housing Support
- Community Support Centres
- Public transport planning

This categorisation is in line with the National Treasury policy direction towards international co-operation of 'South African-led' development. The BCM has established procedures whereby priorities for technical assistance are considered and approved by its Management team, facilitated by the Sida Urban Advisor.

5.3.2 Role of Sida Advisor

The Sida Urban Advisor in BCM has a full-time counterpart, and is situated in the Office of the City Manager. The counterpart is the Project manager for the Mdantsane Urban Renewal Programme. In line with the general approach to Sida technical assistance adopted in BCM, the Urban Advisor

focuses the programme and his activities in alignment to the IDP. His normal mode of operation is facilitation and ‘hands-off’ support, but where necessary has made ‘hands-on’ interventions to re-start stalled projects. The BCM Urban Advisor works in regular cooperation with the NMMM Advisor, most particularly on housing projects and issues.

In addition, Sida has provided the services of a long-term advisor to BCM, specifically supplying technical support on environment and coastal zone management issues.

5.3.3 Partnership Programme

The partnership between Buffalo City and Gävle was established only in late 2002, and so it is a late starter in relation to the other partnership arrangements in the Sida programme. There is active political support for the partnership in both municipalities, and it has been characterised by mutual study visits and fact-finding missions. Partnership arrangements are coordinated from within both municipalities.

The main areas of focus within the partnership so far are:

- Water Management system
- Geographical Information System
- Citizens Service Centres
- Road Management System
- Public transportation, with a possible future focus on road safety.

5.4 Joint Projects

The programme has encouraged and supported certain joint projects and activities between municipalities. Examples include:

- The *Housing Design Competition* which is being facilitated by Sida, involves the generation of low-cost housing solutions in BCM and NMMM. The competition involved soliciting design proposals from Swedish and South African architects to identify alternative forms of high-density housing within the financial limits of the government housing subsidy. Various submissions were received and evaluated, and the winning designs have been selected, involving some 100 housing units. Such international design competitions have taken place before – indeed, Buffalo City was among the cities selected for the South Africa – Netherlands ‘Housing Generator’ competition in 1996. The true test of success is the translation from the chosen designs into their successful construction, occupation and (ideally) replication. Given that sites have already been chosen, and the high level of commitment demonstrated by both municipalities to take this project forward, it seems that this process will be completed satisfactorily.
- The Evaluation Team identified various cases of *lesson sharing* and *joint problem solving* between municipalities. Examples of good practitioner-to-practitioner relationships were found among (but not limited to) officials around engineering and infrastructure issues, transport, and waste management planning. The creation of this form of ‘community of practice’ is valuable in terms of improved service delivery, strengthening institutional capacity and improving prospects for ongoing sustainability. These contacts mostly take place between officials in NMMM and BCM. This is perhaps a little uneven, and more effort should be made to include practitioners in SPM in a tri-partite process, where appropriate.

In addition to this tri-city community of practice, consideration should be given to structured networking and events involving the three South African cities and their four Swedish counterparts.

Overall, this activity relates to the Evaluation Team's call for an increased focus on lesson-sharing and knowledge dissemination, which is referred to in more detail elsewhere in this report.

6 Prospects for Sustainability: Projects and Programmes

The first main technical achievement of the Sida Programme is that it has definitely improved the quality of development planning at local level. The development of the CUPs was of immense value for the three municipalities, and in all cases the CUP proved sustainable by the influence it had on the development of subsequent IDPs and spatial development frameworks. It is likely that this experience will be repeated in the GURP and MURP. For these programmes, which have in general been characterised by very slow start-ups in most nodes, this will be no mean achievement. Certainly, according to DPLG, the availability of high quality development planning and coordination is the main challenge in the implementation of the URP nationally.

Secondly, it appears that most Sida assisted projects and programmes have proved technically sound, and sustainable within the South African context. Sustainability means that the outcomes continue beyond the life of the project, and processes to achieve these outcomes should be deeply embedded in the organisation. Achieving the outcomes should not depend on the presence of specific individuals. The value of specific Sida-assisted projects have been largely recognised by partner municipalities as having good prospects for sustainability, mainly by incorporation into IDPs and their related Medium Term Expenditure Frameworks (MTEFs). To illustrate:

6.1 Sol Plaatje Municipality

- SPM will support the continued development of the Hull St Integrated Housing project through the provision of land, and by including a budget item for its continued development
- The post of CBD Manager has been included in the municipal establishment, and it is now CBD development (which was originally identified under the CUP) is now a formal programme and included in the IDP
- The continued operation of the Housing Support Centre will be incorporated into the city's budget
- The various developments within the GURP will have their operational requirements included within the budgets of the relevant municipal and provincial line departments

6.2 Nelson Mandela Metropolitan Municipality

- The Ubutyebi Trust has been redesigned on a more risk-effective basis, reflecting the lessons learned from the failure of PELIP, and has stronger prospects for future sustainability in a relatively complex lending environment
- The People's Housing Process programme of low-income housing delivery is clearly identified as an ongoing activity over the period 2004/06 in the NMMM IDP

- The Integrated Waste Management Plan and Integrated Transport Plan will be adopted by the NMMM and provide a sound operating base for the improvement of service delivery in their respective areas
- The SCP is likely to be successful as a pilot, given the high quality of technical assistance involved, and the benefit it has received from the cumulative previous experiences of housing and planning projects in the municipality. However, the test of its success will be if it can be replicated at scale
- The various developments within the MURP will have their operational requirements included within the budgets of the relevant municipal and provincial line departments.

However, it proved difficult for the Evaluation Team to make an assessment of future sustainability on two of the current projects in NMMM. The IMIZI housing association appears to be a high-risk project, given the somewhat tortuous, politicised and complex history of attempts to create viable social housing institutions in the city. Similarly, despite their inclusion in the NMMM IDP, the proposed Housing/Community Support Centres need clarification on their purpose, objectives, functions and plans for operational responsibility.

6.3 Buffalo City Municipality

Given the two-phased approach to Sida technical assistance in the city, it may be too soon to comment on the prospects for sustainable incorporation of Sida-assisted projects and programmes.

However, the Housing Policy & Implementation Plan is now in a final version and due for adoption by the BCM, when it will become its key operating document for this sector. It is likely that the Environmental Management Plan, when complete, will be adopted similarly.

As is the also the case in NMMM, the proposed Housing/Community Support Centres need clarification on their purpose, objectives, functions and plans for operational responsibility before the Evaluation Team would be in a position to judge on their sustainability.

7 Prospects for Sustainability: Municipal Capacity

Given that the development of sustainable municipal capacity is one of the central themes of the overall Sida programme, the Evaluation Team have examined this issue in some depth in the following section, which comments on capacity building outcomes in general across all three municipalities, then examines impacts in each municipality separately. The working definitions of capacity used by the Evaluation Team are included in Annexe Three.

7.1 Positive Capacity Building Results of Sida Programme

7.1.1 Interdisciplinary Task Teams and an Integrated Approach to Planning

The CUP processes established the basis for the development of IDPs in all three centres. Everyone was clear that the quality and integrated nature of the IDPs drew heavily on the CUP product and the process through which the CUPs were developed. Sida technical assistance introduced interdisciplinary task teams, and embedded the idea of integrated planning. It was clear that this approach had become standard practice in terms of IDP planning.

7.1.2 New Perspectives and Understanding of What is Possible

Partnership visits as well as projects within the programme shifted approaches to the importance of ‘greening’ the city, and the influence this has on local attitudes. Partnership visits also increased awareness of ‘what is possible in practice’ rather than what is possible in theory (examples are in the areas of waste management and transport planning).

7.1.3 Urban Advisors have made a Difference

The majority of the urban advisors who have worked in the three cities appear to have exerted considerable influence and transferred some skills and knowledge to a range of individuals. In particular, they have played an important role in accessing funds, re-starting stalled projects, and providing working examples of good practice.

7.1.4 Contextual Capacity Issues that Hamper Skills Transfer

There are conditions that exist in these municipalities that directly impact on the sustainability of the benefits gained through Sida assistance. At the level of existing capacity, the following are probably the most significant:

- There is insufficient expertise to implement legislation and policies.
- In at least one case there is clearly insufficient strategic and/or political leadership to drive and guide change-management and developmental processes within the framework of integrated planning.
- In a number of cases there are vacant posts because of a lack of appropriate candidates, particularly in high-level technical skills in crucial function areas. There also appear to be few people with the required technical qualifications and it is difficult to attract the few qualified individuals into the local government arena.
- There is a related lack of technical abilities to develop systems, support internal processes, and to accommodate new functions.
- The transition in local government has resulted in a high turnover of municipal staff at all levels, but significantly in the higher ranks. This means that a lot of the expertise gained through the Sida programme has left the institutions, removing the experience and the knowledge from institutional memory.
- Bureaucratic and hierarchical structures and systems that limit functional relations and programme and project based activities. The highly structured approach often results in mismatches between the staff contingent (organogram) and the functions to be performed. In particular, this threatens the sustainability of the interdisciplinary team approach developed in the CUP. This was mentioned both in SPM and BCM.
- Low degree of internal confidence and sense of progress. This is a result of the time taken to effect the transition and the general uncertainty this has created.

