



**DRAFT**

**BACKGROUND RESEARCH PAPER  
ON THE  
STATUS OF LOCAL ECONOMIC DEVELOPMENT (LED) IN NAMIBIA**

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## **Acronyms**

AIDS	-	Acquired Immune Deficiency Syndrome
CBO	-	Community-based Organization
CDC	-	Constituency Development Committees
GRN	-	Government of Republic of Namibia
GTZ	-	Deutsche Gessellschaft fur Technissche Zusammemarbeit
HIV	-	Human Immune-deficiency Virus
HIVOS	-	Humanist Institute ...
JCC	-	Joint Consultative Committee
KRA	-	Key Results Area
LA	-	Local Authority
LADC	-	Local Authority Development Committee
LED	-	Local Economic Development
LEED	-	Local Economic and Employment Development
MRLGHRD	-	Ministry of Regional & Local Government, Housing & Rural Dev.
MTI	-	Ministry of Trade and Industry
NCR	-	North Central Region
NDC	-	Namibia Development Corporation
NDP	-	National Development Plan
NGO	-	Non-governmental Organization
NPRAP	-	National Poverty Reduction Action Plan
PACA	-	Participatory Appraisal of Competitive Advantage
PPP	-	Public Private Partnership
PRS	-	Poverty Reduction Strategy
RDCC	-	Regional Development Coordinating Committee
RSA	-	Republic of South Africa
SBCGT	-	Small Business Credit Guarantee Trust
SDPP	-	Service Delivery Promotion Programme
SME	-	Small and medium-size Enterprise
TNDP	-	Transitional National Development Plan
VDC	-	Village Development Committees

## **1. Introduction**

- 1.1 The Association of Local Authorities in Namibia (ALAN) was granted financial support by the International Bank of Reconstruction and Development to prepare a funding proposal to the Cities Alliance for promoting participatory and inclusive Cities Development Strategies in selected municipalities in Namibia.
- 1.2 This document has been prepared to provide background information for the workshop that will develop the framework for the CDS-LED concept proposal.
- 1.3 The Background Research Paper highlights the legal and regulatory framework that provides the overall context for local economic development in Namibia. The legal and regulatory framework also covers context issues related to urban governance, decentralization and poverty reduction. A significant section is dedicated to the status of and support to local economic development. The Research Paper is concluded with sections that summarize results and lessons from previous efforts to enhance stakeholder involvement, previous capacity building efforts and options for long-term planning within the context of local economic development.

## **2. Legal and regulatory framework**

### 2.1 Urban governance

- 2.1.1 Beyond the constitutional provisions adopted in 1990, the Namibian government as mandated by the Namibian Constitution has enacted a number of laws governing the operations and functioning of the sub-national governments in 1992. The laws describes below have since been amendment a few times.
  - *Local Authorities Act 23 of 1992* – the act establishes local government in accordance with Article 102 of the Namibian Constitution, and elaborates the various types of local authority councils, various mandates and functions as well as the menu of services to be rendered by such local authority councils.
  - *Regional Council's Act 22 of 1992* – the act establishes regional councils in respect of regions determined in accordance with Article 103 of the Namibian Constitution; to provide for the election by regional councils of members of the National Council; and to define the rights, powers, duties and functions of such regional councils; and to provide for incidental matters.
- 2.1.2 *Decision-making, Policies and Implementation:* The importance of regional councils in terms of local level participation in decision-making may not be obvious when one considers them to be regional governmental structures. But the Regional Council's Act gives the responsibility of the establishing urban settlements (*the first phase of a local authority*) to Regional Council. Also, Regional Councils are mandated through the Act and the regional instruments for facilitating development such as the Regional Development Plans and other programmatic interventions to develop local level service infrastructure<sup>1</sup> and even to facilitate social development projects at constituency level. The consultative structures and processes provided for within the regional governmental

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<sup>1</sup> This in the past was achieved primarily through unlocking central government resources for service infrastructure development in Town Council, Village Councils and Settlements.

arrangements are therefore important instruments for effecting citizen participation in decision-making around implementation at local level. The two Acts also mandate and empower respective levels of government to develop and institute policies, guidelines and regulations for the delivery of services. The Acts are however not prescriptive in terms of ensuring citizen participation in the processes that will develop such instruments as this is left to the respective sub-national government.