All three municipalities presented the same dilemma – a willingness and eagerness to learn and benefit from Swedish assistance, but in most cases there are not enough people to engage with consultants providing assistance – to ensure that the expertise is shared more widely.

Also, because the municipalities tend to be short staffed, officials who *are* involved are overburdened. This means they do not have the time to plan how to use Swedish advisor skills in a way that might transfer skills more widely and more sustainably, but rather harness the consultant’s competence to fill gaps and add much needed person power in the short term. Very often the result is that officials learn from the consultant, but this is a by-product rather than an intention.

7.2 Sol Plaatje Municipality

7.2.1 Councillors

Awareness of Aims and Objectives of Programme

The councillors interviewed were aware of the aims of the programme. They understood the significance of the CUP programme and reported how this had 'given Sol Plaatje direction and formed the basis of the IDP'.

In addition, they cited examples of expanded knowledge and skills among councillors gained as a result of partnership visits. These included the usefulness of bicycle lanes as part of urban renewal, the value of eco-friendly housing, various aspects of health management, and an understanding of the need for business plans to direct projects.

The past and present advisors and Swedish consultants were complimented on the value of their advice. The councillors also cited experience gained from Swedish political counterparts, notably in respect of the approach to consensus-driven decision-making.

Appreciation of Extent of New Ideas/Knowledge Transfer Among Officials

The councillors appreciated that extensive knowledge transfer had taken place between Swedish consultants, advisors and municipal officials. Specific instances mentioned the inclusion of environmental factors in urban planning, and the importance of maintaining and regenerating the CBD.

Implementation of New Ideas/Programmes

The appointment of the new CBD manager is the direct result of partnership knowledge transfer, and recognition by local politicians that the regeneration of the CBD must have an internal champion and resource within the municipality.

The high quality of the Sol Plaatje IDP is partly a result of interaction between officials and Swedish counterparts.

Based on experience from Falun, a more efficient model of managing council committee meetings on development planning issues has been adopted as regular practice in SPM.

7.2.2 Officials

Awareness of Aims and Objectives of Programme and Nature of Assistance

Officials interviewed were aware of the programme and clear about how it has added value to their work practices and programmes. For example, they believed the resultant IDP was a far superior and more integrated document than it would otherwise have been. The value of student placements was also considered important.

Expanded Knowledge and Skills Among Officials

Officials cited various examples of direct improvement in knowledge as a result of the programme. These include improved understanding of integrated planning approaches, the value of separating the planning and the maintenance and control functions in Town Planning and Building Services, and new approaches to land use zoning.

7.2.3 Technical Assistance

Urban Advisors and Consultants

Sida has placed two advisors in SPM over the life of the programme – both have been influential and effective. There is an Urban Advisor whose role now consists of periodic short-term inputs. The current Long-Term Advisor is focused on supporting the work of the GURP, but also has to play a wider

role in advising on development planning issues, as well as liaising with provincial government departments. Given the shortage of technical expertise in the municipality, it should not be surprising that officials approach the Long-term Advisor for assistance on a wider range of issues beyond the GURP. He has many years experience of working in the Northern Cape, and consequently a wide network of contacts, and a very good understanding of the local development environment. His low-key and consistent approach is widely respected. Given the persistent technical capacity shortages in provincial and local government, his role is invaluable.

7.2.4 Skills Transfer Methods

Shoulder to Shoulder: The CUP process involved municipal counterparts working hand in hand with the Swedish consultants. There was similar close interaction in the development of the various housing projects in SPM.

Visits to Sweden/Courses at Swedish Institutions: Officials and councillors have participated in a combination of tours, although the Evaluation Team only came across one case where an official had attended a Sida-sponsored training course. All informants believed the tours resulted in many useful ideas exchanged between the parties.

7.2.5 Success of Skills Transfer Process

The interdisciplinary team method significantly shifted the way officials viewed planning processes. However, it appears that many of the officials involved in the CUP have now left the municipality. This knowledge and experience may then be lost – specifically because of the lack of technically qualified people at the higher level. Therefore while an integrated approach to planning may have become part of how the IDP is produced, the technical expertise and experience required to inform the different elements of the plan may no longer be present, which could compromise the quality of subsequent plans. This could in turn undermine the perceived value of the method.

In the Hull Street project ‘shoulder-to-shoulder’ working with the previous advisor was very effective. Staff members are confident of their ability to run this project without assistance but within a network of peers who provide advice.

7.2.6 Other Resources

Over the past 10 years, there have been various once-off capacity building programmes to municipalities provided by the national Department of Provincial & Local Government. However, marshalling resources for continued support for capacity building to individual municipalities can prove difficult. Previous Sida support to the Northern Cape provincial government facilitated the establishment of the Municipal Training & Development Institute, located in Kimberley. This Institute, which is now becoming a trust managed by SALGA Northern Cape and the provincial Department of Local Government & Housing, could prove to be a valuable source of regular assistance in capacity building for officials, councillors and ward committee members in SPM.

7.2.7 Gaps in the Capacity Building Aspect of the Programme

Explicit Focus on Capacity Building

There was apparently extensive knowledge and skills transfer to people who were involved in the CUP process. However, most of these officials have now left the institution. The current Long-Term Advisor is aware of the need for capacity development. However, as he carries half of the work in the GURP unit, he cannot realistically take a broad view of capacity development in the municipality. The Advisor intends supporting the Programme Manager through the last months of the project to improve stakeholder management skills. There are currently no other staff in the GURP who could benefit from the Long-Term Advisor’s experience and expertise.

Transition strategy

At this stage, the programme does not appear to have in place an explicit strategy for its close-out and the end of technical support. There is a risk of ‘dependency shock’, particularly when the assistance provided by the Long-Term Advisor to the GURP comes to a close. A transition strategy should be put in place as a matter of urgency, and take into account the need to align with the city-to-city partnership programme.

7.3 Nelson Mandela Metropolitan Municipality

7.3.1 Councillors

Awareness of Aims and Objectives of Programme

The councillors interviewed showed a sophisticated understanding of the aims and objectives of the Sida programme, acknowledging not only its benefits but also its limitations. All commented on the extent to which direct technical assistance had proved invaluable, but also appreciated that partnership activities, where outcomes are less predictable, require a different and more patient approach.

The degree of evaluation of the programme among the councillors was noteworthy – for example, it was acknowledged that the spread of activities across partnership activities with Göteborg may have been too wide, and that consideration was being given to adopting a more ‘narrow and deep’ approach in a smaller number of sectors.

Appreciation of Extent of New Ideas/Knowledge Transfer to Officials

The councillors were aware of the contribution the programme had made in facilitating the transfer of new ideas and knowledge among the officials working in their respective portfolio areas. Specific reference was made to the value of practitioner-to-practitioner relationships in improving the quality of professional experience for the NMMM officials involved in the programme.

Implementation of New Ideas/Programmes

The councillors cited various positive examples where new ideas had been adopted as a result of the programme. These included the Mandela Bay Visitor Card, improvements in the approach to children outreach activities in the Library Service, and new approaches to facilitating the development of social housing.

7.3.2 Officials

Awareness of Aims and Objectives of Programme

All officials interviewed were aware of the aims and objectives of the programme, including both direct technical assistance and partnership activities. A number had participated and benefited directly from partnership visits or projects. All officials mentioned the value gained in visiting Sweden and seeing first-hand the implementation of good practice models.

Expanded Knowledge and Skill Among Officials

The Evaluation Team found widespread evidence of capacity strengthening among officials who had come into contact with the programme and partnership. In general, benefits were exposure to new approaches, experience of good and bad practices elsewhere, and an increased appreciation of what was possible in the South African development environment.

7.3.3 Technical Assistance

Urban Advisors and Consultants

While properly maintaining a low public profile, the current Urban Advisor is the most important figure in the Sida programme in NMMM. Active and outgoing, he clearly has the respect and trust of all officials and councillors. This is based on both technical competency, and a constructive attitude

towards making the programme effective. The demands of programme coordination makes it unreasonable to expect too much structured capacity building and skills transfer from the Urban Advisor to individual participants across the programme. However, the Evaluation Team found some evidence that this had taken place, especially around specific housing and planning projects. In addition, the Urban Advisor plays an important support role to the Partnership Co-ordinator in what is clearly a positive and active working relationship.

The MURP Advisor is a ‘shoulder-to-shoulder’ technical resource, providing direct advice to the Programme Manager, who clearly shows a great deal of confidence in this support. The Advisor is pragmatic and realistic, and has a positive impact in improving management approaches and project quality in what is a very high-profile and complex programme. As always in such situations, the Advisor has to manage the pressure not only to advise, but also to provide direct assistance. In such situations, the pressure of programme deadlines and heavy workloads can squeeze out capacity building initiatives unless they are structured properly.