2.1.3 **Civil Society/GRN Partnership** - Parallel to the evolution of the legal and regulatory framework that shaped the present day sub-national government, and thereby the conditions that dictate the terms for citizen participation, organized civil society has been lobbying government for a proactive partnership in social development. This call for partnership has resulted in successive national development plans recognizing the important partnership role of civil society, with National Development Plan II (NDP2) dedicating a specific chapter on that partnership and leading to the development of an important cornerstone of citizen participation through representative civil society organizations.

- **NGO-Civil Society and GRN Partnership Policy** – while not equating the participation of organized civil society with greater citizen participation, significant strides were made by the civil society organization in Namibia to advocate for a proactive partnership with the government. This advocacy commenced during the TNDP period and resulted ultimately in NDP2 dedicating a particular Chapter on Civil Society Organizations with specific recommendations for the development of a partnership policy that recognizes the role of civil society in the development agenda.
- **Civil Society/GRN Partnership at sub-national levels:** This central government policy will however need to find its way to sub-national government level if it has to impact on local level citizen's participation in the public affairs at local and regional level. Notwithstanding the existence of this policy, central government institutions still exercise their prerogative to consult stakeholders.
- **Civil Society thinly spread at sub-national levels:** While there are many opportunities for meaningful partnership at sub-national levels, organized civil society remains thinly spread throughout the country and especially at local level. At sub-national level, civil society is dominated by fairly weak and capacity-challenged community-based organizations (CBOs) whose activities tend to focus primarily on “bread and butter” issues. The institutional capacity and sustainability challenges faced by this sector of civil society are not conducive for engaging the sub-national government effectively on policy-making, strategy development and implementation.

## 2.2 Decentralization

2.2.1 The Namibian government also adopted the Decentralization Policy in 1997 that eventually led to the enactment of the Decentralization Enabling Act of 2000. It is only within the framework of the decentralization policy that central government becomes prescriptive in terms of enhancing citizen participation in the decision-making, planning and implementation of government programmes.

- **Decentralization Policy of 1997** – provides for a general regulatory framework under which the decentralization of central government functions and

mandates to sub-national government is to be effected. The policy articulates various types of decentralization starting with de-concentration (*own staff of central government decentralized to sub-national levels to perform a function closer to the people they serve – regional extension of a ministry*), delegation (*some of central government functions are allocated to sub-national governments – does not become the full responsibility of the sub-national government in question*), and devolution (*full responsibility and public accountability transferred to the sub-national level*). It further articulates the functions of central government to be decentralized to local authorities and regional councils. More importantly, the policy provides guidelines for the establishment of consultative structures at regional and local levels, i.e. constituency development committees (CDC), the regional development coordinating committee (RDCC), local authority development committee (LADC) and the village development committees (VDC), primarily for the purpose of “*effective regional development planning and coordination*”. The policy also prescribes at length the types of stakeholders to be represented on the committees as well as the specific terms of references as it relates to regional and local level development planning.

- **Decentralization Enabling Act of 2000** - To act provides for and regulates the decentralization of functions vesting in central government line Ministries to Regional Councils and Local Authorities. This act provides the legal framework for the current decentralization process in Namibia.

## **2.3 Local economic development**

2.3.1 Local economic development is currently taking place within the context of existing national policies and acts of parliament (LED White Paper):

- Vision 2030 and the National Development Planning Framework (NDP)
- The Local Authority and Regional Councils Acts.
- The Decentralization Policy and Enabling Act.
- Enterprise Development Programme and the Business Support Services Programme of Ministry of Trade and Industry.
- Local Government Reform Position Paper.
- The Poverty Reduction Strategy and Poverty Reduction Action Plan (NPRAP).
- The Private Sector Development Policy (draft)
- The Government – Civic Organizations Partnership Policy
- The Regional Development and Planning Policy and the Regional Development and Equity Trust Fund Act
- Ordinances and Municipal By-Laws

2.3.2 A more formal policy framework is currently being explored through the “White Paper on LED” development process, which has reached an advance stage. The Ministry of Regional and Local Government, Housing and Rural Development has or is in the process of submitting the draft to Cabinet for approval that will make it a policy. The White Paper on LED apart from providing a guiding framework for local and regional economic development interventions envisages two main instruments for facilitating or supporting LED implementation:

- **LED agency** – as a unit within the MLRGHRD charged with assisting local authorities and regional councils with LED planning, network

development, best-practice sharing, clearing house for piloting LED initiatives, preparation and dissemination of LED models and tools, capacity building and monitoring and evaluation of LED outcomes.

- *LED funding* – linkages envisaged with Development and Equity Trust Fund including augmentation to support local and regional LED initiatives.

## **2.4 Poverty reduction**

2.4.1 **Vision 2030** - Namibia's development vision was further elaborated through the process and eventual adoption of the Vision 2030 that is aimed at transforming Namibia from "a developing lower-middle income country to a developed higher income country by 2030".

2.4.2 **National Development Planning** - Namibia's development planning has since 1990 been cognizant of the need to undertake deliberate and biased programmatic efforts to address general poverty and related challenges. As such successive national development plans have identified the development priorities for the Namibian government as it relates to poverty reduction, reduction in income inequalities, creation of more employment opportunities, sustenance of economic growth, reduction in regional inequalities, the promotion of gender equality and equity, the promotion of economic empowerment, the combating of the spread of HIV/AIDS and the enhancement of environmental and ecological sustainability. The NDP2 elaborates and dedicates specific chapters to most of the MDG areas such as HIV/AIDS, Poverty Reduction, Health and Sanitation, Gender and Development, Environmental and Sustainable Resource Management, etc. The NDP3 focuses on poverty through the key result area (KRA) 5 – Quality of Life, with three goals that targeting "affordable and quality health care, reduced spread of HIV/AIDS and its effects, and eradication of extreme poverty and hunger". As the poverty reduction is a crosscutting issue – other key result areas also have goals with envisaged impact on poverty alleviation.

2.4.3 **Poverty Reduction Strategy** - The Namibian government towards the end of the NDP1 in December 1998 adopted an Integrated Poverty Reduction Strategy (PRS) aimed at streamlining government's efforts to deal with poverty reduction through cross-sectoral interventions by various institutions. The PRS focused on three main areas, i.e. fostering more equitable and efficient delivery of public resources, the acceleration of equitable agricultural expansion (looking at food security and other crop development options), and options for non-agricultural economic empowerment with emphasis on informal and self-employment options.

2.4.4 **National Poverty Reduction Action Programme** - Since the adoption of the UN Millennium Declaration in September 2000, the Namibian government realizing that no significant inroads were made in terms of translating the Poverty Reduction Strategy into concerted action mitigating against poverty and therefore formulated the National Poverty Reduction Action Programme (NPRAP) covering the period 2001-2005. The National Poverty Reduction Action Program recognized the importance of participation by people who are living in poverty in the design, delivery and assessment of poverty reduction activities. Thus, special

attention was given to the design of programs and practices that promote participation and broad consultation. The complementary role that non-government and community-based organizations can play alongside government was a special feature of this program as was the contribution of the private sector to poverty reduction.

2.4.5 **National Budget and the Medium-Term Expenditure Framework** - The successive national budgets and more recently the medium-term expenditure frameworks are annual and medium-term financial instruments<sup>2</sup> that translate government's action plans into financial commitments, expressing priorities for government expenditure. It is with these instruments that the Namibian government has been able to indicate what level of financial resources were to be expended on relevant development sectors and sub-sectors covering natural resources, industrial sectors, social sector, infrastructure and institutions.

2.4.6 **Decentralization** - The legal framework for decentralization and the Decentralization Implementation Plan currently spearheaded by the Ministry of Regional and Local Government, Housing and Rural Development gradually empowers local authorities and regional councils to become active partners in addressing local level poverty and social development related matters.