7.3.4 Skills Transfer Methods

Shoulder-to-shoulder Support: The multi-disciplinary teams installed to draft the CUP proved important in developing officials’ understanding of the value of this kind of approach to achieve integrated planning.

Visits to Sweden/courses at Swedish institutions: Officials and councillors have participated in a combination of tours and people attending courses. Everyone interviewed believed the tours resulted in many useful ideas exchanged between the parties. For example, in traffic safety, a number of Swedish practices in place are being investigated: accident database for hospitals, engineering measures on the roads, methods for raising the public’s awareness.

7.3.5 Success of Skills Transfer Process

Interviewees reported that Sida assistance has ‘made us think differently’, and ‘in a more integrated fashion’ about most aspects of urban planning and housing projects. This shift in approach is probably the biggest impact of the Sida programme.

Councillors have benefited not only from exposure to new technical approaches and project concepts, but also from contact with political counterparts in Sweden. This is particularly valuable in South Africa’s young democracy, particularly for local municipal leaders who have to deal with unprecedented transformation and restructuring issues in local government.

Officials in senior posts appeared to benefit most from the programme. Because they were starting from a higher base they were able to access and integrate the new ideas and concepts more easily. There was no evidence of special account taken of people with lower levels of education that may have lacked higher order processing abilities.

The turnover of a number of the higher level staff in NMMM has led to some reduction in institutional capacity, as well as the loss of some of the knowledge gained during visits to Sweden. For example, all of the senior people who initially learned about solid waste management have left the municipality. The very positive response of the parties has been to employ a Swedish consultant who is working in this area with a larger group during the last year of the project.

While obviously NMMM cannot be considered to be a poorly capacitated municipality, there is evidence that restructuring, staff departures and vacant posts have had a negative impact on the programme objective to embed skills transfer into the systems and processes of the institution

7.3.6 Gaps in the Capacity Building Aspect of the Programme

Explicit Focus on Capacity Building

All those involved in the programme – both Swedish and South African – assumed that capacity building was integral to the programme. Aside from the courses attended, capacity building took place through consultants working side by side with counterparts. However, the programme did not include an explicit focus on capacity building in a way that its impact could be measured. This is a design fault that needs to be rectified if Sida wishes to monitor and evaluate the impact of its capacity building objectives.

Transition Strategy

At this stage, the programme does not appear to have in place an explicit strategy for its close-out and the end of technical support. There is a possible risk of ‘dependency shock’, particularly when the assistance provided by the MURP Advisor comes to a close, which should be avoided by a planned handover. A transition strategy should be put in place rapidly, and take into account the need to align with the city-to-city partnership programme.

7.4 Buffalo City Municipality

7.4.1 Councillors

Awareness of Aims and Objectives of Programme

The councillor interviewed reported that his experience of Sida assistance in KWT and subsequently BCM was extremely positive, and in addition to the support received for the CUP mentioned a wide range of ‘quick win’ projects that had had a significant impact on local community life, including the footbridge over the dam near Dimbaza, and the feasibility study for fish farming.

Appreciation of Extent of New Ideas/Knowledge Transfer to Officials

The councillor was aware that a number of officials and political colleagues had gained very important exposure and knowledge during partnership visits. Of particular use was the input around the new municipal function of Local Economic Development – Sweden has a much longer history of providing this backup to local business development. He said that important lessons were also learned in terms of councillors’ increased understanding of the way another political system worked.

7.4.2 Officials

Awareness of Aims and Objectives of Programme

All officials interviewed were aware of the extent of the Sida programme. The urban advisor’s experience and knowledge were used on the team that ran the IDP planning process. The CUP process was cited as a particularly important learning experience, which provided staff with useful lessons for the IDP. In particular it was said that ‘without Swedish support we would never have had plans of this quality and detail. We just did not have the resources.’

Interestingly, another view was expressed that there were *too many* Sida projects – ‘every department had to have one whether we needed it or not’. This is most likely a reflection of the additional strain placed on already over-stretched officials. The primary requirement to use Swedish consultants was felt to be a constraint, in that it limited choice but also reduced the value of officials’ knowledge of locally-available expertise.

Expanded Knowledge and Skill Among Officials

In particular, officials mentioned increased co-operation, contact and joint working groups drawn from different directorates. All of them mentioned that the influence of the CUP process had demonstrated the need to work with inter-disciplinary teams to ensure integration in planning and implementation.

7.4.3 Technical Assistance

Urban Advisors and Consultants

The BCM Urban Advisor plays a significant role in overall programme management, as well as providing relevant support on strategic planning issues. There appears to be a close and constructive working relationship with the Partnership Co-ordinator, who is also responsible for the Mdantsane URP.

The advisor sits on various working groups in different directorates in the municipality (HIV was mentioned) when these are linked with the Sida programme. The advisor facilitates requests for funds through the Sida programme, and intervenes to help re-start stalled projects.

The NMMM Advisor gives specific around housing projects in BCM, which accounts for approximately 10% of his time. Relevant officials frequently mentioned this support.

The Evaluation Team received a number of comments on the cost and nature of technical assistance. While Swedish expertise and experience has undoubtedly been valuable, it was felt that in some cases comparable local expertise (particularly for short-term assignments) could have been procured at less cost, thus increasing the impact of the available finance. It was argued that this approach would have been more efficient, since local consultants would require much less time for orientation, and would have had more time available over a longer period for skills transfer. This comment is not unusual in the South African context where, unlike other developing nations, there is a relatively well-developed urban professional sector. The issue in terms of this evaluation is not to calculate the monetary cost of support, but to look at the value-added by using overseas expertise. The general assessment overall (confirmed by the comments received on the various advisors and experts) is that the extra perspective brought in by using experienced international consultants has been extremely valuable.

7.4.4 Skills Transfer Methods

Shoulder-to-shoulder Support:

It was stressed that all Sida projects had included a specific counterpart as well as a working group. The CUP team passed on good practice models to their counterparts. This practice, of working in thematic teams was continued in the IDP process.

The method of transfer was by example and through experience within the thematic working groups. It was evident that the value of this method was understood and it appeared this approach was accepted as the method by which IDP reviews would take place. Within the project manager's office this occurred daily as part of work activities. Other officials had been paired as counterparts to various Swedish consultants and advisors.

Visits to Sweden

Partnership visits were viewed positively. While they did not directly involve skill transfer, they provided a forum to expose officials and politicians to other countries and ideas. At times, the choice of people to undertake the visits were done on the 'everyone should have a chance' basis, rather than identifying who would derive the most benefit for the municipality. Also, while systems and processes were generally very interesting, they were often not feasible or applicable in the South African context.

Courses

BCM has made good use of Sida-facilitated training courses. These included a management development course, originally provided by SIPU in Sweden, but with a subsequent course being provided by local provider Deloitte Human Capital. Five people per directorate attend and they are required to commit to the whole process. The value of the management training was that it focused on real business problems.

7.4.5 Success of Skills Transfer Process

The IDP thematic team process appears to have taken hold in some directorates and at some levels. Some interviewees reported that the approach had improved communication between directorates. However, this approach was not yet embedded in all directorates which still struggle to move outside of their ‘silos’.

Interestingly, informants in BCM cited specific examples of individual officials who since working as counterparts to Swedish consultants have progressed significantly within the institution. While anecdotal, this does provide some indication of actual capacity built.

There appears to be no method through which the specific value or improvements generated by the management training course are to be measured – in the future these may be linked to the performance management system currently being finalised. However one informant reported that the training provided extremely useful skills in time and resource management and staff relations.

7.4.6 Gaps in the Capacity Building Aspect of the Programme

Explicit Focus on Capacity Building

Capacity building was assumed to be integral to the programme. However, there was no conscious process to identify specific outcomes and no method or indicators that would define successful skills transfer at either individual or institutional level. This is a design fault that needs to be rectified if Sida wishes to monitor and evaluate the impact of its capacity building objectives.

Transition Strategy

All participants are aware that the programme still has two years to run. However, while people acknowledged that a transition strategy was probably desirable, no specific attention has been given to this as yet. This should be included in the Sida programme over the coming months, and should take into account the need to align with the city-to-city partnership programme.

8 Achievement of Sida Objectives

8.1 Overview

The Evaluation Team considers that overall the programme has been successful. It has introduced notable innovations, new concepts and technologies that have valid application in the South African context. Some of the projects that have been developed under the programme match best practice anywhere in the country.

The programme is well-designed on a technical level, and has achieved an effective balance between viable and more experimental projects. The higher-risk projects form a manageable proportion of overall programme activities. Importantly, the lessons and experience gained from its relatively few failures have been incorporated into the design and implementation of subsequent projects.

The general success of the programme is more remarkable given that it has operated throughout the period of local government restructuring, which has had significant impacts in terms of administrative confusion, personnel reorganisation and ‘transition fatigue’ among staff and councillors in the partner municipalities.