### **3. Status of and Support towards local economic development**

3.1 Intro – needed.

3.2 **LED Activity inclusion in Strategic Planning** – Many local authorities have been undertaking medium-term strategic planning. These processes have identified economic development at local level as priority for many local authorities, laying the foundation for proactive planning to influence the local economy positively. This was particularly important in the light of a limited or dwindling revenue base, above national average unemployment (i.e. +36.7%) experienced in some local authorities and the associated non-payment for services.

3.3 **LED Approaches used in Namibia** - The local authorities in Namibia have mostly used utilized two approaches for arriving at economic development strategies or action. They are:

- **Orthodox LED Approach** – following a typical Strategic Planning process with a preceding situational analysis with an economic development focus, a LED planning workshop and the subsequent drafting and implementation of the Plan by the specific local authority, i.e. LED Officer or Economic Development division charged with implementation.
- **PACA LED Approach** – as indicated earlier is a rapid appraisal of constraints and bottlenecks to economic development, the design of economic development proposals that are to be championed by the entrepreneurs and community members towards their successful implementation.

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<sup>2</sup> The Ministry of Finance tabled two medium-term expenditure frameworks covering the periods 2001/2-2004/5 and 2005/6 – 2007/8 respectively.

- 3.4 **LED Strategies** – Only 5 local authorities can claim to have LED strategy in place that followed the due consultative process for arriving at strategies for economic development at local level. Those that followed orthodox LED planning approaches include City of Windhoek, Gobabis Municipality, Ongwediva Town Council, and more recently Luderitz Town Council. The Participatory Appraisal of Competitive Advantage (a Meso-partner developed LED approach) was only piloted in Outapi under the auspices of the SDPP during July – September 2004. This approach has however not been replicated anywhere else in Namibia, while the technical support to Outapi beyond project identification has also been limited, making it difficult to qualify the PACA experiment as having been successfully in Namibia.
- 3.5 **Categories of LED Strategies implemented** - Historically, LED Strategies developed by local authorities in Namibia covered the following broad areas:
- **Business and Industrial land infrastructure** – Many local authorities tend to have challenges related to business and industrial infrastructure, especially in terms of the availability of serviced land as well as business premises ready for occupation.
  - **Tourism Strategies** – Many LED strategies of local authorities have explored the development of their tourism potential. This would involve the improving the attractiveness of a town, improving access to tourist information, the development of specific tourism products and facilitating programmes that will address the hospitality industries performance.
  - **Specific economic sector based interventions** - Usually a local authority would focus on a particular economic sector, e.g. agriculture, mari-culture, etc. that is peculiar to the town and may be construed as the town's competitive or comparative advantage.
  - **Empowerment and SME Development** – Strategies concerning the economic empowerment of the previously disadvantaged Namibians through deliberate contracting and sub-contracting requirements, while specific reference is made towards creating an enabling environment for small business development at local level.
  - **Capacity building for economic development** – With most local authorities not having dedicated human resource capacity for economic development, strategies to realize such capacity as well as to increase the technical competencies of the cadres.
  - **Investment Promotion** – This would involve the devising of strategies for attracting inward investment through promotional efforts that will seek national and international visibility.
  - **Partnership with Business** – This is aimed at establishing formalized platforms of consultation between the local authority and various external stakeholders, especially the business community for purpose of structured dialogue on economic development.

3.6 **Government support** – The following constitute more formal approaches adopted by various government agencies with regard to local economic development in Namibia:

3.6.1 ***Ministry of Regional and Local Government, Housing and Rural Development***

- ***Service Delivery Promotion Program (SDPP)*** - Initiated practical programmatic activities through the Service Delivery Promotion Project, which commenced its activities in 2002. Under the SDPP, LED initiatives involved the training of LED expertise for selected consultants and the support towards the development of LED plans for Ongwediva, Gobabis, and Outapi. Attempts were also made in terms of conceptualizing and formalizing the North Central Regional LED initiative, which was aimed at exploring regional economic development involving the 5 growth centres in 2004, i.e. Ongwediva, Oshakati, Ondangwa, Oshikango and Outapi. More importantly, the Ministry enacted the Local Authorities Act 23 of 1992 making broad reference to the role of local authorities in terms of economic development in the Act.
- ***Training and exchange programmes*** – A number of local authority and line Ministry officials have since 2004 benefited from local, regional and international training opportunities arranged by the Ministry through assistance from GTZ. The training events also included exchange visits to Germany and RSA.
- ***White Paper on LED*** – spearheaded the development of a national policy framework for LED since November 2006. A number of consultative conferences and workshops have since been conducted that eventually consolidated a White Paper on LED.