The programme has a reputation of providing stable, consistent and good quality technical support in its programme activities. In the Evaluation Team’s opinion, this reputation is deserved.

8.2 National Impact

The defining characteristic of the programme is that it has focused on local level support. It has not had a major influence on the national urban and housing agendas in policy or strategy terms, principally because it was not designed to do so. Unlike other development cooperation agencies active in this sector, Sida has not specifically engaged with or provided technical support to national departments.

However, it has produced projects that are of national significance, notably in housing. The SPM Housing Support Centre, Eco-Village and Hull St Integrated Housing project are in the top-rank of their kind in the country. The Sustainable Communities Project in NMMM similarly has the potential to be equally influential.

The programme appears to be weak in disseminating its experiences in a systematic way. Consideration should be given to making more use of urban information networks (for example, the South African Cities Network) to circulate lessons learned and examples of good practice. Information and knowledge dissemination activities should be informed by a strategy that identifies suitable channels and products – for example, use of various forms of media and websites, practitioner and organisation networks, and conversion into training and information materials. Sida should also consider asking partner cities to highlight the programme on their city websites – a search revealed that while SPM showcases the partnership programme in a prominent position on its home page, the references to the programme in BCM and NMMM are more low-key, and mostly included in cached project documents.

8.3 Impact on Specific Target Groups

The Evaluation Team was asked to assess the impact of Swedish support on the following specific target groups:

- Politicians and officials within the municipalities
- Participating communities
- The urban poor
- Women-headed households
- People affected by HIV/AIDS

Detailed descriptions of this impact are described elsewhere in this report. However, The Team made a summary overview assessment as follows:

Category	Evidence of Direct Impact	Evidence of Indirect Impact	No Evidence of Impact
Politicians	X		
Officials	X		
Participating Communities	X		
Urban Poor	X (in housing and quick win projects)	X (in planning projects)	
Women-headed Households			X
People Living With HIV/AIDS			X

This assessment should not be too surprising, given the programme's focus on providing technical support to municipalities. Politicians and officials have been the prime beneficiaries of support, capacity building and technical assistance. Participating communities have benefited participation exercises in developing the various CUPs, as well as from the housing projects developed through the programme.

It is difficult to assess the programme's impact on the 'urban poor' as a general category. The Team consider that within these definitional limitations, the impact on the urban poor has been most prevalent in the production of the CUPs and improved IDPs, which prioritise the improved delivery of basic services to the poor – this has been an indirect impact, but one that affects the greatest number of people. Direct impacts were identified primarily in the housing and 'quick win' projects. Although possibly more limited in numbers (for example, to the numbers of beneficiaries actually accessing subsidies or rental housing units), such projects have led to a material improvement in the quality of life for households and neighbourhoods.

The Team found no evidence of programmes specifically targeted at Women-headed Households, although such families will be part of beneficiaries in housing projects.

The Team found no evidence of elements within the programme specifically targeted at People Living with HIV/AIDS (PLWHA). However, Sida does have dedicated programmes on HIV/AIDS in both BCM and NMMM. The urban programme could usefully give attention to this issue in future, for example by including it as a requirement in planning or housing projects.

The Team felt it was relevant to comment on the programme's overall links with civil society. The Evaluation Team is well aware that Sida has provided support to two national NGOs, the Urban Sector Network and NURCHA. However, these organisations were excluded from the Team's brief and formed no part of the evaluation.

In general, municipalities demonstrate a wide variety of relationships with civil society – ranging from consultation on city plans, involved participation in particular community-based projects and active partnerships in development matters. In other cases, NGOs are sometimes seen as elitist unaccountable bodies, and often confused with social movements seen as oppositional to local councils. The three municipalities in the Sida programme are no different from the norm.

Issues of representatively and credible leadership in municipal–civil society relationships are still a contested terrain in South African municipal development, although the establishment of ward committees is intended to improve the council–community link. However, this is still very much a 'state-led' approach, and does not take much further the possibility of NGOs becoming delivery agents for municipal development programmes, let alone real partners in development.

Even though the programme is very municipality focused, the Evaluation Team found it surprising that the advisors and Swedish technical experts did not seem to be aware of local expertise outside technical consultancies. SA has a rich network of local non-governmental organisations active in urban and housing development in the larger cities – notably Urban Services Group and Delta Foundation (both in NMMM), Afesis-Corplan and the Buffalo Flats Community Development Trust (both in BCM). Indeed, the Urban Services Group and Afesis-Corplan are members of the Urban Sector Network, a beneficiary of Sida support under this programme. As well as long standing experience, these organisations provide at least alternative perspectives and sounding boards for project ideas, without necessarily having to be drawn into actual implementation.

8.4 Capacity Building

Normal development practice requires that skills transfer and building counterpart capacity be included as a component in any programme. However, its actual effectiveness depends on a structured approach that is demand-led (responding to actual needs) and measurable.

While the Evaluation Team found that there had definitely been capacity built in the municipalities through the course of the programme, it had focused on individual beneficiaries and omitted to put in place processes for building institutional knowledge. Similarly, because no monitoring and evaluation framework had been put in place from the start of the programme, it did not prove possible to comment on the extent of capacity built.

This is a design fault common to many development programmes, and should be rectified for the remainder of the activities in BCM and NMMM, and for future reference in the design of Sida-supported urban programmes elsewhere.

8.5 Effectiveness of Technical Assistance

The Evaluation Team made an assessment of the various types of technical assistance provided through the programme.

Category	High Impact	Medium Impact	Low Impact
Human Resources			
Long Term Advisors	X		
Long Term Experts	X		
Short Term Experts (International)		X	
Short Term Experts (Local)	X		
Financial Resources			
Primarily capital injections for housing finance		X	
Technology Transfer and New Methodologies			
Primarily mapping, waste management, eco-planning and air quality monitoring	X		
Partnership Visits & Study Tours			
Individually	X		
Institutionally		X	
Sida Training Courses			
Individually	X		
Institutionally		X	

The assessment shows that overall the various kinds of assistance had a high impact on the effectiveness of the programme. Primarily this is due to the management procedures in place, which require the beneficiary municipality to motivate for particular kinds of support and activities, thus ensuring that it is matched effectively to needs.

The Evaluation Team felt it relevant to comment on the role of advisors in the programme. Sida has built up a reputation for providing good advisors, and managing them well. It is important that the advisor is not just technically competent, but ideally should also have mentoring and coaching skills. The personnel profile for advisors should reflect the high demands on their role. They have to be special people, mature, competent and with a high degree of integrity. Accounting to both Sida and the host municipality can be a difficult balancing act at times. In selecting advisors, Sida should keep in mind their role in ensuring the delivery of development initiatives. A pre-requisite for selection should be that they are implementation-oriented.

The programme experience on financial mechanisms to support housing development has at best been mixed. Providing capital bridging finance for low-income housing projects in South Africa is relatively low-risk, since there is an assurance that the loans can be repaid when subsidies are eventually accessed. The South African social housing sector is one potential growth area where project-linked capital could be applied.

End-user lending to low-income groups is a higher risk proposition and should be approached with caution. Sida's experience of the failure of PELIP demonstrates this. The re-configuration of this initiative into the Ubutyebi Trust is a much lower-risk proposition, but will take time to establish intermediaries through which end-user loans can be dispersed. The profile of potential clients is more likely to reflect people in formal employment. While this is important, giving a line of credit through to individuals who are often 'unbanked', it may not be in line with Sida's stated commitment to focus on the urban poor. There is a definitional issue here which is taken up elsewhere in this report.

9 City-to-city Partnerships

The Evaluation Team was asked to comment on the potential sustainability of the city-to-city partnerships that have been put in place during the life of the programme.

9.1 Overview

It is clear that there is a positive relationship between the city-to-city link and the broader development activities within the urban development and housing programme. In short, the partnership reinforces the programme, and in key areas has refined and improved municipal service delivery and staff development.

The two original partnerships in NMMM-Göteborg and SPM-Falun/Borlänge exhibit many similarities. The experience of BCM-Gävle is relatively recent but follows the same pattern. The first observation is that they are unbalanced in the sense that the South African partners can point out clear benefits of the cooperation in more concrete terms than the Swedish partners. The South African municipalities gain exposure to innovative work methods, techniques and technologies, as well different ways of organising work (usually with less bureaucracy). Following years of isolation during apartheid, compounded by geographical isolation in Southern Africa, the international experience and connection to progressive European municipalities is clearly of great value to the South African counterparts.

The benefit on the Swedish side is often of a more general nature. It is about stimulating staff in giving them the opportunity to work with South African colleagues who generally work with fewer resources to solve similar problems. It is also seen as positive for Swedes participating to use and develop their

English language skills as part of the cooperation. It is less about picking up innovative ideas and work methods – although there are exceptions (notably in NMMM) – but more about general competence training. The Swedes who participate in the cooperation generally see it as exciting.

The Swedish municipalities see participation in the partnership work as a way of keeping staff interested or making it easier to recruit staff on a competitive labour market, along the lines of ‘if you work with us you will get a chance to work with our South African partner municipality as part of your ordinary job’.