3.6.2 ***Ministry of Trade and Industry***

- The initiatives that best describe MTI's influence on local level economic development have primarily to do with their development of a SME Policy, support to SMEs for their participation in local and international trade fairs and exhibitions, trade and investment promotion efforts aimed at bringing investment to local authority areas and the establishment of regional MTI Offices. Other MTI initiatives that may have had an impact at local level include addressing the challenge of access to financing for small business, i.e. Small Business Credit Guarantee Trust (SBCGT), Namibia Development Corporation (NDC). Also the Ministry has been able to provide technical support to small business in terms of mentorship arrangements, financial support for feasibility and business plans. A more famous MTI input in terms of local level economic development had to do with an infrastructure development initiative focusing on the setting up of markets, i.e. industrial parks for SMEs in selected local authorities throughout Namibia. However, very little linkage if any existed between these structures and local level economic development strategies by the local authorities.

3.6.3 ***Local Authorities*** - The following is a summary of some prominent LED Examples throughout Namibia:

- ***City of Windhoek (2001 – 2006)*** - Projects Implemented since LED Plan adoption - Incubation Centre, SME Information Centre (partner with JCC,

MTI, etc), Street Trading Regulations, Informal Market Upgrading, Tender Regulations (favouring SME and local contractors), Public Participation Policy, Investment Promotion Activities. Factors that had positive influence in terms of LED implementation include resource availability facilitated above average implementation, integration of planned activities into annual budgeting and planning process ensured implementation, dedicated human resources made implementation easier, and continuous integration into lower levels of planning and work schedules.

- **Gobabis Municipality** – Projects implemented include Tourist and Business Information Centre (*this facility also represents a PPP between the Town Council and local chamber of commerce and industry*), PPP for the removal of solid waste in township and informal settlement areas involving previous disadvantaged groups, just to name a few. Implementation has been hampered by the availability of financial resources.
- **Ongwediva Town Council (2002 Strategic Plan)** – laid the foundation in terms of establishing the organization and technical capacity for economic development. As such an “Economic Development and Tourism” unit was established, which based on an LED Action Plan implemented a number of activities, e.g. consultative forums, establishment of an open market, adoption of incentives for investment, establishment of a Multi-Purpose Centre, and the beautification of town.
- **Keetmanshoop Municipality** - In 2002, Keetmanshoop Municipality also attempted a LED Planning process funded by Friedrich Ebert Stiftung, but was unable to implement the final stages that would have operationalized the LED Strategy. Some projects were implemented, but in the main over a 25+ projects that were identified still remain unimplemented to this day.
- **Outapi Town Council (2004 PACA LED exercise)** – Projects implemented include the establishment of the open markets for the SMEs (*1 open market already finished and fully operational; another one is currently under construction*), rehabilitation of Ombalantu Baobab Tree Heritage Center (*phase one of the project is already completed and the project is up and running*), beautification of Outapi Town (*adopted the policy of the green city, the City of Windhoek has assisted the recreational ground*), Agro show Trade Fair (*currently busy with the formulation of the business plan*), special tender policy for SMEs (*already implemented*), and town signage (*streets are already named, currently busy with entrance and exit features*).
- **Luderitz Town Council** – only finalized its LED Strategy in July 2006.
- **Omaruru Town Council** – Undertook a comprehensive LED Strategy development process during the first half of 2007, which is currently being driven by both private sector and the local authority.

3.6.4 It is important to note that there are local authorities that have been engaging in fairly ad hoc LED-related programmes and activities without assistance from central government or other non-governmental or donor support. Many local

authorities advocated that they played a part in local level economic development through the provision of serviced land for industrial and business purposes. Others are making reference to empowerment initiatives for the formerly disadvantaged Namibians that they supported through municipal procurement of services and goods as their contribution to local economic development.

3.7 **Civil society support** –The formal approaches adopted by a local authority association and a non-governmental organization with regard to local economic development in Namibia:

- ***ALAN LED Policy Framework*** – The Association of Local Authorities in Namibia adopted a LED Policy Framework in March 2000. The LED Policy Framework was intended to equip local authorities with a reference guide to initiative programmes and activities aimed at stimulating their local economy. The Association's efforts beyond the policy framework were constrained primarily by its own internal capacity challenges and outgoing priorities with regard to local economic development.
- ***The Urban Trust of Namibia LED Programme*** – Supported by Ford Foundation and HIVOS and implemented over the period 2002 – 2005 had a key focus on awareness raising and training. Subsequently the Urban Trust of Namibia has been able to provide matching financial and technical support to Ongwediva Town Council and Outapi in terms of formalizing their LED planning initiatives. It has also managed to provide matching support towards LED Strategy development of Luderitz Town Council and is scheduled to assist the Swakopmund Municipality with an LED Strategy early in 2007. The organization also commissioned a LED survey in 2004 that was aimed at assessing local authority approaches to local economic development.

3.8 **Donor support** – A number of donor agencies have supported LED development programmes and activities in Namibia since 2000. The include:

- *Friedrich Ebert Stiftung* – supported LEED Week initiative of the Keetmanshoop Municipality in 2002.
- *Deutsche Gessellschaft fur Technissche Zusammenarbeit (GTZ)* – Supported government initiatives, i.e. of the MRLGHRD on LED since the 2002.
- *Other donors include* – HIVOS that supported the Urban Trust of Namibia's local economic development programme since 2002.

#### **4. Results from previous activities to enhance stakeholder involvement**

4.1 There is unfortunately very little evidence of measurement of impact of previous efforts to enhance stakeholder involvement at various levels of government, especially at local level.

4.2 A number of local authorities in Namibia, most notably the Part 1 Municipalities have made significant efforts in terms of creating platforms and consultative opportunities towards enhancing citizen participation. Where there is evidence of a multitude of platforms and avenues – citizen or stakeholder involvement has had notable impact on the relevance of local authority affairs. However,

stakeholder involvement has been significant only when targeted planning activities such as LED, strategic planning etc have taken place. Only a few local authorities have invested in policy instruments that though not adequate in terms of scope have provided for transparent measures and intentions to increase stakeholder involvement and participation, i.e. Public Participation Policies.

- 4.3 For most of the local authorities, efforts to enhance stakeholder involvement have been minimal and confined to the observance of Council meetings and attendance of poorly organized public meetings.

## **5. Lessons learnt from previous activities to enhance stakeholder involvement**

- 5.1 The following constitutes lessons learnt from activities undertaken by both public and non-state actors in their efforts to enhance stakeholder involvement:

### **5.2 Urban Governance**

5.2.1 *Mandatory processes and procedures* – The general absence of explicit and mandatory processes that promote participation and consultation has hindered effective stakeholder involvement and participation in the local authority affairs. Where there are public participation policies in place – consultative platforms and avenues have generally been inadequate to lead to meaningful participation from stakeholders.

5.2.2 *Existing opportunities for participation* – Local authority inability or “general reluctance” in terms of making effective use of existing avenues created has also had similar impact in terms of stakeholder involvement and participation.

5.2.3 *Local civil society capacity* – Organized civil society presence outside major towns centres remains a mayor challenge in terms of driving advocacy agendas that will influence local level issues effectively.

### **5.3 Local Economic Development**

5.3.1 *Ad hoc LED activities* – Without due and structured process of planning, LED initiatives remain primarily ad hoc and ineffective. LED activities therefore need to part of an integrated planning process that mobilizes and clarifies the roles of different stakeholders.

5.3.2 *Capacity Building initiatives* – Initiatives that raise awareness and creates the needed understanding and knowledge among both the political leadership and administration is essential for LED programme or strategy success.

5.3.3 *Budgetary Support* – Without budgetary support LED planning and even the eventual implementation of strategies becomes a challenge.