From a professional perspective, the Swedish municipalities realise that there are other contacts that could be more useful, for instance municipalities in Europe with more similarities with the Swedish ones and with much easier access for contacts. There is also European Union (EU) money available for this type of cooperation.

However, professional reasons are not the only drivers of these relationships, and it is clear that given Sweden’s history in supporting the struggle against apartheid, politicians see the partnership as an expression of a continued form of international solidarity to support the growth and development of the New South Africa.

Not all partnership initiatives have been successful. This is accepted as natural. In particular, business contacts seem to be difficult to develop as part of municipal partnerships. For example, the initial attempts to develop business-to-business relationships in the NMMM-Göteborg partnership were ineffective. However, the emerging links around tourism and associated businesses may yet prove productive.

It is also accepted that the scope of programmes may benefit by being reduced, with more attention paid to supporting those projects that are effective. A general experience is that it takes time to develop good projects – the starting phase can be as long as two years before things work.

9.2 Organisation and Culture

The partnerships have general political support in all municipalities. They are organised slightly differently. In Falun/Borlänge and Gävle coordination takes place inside the municipality whereas in Göteborg it has been placed in Business Region Göteborg. The latter way of organising gave rise to some criticism in NMMM over problems in communication, reporting and allocation of workload.

Changes of staff and also politicians have caused problems and disruptions in maintaining continuity and contact in the partnerships. The greatest problems have been experienced by the Swedish municipalities vis-à-vis their South African partners which have had a much greater turnover of staff – and change of politicians after elections – than on the Swedish side.

The working environment and culture differs between Swedish and South African municipalities. In South Africa municipalities are more hierarchically organised with tighter control systems for reporting. Swedish municipalities have generally flatter organisations with more trust built into the system and also more emphasis on project work and work across sectoral boundaries in the municipality. The relation between politicians and officials can also be more relaxed in Sweden. These differences have led to some frustration over relative speeds of decision-making and reporting, but it has not proved a major obstacle to the continued development of the partnerships.

No specific cultural or language difficulties were reported to the Evaluation Team.

9.3 Finance

Sida funds have been essential for the cooperation, and have been used to subsidise travel, subsistence and accommodation. When this support is withdrawn, it will create great difficulties unless alternative finance is created. The general opinion seems to be that the partnerships will gradually wind down, losing momentum and effectiveness. There may be exceptions to this where particularly engaged individuals may find means of continuing, but the partnership as a systematic and structured approach may not continue.

9.4 Prospects for Sustainability

Continued financial support is necessary to keep the partnerships going.

The goal of having perfectly balanced or mutual partnerships is not realistic under present circumstances. It is enough that both parties see clear advantages with the partnerships and are willing to continue. The greatest cost is after all born by the municipalities themselves in working time. All involved municipalities are exposed to other options for international cooperation. In Sweden many opportunities exist within the EU where there is also the possibility of getting EU finance in cooperation with more similar partners. As long as the involved Swedish municipalities see advantages with the existing partnerships they can continue provided that there will be new means of financing. Without that the partnerships will most likely disintegrate when the Sida support is taken away.

All the involved municipalities have expressed an interest to continue. The partnerships might benefit from concentrating on the most workable fields of cooperation and deepen the cooperation in these fields. For this purpose it is recommended that the partners make a self-assessment of possible future work. (In the case of Buffalo City – Gävle it may be a little too early to do this as the partnership is relatively new.)

The idea of letting Svenska Kommunförbundet (SALA/IDA) administer future partnership work with financial support from Sida is a possibility that should be further explored. This organisational solution could also lead to a spreading of the partnerships to other municipalities in South Africa and Sweden which is also recommended in the present Sida Country Strategy for South Africa 2004–2008.

10 Recommendations

10.1 Recommendations Relating to the Overall Programme

10.1.1 Housing/Community Support Centres

Both NMMM and BCM are proposing the development of Housing/Community Support Centres. These appear to be variations on the successful SPM Housing Support Centre model. However, the Evaluation Team found that neither municipality had finalised the concept and scope of these centres. Given that their development is likely to require technical assistance and possibly capital finance via the Sida programme it is recommended that the concept is clarified, with a clear statement of objective, purpose, functions and operating arrangements. Particular attention should be paid to confirming management responsibility and future finance flows.

10.1.2 Information Dissemination

Given the locally-focused nature of the programme, it is critical that its experiences are well-documented and distributed widely among relevant government departments and development institutions. It is recommended that Sida produce a well-researched public report on the achievements and lessons of the urban development and housing programme. This should be disseminated in both hard copy and electronic form, for example via the Sida website, SA Cities Network, the SA Regional Poverty Network and other relevant information networks.

Producing a comprehensive report will also assist in consolidating the institutional knowledge on urban development and housing in Sida.

10.1.3 Urban Advisors and Technical Assistance

The full-time Urban Advisors, both in relation to overall city programmes or in project-specific roles, have been central to the success of the programme. However in all cases, they experience tension between the need for accountability to Sida overall programme management requirements, and pressure from local counterparts to get involved in a more-hands-on fashion. The advisors have generally handled this well and maintained a healthy balance between the need to advise as opposed to the desire to assist.

The Urban Advisors should also play a structured role in oversight of capacity-building. Specifically, this role should include monitoring the outputs of capacity building programmes, as well as the direct mentoring and coaching to their immediate programme counterparts. They are in the most strategic position to oversee capacity building initiatives and to redirect or intervene if these programmes are not progressing effectively. It is important that this role is written into their Terms of Reference, and that one of their outputs should be evidence of this monitoring role. This role could also be included in the brief to Long-Term Advisors in specific relation to the programme or project to which they are assigned.

10.1.4 Housing Finance

Sida's use of bridging finance for low-income housing projects is a relatively low-risk activity, and a useful device for facilitating development. Sida should continue to apply this mechanism in appropriate situations, subject to well-founded business plans and institutional arrangements. The social housing sector is one potential growth area where project-linked capital could be applied

End-user lending is a higher risk proposition and should be approached with caution. In future, Sida should only provide capital for retail lending on the basis of a thorough credible business plan, via well-capacitated organisations independent of municipalities.

10.1.5 Target Groups, Definitions and Activities

If Sida wishes to have measurable impact on specific target groups then it needs to improve its definitions of what they are. In particular, the 'urban poor' is a remarkably broad category, and implies a homogeneity that is simply not present. At least, a definition along income categories should be considered.

In addition, more attention should be paid to programme and project activities if Sida wishes to prioritise specific groups. The programme can include specific initiatives to benefit women-headed households and PLWHA, but these must be specifically designed with measurable delivery targets. Given the length of time remaining on the NMMM and BCM programmes, it is feasible that specific activities relating to these groups could be incorporated. If capacity building is an element of any or all of these activities, then attention should be given to identifying the specific targets of capacity building activity and sufficient time should be built into programmes to enable effective outputs.

10.2 Recommendations for the Partner Municipalities

10.2.1 Sol Plaatje Municipality

These recommendations relate specifically to capacity building and skills transfer aspects of the programme. However, given that the technical assistance programme will finish when the Urban Advisor's contract ends in May 2005, it was not felt appropriate to propose any other than short-term interventions.

- *Close-out Strategy*

Plans for the close-out of the technical assistance programme should be put in place as a matter of urgency. There is a real risk of 'dependency shock' when the Long- Term Advisor is no longer available to assist in the development of the GURP. These plans should clearly identify how project and programme handover will take place, with unambiguous allocation of responsibilities.

The following issues need to be taken into account:

- Identification of key functions undertaken by the Long- Term Advisor, and how they can be reallocated to the Programme Manager and other staff.
- Identification of resources and personnel who could be deployed into this unit before the Long- Term Advisor leaves, so that some of the functions and knowledge can be transferred.

- *Extension of Advisory and Technical Support*

Sida should give serious consideration to extending the advisory and technical support to the GURP to the end of 2005, if resources can be found from elsewhere in the programme to allow for this. At national level, the GURP is considered to have the lowest level of technical resources, a judgement which is confirmed by the Evaluation Team. Given its national status and local importance, withdrawal of support is likely to have a serious negative impact on the GURP's continued progress. The introduction of the new national URP financial protocol will place increased demands on programme management. Any extension should be conditional on the installation of an effective close-out strategy, and a clear commitment from SPM on sourcing appropriate resources. It is likely that the national DPLG would support the proposed extension.