5.3.4 *Limited Stakeholder Involvement* – affecting relevance and ownership of strategies, also limiting the scope of activities planned to local authority specific interventions. Even within the Councils, if management is not sufficiently on board in terms of the economic vision articulated in the LED Strategy/Policy then implementation becomes a problem.

5.3.5 **Local champions** – the absence of local champions, i.e. local level stakeholders driving certain activities, especially the economic opportunities, certainly slows down the driving of implementation of interventions.

5.3.6 **Quick wins vs. Long-term impact activities** – the absence of quick wins or activities that show results in the short-term can lead to de-motivation of stakeholders.

#### 5.4 **Decentralization**

5.4.1 **Consultative Processes** - The consultative structures prescribed by the Decentralization Policy to ensure some measure of citizen participation are suffering from ineffectiveness, while non-state actors involved in these structures are capacity-challenged to make meaningful contribution to the relevant development agenda debates.

5.4.2 **Human and institutional capacity** – Many of the local authorities are constrained by human and institutional capacity to proactively become involved in the decentralization of public services and mandates to these levels.

5.4.3 **Fiscal Resources** – Most local authorities are resource stripped and have minimal resources at their disposal to become meaningful participants in the decentralization process and agenda.

#### 5.5 **Poverty Reduction**

5.5.1 **High influx and rising urban poverty** – Rapid urbanization as a result of high influx of people into urban areas is leading to the unprecedented growth in urban populations that are putting a strain on local authority resources. Consequently, there is a rise in urban poverty – as many of the urban centres are not able to cope with the demands put on their service infrastructure – nor are many of the migrants in a position to pay for services rendered.

5.5.2 **Local Authority level poverty reduction initiatives** – disjointed and ad hoc with many of these efforts confined to mayoral support events, and activities of self-help groups in the local authority areas.

### 6. **Previous capacity building interventions**

6.1 With the absence of a formal national policy framework on LED, previous capacity building initiatives in the area of local economic development have been rather limited. The few acknowledge efforts in this regard include the following:

6.2 **Awareness building initiatives** – Breakfast meetings by the Urban Trust of Namibia in the north central region and coastal area were aimed primarily at building awareness among local authority officials and councilors around LED. Presentations on LED were made at such introductory meetings.

6.3 **Training of LA officials and councilors** – Both UTN and GTZ/SDPP organized formal training sessions for officials and councilors in the NCR, coastal and central north region of Otjozondjupa.

- 6.4 **Consulting capacity development** – Training opportunities were organized for selected local consultants on local economic and related training by UTN and GTZ/SDPP.
- 6.5 **Piloting of LED approaches** – While UTN's matching support enabled the piloting of Orthodox LED approaches in Namibia, GTZ supported a PACA pilot in Outapi through the SDPP.

## **7. Options for supporting long-term planning**

- 7.1 The following options need to be considered in regard support towards long-term planning in local economic development.
  - 7.1.1 **Development of local economic development strategies/policies** – The greatest need exist in terms of supporting LED strategy and policy development initiatives of local authorities. There is sufficient subscription towards formal LED approaches, but little knowledge of what it involves in terms of process, structure and resource needs.
  - 7.1.2 **Skills and competency development at local authority level** – While the past few years have seen investment by local authorities in one or the other human capacity to drive local economic development (and tourism in some cases), there is great skills deficit within designated officials for sustaining local economic development facilitation.
  - 7.1.3 **Development of consulting skills pool** – Very few local consultants are vested in LED planning process facilitation limited the available technical human resources at the disposal of local authorities. There is a great need to develop or increase such capacity to streamline support to local authorities as they embark upon LED related interventions to stimulate their local economies.
  - 7.1.4 **Development of tools and guidelines** – The need to develop tools and guidelines that can be used by LED officials for purposes of conducting surveys, planning, etc would be useful to support local authorities.
  - 7.1.5 **Support towards effective national networks** – Networks are important for sharing of knowledge, experiences and best practices as well as for purposes of benchmarking processes and outcomes of LED initiatives.
  - 7.1.6 **Development of economic development related regulatory instruments** – The development of regulatory instruments is generally an expensive process. It is therefore imperative that model policies or regulatory instruments be developed that can be adapted by interested local authorities.