10.2.2 Nelson Mandela Metropolitan Municipality

- *NMMM-Göteborg Partnership:* The partnership management structures should continue to keep the scope and sectoral range of the partnership under review, given that the nature and level of resources available from Sida is likely to change in the future, possibly providing new opportunities for networking. (Without wishing to usurp partnership management decisions, the Evaluation Team identified the Mandela Bay Tourism Agency and the Library Services activities as good examples of activities for continued partnership focus).
- *Institutional Capacity Building.* The programme must develop activities for the SEK1 million allocated for institutional capacity building as a matter of urgency. Given the limited amount of financial resources available, the following approach is suggested:
 - Identify a focus area –based on the municipality's identified skills gaps and/or IDP priorities
 - Ensure that the value achieved is at the level of both the institution and individuals – for example, interventions aimed at more than one person, and/or interventions involving people at different levels within a pathway but building a common thread throughout. The result should be a cadre of people who can plan, manage and deliver programmes or service delivery improvements

- Build in a staff retention strategy – understanding the incentives, work environment problems, career paths etc – to ensure that a high percentage of the skills developed are not lost to the organisation in the short to medium term
- *Monitoring and Evaluation Framework.* A monitoring and evaluation framework should be put in place to measure the capacity building impact over the remaining time of the project. The starting point for this exercise would be:
 - A documented review within NMMM the municipality of what has been learned through the partnership and as a result of Sida consultant interventions.
 - Identification of what may be lost if individual staff members leave.
 - A procedure to ensure that this knowledge is transferred to other people and/or embedded in NMMM development processes.

The framework should include:

- identified desired outcomes/results
- agreed/understood methods for capacity building
- process and product indicators
- rigorous evaluation milestones to measure progress against projected outcomes
- *Close-out Strategy.* A close-out strategy should be designed soon, closely linked to the monitoring and evaluation framework suggested above. This should take into account the impact of the withdrawal of Sida technical support and advice, and clearly identify how project and programme handover will take place, with unambiguous allocation of responsibilities.
- *Extension of Support to Adjacent Municipalities.* The NMMM is considering giving assistance to adjacent, weaker-capacitated municipalities. It is possible that this could place particular demands on the Sida programme in that city, leading to ‘programme creep’ into the other municipalities. It is recommended that no support be provided prior to consideration of the situation in the adjacent municipalities, a clear work programme (with timelines and budgets) and a thorough motivation for the use of any Sida resources. Sida must check whether the adjacent municipalities are likely to receive assistance under the DPLG’s ‘Project Consolidate’, to avoid the possibility of duplication of support. Sida will then be in an informed position to decide whether this is a priority within the overall allocation of its resources to NMMM.

10.2.3 Buffalo City Municipality

Given that the Sida programme in BCM has two years left to run, this evaluation is in effect a mid-term review, and can take account of future external factors that may influence the programme in the city.

- *Councillor Training.* BCM and Sida should consider including a component for improving councillors’ competence. This would need to include a process to de-stigmatise individual needs for development. The next local government elections (due by end 2005/early 2006) provide an opportunity to have a programme in place for training the new intake. Consideration should also be given to extending participation in the Management Development Programme to councillors.
- *Capacity to Manage Outsourced Contracts.* BCM’s approach in this phase of the project is on improving service delivery. Consideration could be given to including capacity building programmes to

strengthen management of outsourced contracts, including a sustainability component to build institutional knowledge.

- *Inter-disciplinary Working.* Consideration should be given to designing and implementing a programme to strengthen the capacity of inter-disciplinary delivery teams in the areas of development planning and housing.
- *Focused Attention on Skills Transfer and Institutional Capacity Building.* The Sida programme in BCM must develop a clearly identified focus on skills transfer and institutional capacity building. This could include identification of a cadre of key officials (ideally likely to remain in their positions or who have the potential for promotion to higher level responsibilities) as the primary targets for skills transfer. The programme should be systematised, have clear targets and include methods for further skills dissemination from these individuals on a wider basis.
- *Ward Committees.* The municipality regards ward committees as the critical interface between council and communities. However, the committees are generally new organisations, and generally poorly capacitated. BCM and Sida should consider introducing a new activity in their programme to train municipal staff that can support ward committees and reproduce capacity building work with each new committee.
- *Monitoring and Evaluation Framework.* A monitoring and evaluation framework should be put in place to measure the capacity building impact over the next two years of the project. The starting point for this exercise would be:
 - A documented review within BCM of what has been learned through the partnership and as a result of Sida consultant interventions.
 - Identification of what may be lost if individual staff members leave.
 - A procedure to ensure that this knowledge is transferred to other people and/or embedded in BCM development processes.

The framework should include:

- identified desired outcomes/results
- agreed/understood methods for capacity building
- process and product indicators
- rigorous evaluation milestones to measure progress against projected outcomes
- *Close-out Strategy.* A close-out strategy should be designed and put in place before the final year of the programme, closely linked to the Monitoring & Evaluation Framework suggested above. This should take into account the impact of the withdrawal of Sida technical support and advice, and clearly identify how project and programme handover will take place, with unambiguous allocation of responsibilities.

10.3 Recommendations for the Partnership

10.3.1 Scope of Partnership Activities

It is recommended that the partners make a self-assessment of possible future work, taking into account the possibility of new networking activities that may arise under a new management arrangement.

10.3.2 Financial Support

It is recommended that Sida reaches an early conclusion on future funding arrangements for partnership activities as soon as possible to provide clarity among partner municipalities. The Evaluation Team understands that Sida hopes to have a management arrangement in place with Svenska Kommunförbundet (SALA/IDA) by April/May 2005.

10.4 Design of Future Programmes

The Evaluation Team urges caution in simply extrapolating from the urban development and housing programme in South Africa in the design of similar activities elsewhere. South Africa is comparatively well-resourced in relation to other developing countries, where programmes are more likely to be heavily dependent on international assistance and require longer timescales. With that caveat, the following specific recommendations are made in relation to future urban development and housing programmes:

10.4.1 Explicit Outputs and Outcomes

These should be built in at the design stage, and relate to clearly identified, properly defined target groups where appropriate. Attention should be paid to putting in place quantitative measures of impact (for example, number of houses built for low-income beneficiaries, water connections, improved access to employment opportunities and community facilities). Similarly, although more difficult to institute, the design should include qualitative measures of urban improvement (for example, collective improvement in quality of life or poverty reduction).

10.4.2 Monitoring and Evaluation

Clear performance indicators and arrangements for regular monitoring and evaluation should be built into the programme design.

10.4.3 Capacity Development

The programme design should include explicit capacity development frameworks, with a focus on building sustainable institutional memory as well as individual skills. This should be a clearly defined component, and be supported by a significant level of technical and financial resources.

10.4.4 Replicable Experience

There are outstanding demonstration projects within the South African programme that have the potential to be reproduced elsewhere. These include the Housing Support Centre, alternative sanitation technologies and eco-efficient housing. This experience forms part of Sida institutional knowledge, and can be applied in other programmes given appropriate tailoring to local circumstances.

10.4.5 Knowledge Dissemination

Any future programme should include a specific activity for knowledge sharing and dissemination, both internationally and within the host country.

10.4.6 'Quick Wins'

The design of future programmes should include an intention to identify and implement 'quick win' activities during the early phase of its implementation. These should be small-scale, high visibility projects (most likely small capital and infrastructure developments), ideally related to immediate community needs. While not necessarily tackling deeper-rooted development challenges, they will be important indications of Sida's presence, and will boost stakeholder confidence in Sida's commitment and ability.

Annexe 1: Terms of Reference

Swedish Support to Urban Development and Housing in Three Local Authorities, South Africa

Background

Since 1994 Swedish assistance to South Africa has been transformed from support to the struggle against Apartheid into the development of regular bilateral co-operation. Although regular assistance through Sida will carry on for some years to come, the relations between Sweden and South Africa are increasingly built on mutuality, where technical, scientific, and cultural co-operation and commercial interaction gradually replace development assistance.

Since 1996 a Development Co-operation Agreement has been guiding the co-operation between the two governments. The overall agreement covers several areas of co-operation including Democracy and Human Rights, Public Administration, Education, and Culture and Media. An extensive programme on Urban Development and Housing was also included in the agreement.

The urban programme covers a wide range of activities. At the national level it consists of financial support to low-cost housing finance and includes such organisations as NURCHA and USN. At the local level the urban programme focuses primarily on the co-operation with municipalities in the Eastern and Northern Cape Province. The co-operation with the municipalities is unique in that it is one of the few examples where Sida, with the approval of the South African government, is co-operating directly with a local authority. A number of studies were conducted in order to identify the areas where Swedish assistance might be most effective in terms of 'value added' (see Appendix A).

The cities of Port Elizabeth and Kimberley were the first to benefit from this co-operation. King William's Town joined at a later stage in 1999. The new municipality reform has led to that Sida now is co-operating with Nelson Mandela Metropolitan Municipality (Port Elizabeth, Uitenhague and Despatch), Sol Plaatje (Kimberley and rural hinterland) and Buffalo City (East London, King William's Town and Mdantsane). The co-operation centres on projects and initiatives in the following areas:

- The preparation of a Comprehensive Urban Plan (CUP) which formed the basis of a spatial development framework for each respective city. Several follow-up projects originated from the CUP related to the design and management of environment-friendly solutions to recreation, housing and waste collection.
- Extensive measures to promote the housing delivery process in Kimberley and Port Elizabeth, including the establishment of housing support centres, revolving funds and micro-finance systems for house construction.
- The implementation of physical upgrading projects in the townships of the three cities in questions, including the planting of trees, and the provision of street lighting, meeting places and community centres.
- In the new agreement with Buffalo City (October 2001–June 2004) focus in the first phase was placed on support to the development of the IDP. In the second phase (starting 2003) specific projects, originating from the IDP, will be developed within a wide range of areas e.g; housing, transport, spatial planning, HIV/AIDS, twinning with Gävle Municipality, GIS and water management.

Aim and Objectives

The aim of the evaluation is threefold;

1. To study to which extent the objectives of Sida support to urban development and housing in the three municipalities (mentioned above), during 1996–2002, have been achieved. Goals and objectives for the co-operation is stated in the Implementing agreements as well as in the specific project documents.

In assessing the above the following structure may be used as applicable;

Impact	Attitude	Capacity	Policy, procedures	Tangible impact
Objectives				
Knowledge exchange objective				
1. Comprehensive approach	x	x	x	x
2. Participatory process				
3. Technical know-how				
Co-operation objectives				
1. Integration, physical				
2. Integration, social				
3. Poverty reduction, housing				
4. Poverty reduction, jobs				
5. Sustainable environment				

The impact of the Swedish support shall be described according to the following categories;

- politicians and officials within the municipalities,
 - participating communities,
 - the poor,
 - women-headed households,
 - people affected by HIV/AIDS
2. To study the relevance and sustainability of the urban programmes given the context of the South African environment.
3. To receive in-put on how the design and implementation of future urban programmes could be improved.

Method of Work

For the purpose of finding answers to the issues above, Sida wants to employ the services of a team of consultants whose assignment would include the following tasks:

- Interview the various key actors (councillors, officials, beneficiaries) in order to define their role, their motivation and their involvement in the programme. Identify the results and benefits that have been accruing to them, their departments and/or the citizens of their municipality.

- Review the documents that were produced throughout the programmes, including agreements, outline programmes, activity plans, travel reports, minutes of meetings etc. Compare original objectives with possible changes that took place over time.
- Identify activities that were successful and stipulate why. Demarcate areas of failure. In this context a thematic comparison between the three cities/programmes would be useful.
- Assess any possible media impact which the urban support may have had on the cities in question, mainly through press cuttings, television coverage (if any) etc.
- Review the budget and expenditure pattern and comment on its cost effectiveness in relation to the main objectives².
- Make recommendations about modifications for possible future support to local authorities.

Organisation and Reporting

Sida wants to employ the services of two consultants, a Swedish consultant who is teaming up with a local consultant from South Africa. The consultants should have theoretical as well as practical experience from urban development in the developing world e.g. local economic development, urban planning, and environmental management. General knowledge and experience from development co-operation is also required.

The appraisal mission is to be carried out in South Africa (and to a lesser extent in Sweden). The assignment is estimated to take 6 weeks (12 man weeks), of which four weeks in South Africa, including report writing. Field trips to the three cities in question are to be included. Briefing and debriefing sessions will be held at the Swedish Embassy in Pretoria and at Sida Headquarters, Stockholm.

The consultants shall provide a detailed time and work plan with budget for carrying out the assignment. A draft report is to be submitted electronically by the end of the assignment. After having been scrutinised by Sida and the municipalities in question, the final report should be submitted in 10 hardcopies not later than two months after the assignment is completed.

List of Documents

A large number of follow-up studies and evaluations have been carried out in the course of the co-operation programmes. Below are some of the key reports that have been documented:

Report of the Pre-appraisal Mission, report submitted by Thomas Melin, Ann Jännervik and Alfredo Stein, January 1996.

The main recommendations were:

- support to low-cost housing and infrastructure in one or two specified geographical areas;
- support to bridging capital facilities for projects targeting poor families;
- support to South African NGO's within the low-cost housing sector;
- promotion of innovative methods for housing and basic infrastructure.

Medium and Long-term Planning and Environmental Projects, report submitted by the City of Port Elizabeth, October 1996.

The main recommendations were:

- a pilot planning project that will serve as a model for two low-income residential developments and will incorporate environmental concerns;

² NB: Large part of the budget was used for travelling and meetings of the Management Committee

- preparation of a comprehensive development plan for the City of Port Elizabeth, including an environmental policy.

Port Elizabeth Low-income Housing Programme – PELIP, project proposal submitted by the City of Port Elizabeth, May 1988.

The report proposes that:

- communities be organised in groups of 75 to 100 households for the purpose of housing projects;
- a project community would be assisted and supported by a PELIP site team;
- loans would be made available to low-income families to be financed through a revolving housing trust fund;
- the loans will be administered by financial institutions who would become involved in the project as agent banks.

Sector Study and Preparation for Mid-term Review, report submitted by Stig Egnell, Georgina Jaffee and Sue Parnell, April 1998.

It was concluded that the programme components are addressing priority urban needs and remain relevant with regards to scope as well as institutional levels and geographic focus.

Assessment of Future Programme Activities, report submitted by Stig Egnell and Thomas Melin, September 1998.

Thematic widening was proposed for the co-operation with Kimberley and Port Elizabeth. King William's Town was recommended for a possible geographic extension of the programme.

Making the Unbankable Bankable – How can the South African Poor Access Credits through Sida Support?, report submitted by Lotta Sylwander, Norah Walker and Sitembele Mase, October 1999.

The main recommendations were:

- Sida should support groups that are working directly with the poor using methods that are effective in assisting the poor to improve their lives and security of their livelihoods;
- PELIP should concentrate its operations on the micro-credit programme and minimize pilot project activities;
- PELIP should no longer be required to demand self-help and the organisation of groups as a basic principle;
- PELIP should look for better and less costly banking operations;
- PELIP should investigate the possibilities of involving savings in the micro-credit programme.

Appraisal of Proposed Future Co-operation, report submitted by Stig Egnell and Hartmut Schmetzer, October 2002.

The appraisal comprised the future co-operation with Sol Plaatje, Nelson Mandela Metro and Buffalo City.

Review/Appraisal of Partnership Programmes between Sweden and South Africa, final report submitted by Örjan Mohlund and Shelly van der Molen, December 2002.

Among the main recommendations were:

- that poverty alleviation should become the over-arching goal of the partnership.
- that the purpose of the partnership must be seen as a means for the transfer of knowledge and capacity building.
- that partnerships also be encouraged with institutions outside of the municipalities, e.g. in the field of tertiary education and business promotion.
- that a gradual phasing out strategy be proposed for Sida's involvement.

- that a set of indicators be developed to assess performance and achievements and that these become part of the monitoring and evaluation framework.
- that linkages be established with the IDP process and counterpart funding.
- that the proposed exchange visits follow a standard format of briefing and de-briefing routines.
- that the partnership agreement be extended in such a way that no undue delays affect the ongoing programme.

Market Research Report on the Impact of Sida Projects in Sol Plaatje Municipality, draft report submitted by Moedi Research surveys January 2003.

Further References

- Environmental Assessment of the Proposed Phase One Development of Wells Estate, report submitted by Integrated Environmental Management Unit, February 1998.
- Household Environment and Health in Port Elizabeth, South Africa, report published by the Stockholm Environment Institute in collaboration with the South African Medical Research Council, 1999.
- CITE – City Integration, working paper submitted by Metroplan, April 1999.
- A Gender-sensitive Survey of Perceptions about Lighting in Disadvantaged Communities in Port Elizabeth, report submitted by F.E. Potgieter and M.B. Tokota, UPE, May 1999.
- A baseline Survey of Housing in Port Elizabeth, report submitted by F.E. Potgieter, UPE, May 1999.
- Gender Review of the Sida-supported Urban Development Programme in Port Elizabeth, report submitted by Josette Cole and Prof. Sue Parnell, July 1999.
- The Göteborg – Port Elizabeth Partnership – A case study of a partnership between two unequal parties, MFS study by Emma Ravald and Adiam Tedros, Göteborg University, Autumn 2000.
- Greening the City – Trees for Port Elizabeth, booklet published by Sue Spies and Inge de Beer, PE, March 2001.
- Follow-up of Programme Activities, 5 reports submitted by Stig Egnell between February 2000 and April 2002.

Annexe 2: List of People Interviewed

Borlänge Municipality

Peter Hultqvist	Borlänge, Mayor
Steve Johnson	Borlänge, Partnership Coordinator
Unni Öman	Borlänge School Cooperation

Buffalo City Municipality

Tor Eriksson	Sida, Urban Advisor
Devan Govender	Director, Housing
Peter King	Director, Social Services
Richard Rooy	Development Director, Buffalo Flats Community Development Trust
Craig Sam	Head, Development Planning
Tom Wanklin	Wanklin & Associates
Shirley Fergus	Manager, Integrated Environmental and Sustainable Development Unit
Councillor Ntoni	Member, Environmental standing committee
Riana Pretorius	Manager: Mdantsane Urban Renewal Programme
Hans Schluter	Programme manager City Planning
Albie Kotzee	Branch head, LUMS
Vivien Aldag	Management Development Programme co-ordinator

Falun Municipality

Jan Malmberg	Falun, Economic Director
Krister Vidén	Falun, former Technical Director

Gävle Municipality

Mats Ågren	Gävle, Mayor
David Eldroth	Gävle, Technical Director
Christer Kjöorneberg	Gävle, Swedesurvey
Laila Nordfors	Gävle, International Secretary
Anna Uppman	Gävle, Information Director

Göteborg Municipality

Hans Ander	Göteborg, Head of City Planning
Kaj Andersson	Director Recycling Office
Ann Ekdahl	Children's Librarian
Kjell-Ove Eskilsson	Former Director, City Planning, Göteborg
Martin Fritz	University Göteborg, former Vice-Chancellor
Cathrine Gillo	University Göteborg, Student Counsellor

Lars Hansson	Göteborg (Now Sweco), Traffic Planner
Lennart Olausson	Göteborg, Director Business Region
Sture Perfjell	Göteborg Business Region, Coordinator
Lisa Sundell	Göteborg, AG 21 Coordinator

Nelson Mandela Metropolitan Municipality

Gustaf Asplund	Urban Advisor
Hester Botha	Coordinator, International Relations, Deputy Mayor's Office
Joseph Buyando	Manager, Ubutyebi Trust
Karlien De Klerk	Libraries, Recreation & Culture
Clive Felix	Director, Urban Services Group
Yolande Farrow	Libraries, Recreation & Culture
Henning Hansen	Long Term Advisor, Motherwell Urban Renewal Programme
Councillor Mike Kwenaita	Chairperson: Economic Development, Tourism and Agriculture
Malcolm Langson	Business Unit Manager, Housing & Land
Dawn McCarthy	Head of Planning
George Mandis	Former Strategic Coordinator, NMMM
Dr Paul Martin	Business Unit Manager (Environmental Services)
Roger Matlock	Director, Delta Foundation
Andre Mynhardt	Mandela Bay Tourism Agency
Derrick Ndika	Chair, Ubutyebi Trust
Niels Palmvang	Consultant, Motherwell Urban Renewal Programme
Greg Pryce-Lewis	Integrated Public Transport Plan
Walter Shaidi	Programme Manager, Motherwell Urban Renewal Programme
Councillor Nancy Sihlwayi	Chairperson: Housing
Olov Tyrstrup	Long Term Consultant
Councillor Charmaine Williams	Chairperson: Recreational & Cultural Services

SALA IDA

Paul Dixelius	SALA IDA
Andrea Carlbom	SALA IDA

Sida

Agneta Danielsson	Sida
Thomas Melin	Sida, former Urban Advisor
Tomas Nyström	Sida
Helen Nordenson	Sida
Hartmut Schmetzer	Sida, former Urban Advisor

Others

Björn Bengtson	SIPU International
Gabriel Marin	SIPU International, former Urban Advisor
Stig Egnell	Short term consultant
Carl-Johan Engström	Short term consultant
Susanne Ingo	Short term consultant
Sixten Larsson	Short term consultant
Örjan Mohlund	Long term consultant
Gösta Oscarsson	Long term consultant

Sol Plaatje Municipality

Peter Engström	Long Term Advisor, GURP
Councillor Patrick Lenyibi	Executive Mayor
Marius Stols	IDP Manager
Marlene Viljoen	CBD Manager
Councillor Agnes Nthlangula	Chair, Health Services
Johan Schoeman	Housing Department Manager
Les O' Connell	City Engineer
Mariette Jordaan	Head, Building Services

Development Cooperation Agencies

Francois Menguele	Human Settlements and Governance Advisor, GTZ
Jon Mitchell	Local Economic Development Project Officer, European Union
Julia du Pisani	Local Government Project Officer, European Union
Charles Reeve	Water and Sanitation Project Officer, European Union

Department of Provincial & Local Government

Bernadette Leon	Chief Director, Monitoring & Evaluation: Urban Renewal Programme
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Annexe 3: Capacity Definitions

Defining Capacity and Capacity Building

Municipal capacity is always relative to its particular circumstances, and the current state of democracy and development in a municipal area. These circumstances define the capacity it requires to achieve its objectives as outlined in the legislation.

To do this, municipalities must ensure that they understand their capacity potentials and constraints at the individual and the institutional level, and that they are aware of environmental factors that may impact on performance.

Individual capacity is a person's potential and competence, or lack thereof, and can be determined by measuring their specific technical and generic skills, knowledge, attitudes and behaviour and values.

Institutional capacity is a measure of the organisation's potential and competence, or lack thereof. Measures of institutional capacity would include human resource [collective individual capacities], strategic leadership, organisational purpose, orientation, institutional memory, internal confidence, partnerships, inter-governmental relations, powers and functions, resources and support systems, infrastructure and financial abilities, structures, processes, culture, and by-laws.

Beyond, or outside of municipal structures are situations or conditions over which the institution has little or no control, but which impact directly on the institution's ability to function effectively. These elements determine the municipality's environmental capacity, and include the socio-economic [e.g. tax base], demographic composition, political, legislative, social capital within communities, ecological, geographical, non-municipal infrastructure, natural, mineral and environmental aspects and non-municipal resources.¹

In the broadest sense, capacity building can be described as all the interventions required to address the gap between the capacity a municipality already has and the capacity it requires to efficiently, effectively and sustainably achieve its objectives.² Therefore, any programme seeking to build capacity should explicitly state whether it is focused at individual or institutional level, or whether it is seeking to impact on environmental elements.

What is Successful Capacity Building?

The success of any capacity building intervention should be measured by the extent to which it contributes, directly or indirectly, to the sustained improved performance of the institution. Capacity building in municipalities should therefore contribute to enabling municipalities to fulfil their constitutional duties, and to perform their powers and functions, as developmental local government entities. A well-designed municipal capacity building programme should take into account the following requirements:

¹ DPLG, *National Capacity Building Framework, Draft 1.7*, pg 8

² DPLG, *National Capacity Building Framework, Draft 1.7*, pg 24

Required Outcomes Link to Objectives and Targets

It is important that capacity building initiatives are directed at improved performance and achievement of the institution's objectives and targets. In the case of municipalities, legislative requirements provide a clear framework and the IDP, for example, provides a set of specific vehicles or projects against which to structure capacity building interventions.

Measurable Indicators

Capacity building programmes generally have a broad idea about what they should achieve. More difficult, always, is determining the specific, measurable indicators of success. However, if the effort is made to build these indicators into the initial design, the process of monitoring and evaluating impact becomes far easier.

A common barrier is gathering information on the base-line against which a programme can measure its impact. These measures can be determined at a number of levels:

- strategic – at the level of organisation policy and macro objectives
- operational – at the level of the objectives and output of individual departments or projects
- individual – at the level of individual staff members

The DPLG National Capacity Building Framework provides a range of illustrative indicators which are useful starting points. For example, when trying to determine the institutional capacity, the following information could be gathered to form a base line:

- % of staff with more than three years experience in local government, or % of staff with professional qualifications (NQF defined)
- Ratio of capital budget to operating budget (excluding grants or transfers to capital or operating budgets)
- % backlog in assets and equipment needed to perform a specific municipal function
- Per capita expenditure per municipal function
- Staff/population ratio per municipal function

Sustainability

The outcomes of any intervention should be sustainable. Sustainability means that the outcomes continue beyond the life of the project. This means the processes to achieve these outcomes should be deeply embedded in the organisation, and achieving the outcomes should not depend on the presence of specific individuals. Some simple principles to ensure sustainability are:

- Knowledge transfer beyond single individuals;
- The process of knowledge transfer incorporated into standard induction, job transfer procedures, and general training strategy implementation;
- Reliable, efficient and user friendly systems of information storage and retrieval.

Sufficient Time Built in for Capacity Transfer

Sustainable capacity building takes time. This means there is a significant difference in the cost of providing direct technical assistance to produce a defined product, and the process of building the capacity of other people to produce the same product. In addition, there are hidden costs to the institution – projects will take longer to complete, people may not always be able to fulfil their total complement of tasks and other arrangements will have to be made, and managers may be required to spend time and energy on supporting and encouraging their staff.

Editing Out Dependency

A common element of capacity building interventions is the tendency for experts to ‘fill the gaps’, by shouldering responsibilities and undertaking work that is not being done. This approach creates dependency, particularly in organisations where staff are stretched, where posts are vacant or where incumbents have few of the required competencies for their jobs.

Therefore, all experts or people providing technical assistance have to adopt an approach that is constantly conscious of the sustainability requirement, and remains within the parameters of sharing knowledge, enabling learning, and facilitating their counterparts doing the work.

A Conscious Close-out Strategy

No capacity building process is flawless, and generally dependencies do develop. However, if everyone is aware of this and there is a conscious strategy to phase out assistance, and hand back tasks that may have been taken on by the consultant/advisor, then the shock to the individuals and the organisation will be far less.

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