EMPLOYMENT CREATION IN MUNICIPAL SERVICES DELIVERY IN EASTERN AFRICA
– *Improving living conditions and providing jobs for the poor.*

Adapting, replicating and upscalling pro poor PPP best practices in municipal service delivery.

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Overview of Presentation

- Introduction
- DSM SWM Project (process & Support)
- Achievements and challenges
- Addressing the challenges – ECMSDEA
- Success stories
- New challenges
- Lessons & Way forward
1.0 INTRODUCTION

1.1 Urbanization and urban poverty:

Developing countries rate of urbanization is alarming:

- 1950 one third of world’s population lived in cities
- 2000 half; and by 2050 two thirds of the 6bn people will live in cities.
Currently 1bn people in the world are slum dwellers.

Urbanization in developing countries is without employment and prospective income for decent living.
50-70% of urban cases in Africa are informal without adequate basic services, i.e. water, sanitation, solid waste management, access roads, storm water drainage, etc.

People living there are poor mainly earning a living from informal economy activities where also working conditions are poor.

Of particular interest, solid waste collection is a major concern as is essential for access, drainage and public health.
SWM activities, however, have opportunities for employment creation and enterprise development through waste collection, sorting, and recycling. Decent employment opportunity is an ideal entry into fighting poverty.
Decent work and urban poverty

Decent work is productive work carried out in conditions of human dignity, generates income, with sufficient protection and respect for fundamental rights including in particular, representation and voice.

- Local Governments have so far not managed to confront these challenges. Why?
1.2 Local Government Constraints to reduce Poverty

- The SAPs of 1980s to reduce public spending, reduce external budget debts, limited public sector’s capacity to absorb labor, leading to high unemployment.

- Inappropriate levels of design of infrastructure and services not affordable by the LGAs and communities.

- The rate of urbanization far exceeded capacity to implement development plans.
Non-involvement of the beneficiaries in the project cycle.
Absence of policies, flexibilities, legal framework for the emerging problems of squatter and informal settlements.
Mismanagement of public funds by LGAs and bureaucracy.
In a nutshell, in developing countries hardly do basic services provision manage to get sufficient funding.
Poor urban unplanned settlement area (with scattered waste) and clogged drain in Hanna-Nassif, Kinondoni before waste franchisee operation, during the dry season. The situation was worse during the rainy season. Blocked drains threaten the sustainability of the created infrastructure.
1.3 Options available to LGAs

Some critical issues possible identified include:

- Re-engineer or transform the role of IS for employment creation and income generation for poverty reduction.
- Encourage community participation
- Contain O&M of existing services especially, in the informal settlement where the urban poor live.
Approach urban management and governance by decentralization and devolution of authority to LGAs, CBOs, SMEs, NGOs from central Government – Institutional Reform.

PPPs and Community Participation manifests that endeavour.
1.4 The ILO and PPPs

- The ILO is promoting Public-Private Partnerships (PPPs) to help governments address the twin challenge of creating jobs for the poor while ensuring adequate basic infrastructure and services provision.
- It has worldwide experience researched and documented.
City/Municipal Authorities and the ILO share the long-term objective of contributing to better livelihoods for low income urban poor residents through improved waste management and other urban services delivery, which, in turn, contributes to employment creation, poverty reduction as well as environmental cleanliness.
The ILO Support Interest

- Create Employment opportunities esp. for women & youth
- Decent work – ILO standards
- Social protection (association building)
- Demand-driven
- Better services more jobs
- Contribution to Poverty eradication
- Recognition of informal sector
- Environmental cleanliness
ILO support provided in SWM

- Technical advice and training to stakeholders.
- Awareness of rules and fees
- Linkages between franchisees & recycling industry.
- Promotion of recycling, composting, horticulture (exhibitions).
- Campaigns for safe and healthy working conditions - DW.
1.5 PPPs and Strategic Municipal Service Objectives Framework

Top of framework:

The key objective is urban governance – create a better place in which all may live and creation of sustainable, equitable, environmentally sound development.
The more specific objectives grouped into sectors:

- **economic** – to improve efficiency and generate urban economic growth.
- **financial** – to create capital investment or transfer risk.
- **political** – to represent constituents and maintain power over the allocated resources.
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- **physical/environmental** – to improve the quality of the urban environment.
- **social** – to improve livelihood and create greater equity in service provision and
- **Institutional** – to improve local capacity to manage and govern the municipality/city.
PPP in Context and Scope

- The term PPP is used in various context; however,
- Frequently it implies some form of private investment and transfer of risk to private sector.
- In some countries the stress lies within the concept of Partnership and not the contract or the investment.
In our context emphasis is on broad usage, describing some form of partnership endeavour involving both the public and private sectors BUT NOT EXCLUDING THE INVOLVEMENT OF THE THIRD SECTOR, THE CIVIL SOCIETY i.e. NGOs, CBOs, etc.
Partnership Goals:

- Involve meeting municipal objectives through partnership by
- Locating and linking partnerships in urban governance and management thus leading to
- Contribution to poverty reduction through employment creation, income generation and SMEs development.
1.6 Sound basis for Poverty focussed PPPs

For successful pro-poor partnerships, municipalities need to:

- understand lessons participation, capacity building, integration, variability and diversity, gender marginalization and role of existing service providers.
- **do not** engage private sector without such knowledge.
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disempowered communities, weak NGO sector, uninformed or powerless municipal officials coupled with lack of political will together create an environment difficult for success.

Therefore needs a holistic approach and preferably as part of the PRS.
1.7 Partnership roles and responsibilities

(a) **Basic requirements:**
Must be all inclusive in planning, implementation and management with all stakeholders i.e.

- Individual users or group of users
- Institutions of local Government
- Civil Society organizations like NGOs
- Local political leaders and structure
- External donor agencies
- All these must be involved in the **Action Planning Approach**
(b) Local Politicians

- They understand what is happening in their constituency.
- They represent people at ward level and allocate resources.
- They work with municipal staff in service delivery.
- Mayors sanction councilor-based budget for local government.
Mayors have an overview of the city and have wide powers over resources allocation and influence.

**NB:** Local politicians are important allies and equally may be in position to frustrate action planning programmes if excluded.
(c) Users groups/communities as partners:

- Take stock of existing structures and organization on the ground and building upon then.
- Do not speed the process of community participation by bypassing them. This results in failure and programme can be undermined.
(d) NGOs as partners:
Advantages of NGOs as partners:

- They are intermediaries in negotiation between service providers and government.
- Sometimes they deliver service, i.e. construction of infrastructure.
Sometimes are engaged in advocacy for policy reform i.e. for recognition of marginalized groups.

They are also engaged in promotion of single agenda i.e. Environment.
(e) External Donor Agencies as Partners:

- may bring in finance, technical expertise and other international experiences on best practice.
- key role however: capacity building.
(f) Local Institutions

- Have an institutional home for future planning, research implementation for sustainability.
- It is important for O&M.
- Donors/development agencies ought to look critically at this as project design.
2.0 DSM SWM PROJECT:

2.1 Background

- Started in 1997 as a SWM project component of “Promoting Environmentally Sustainable Urban Development in Tanzania (URT/97/022), a UNDP funded project implemented under the Global SCP DSM (SDP)

- ILO associated agency on employment creation and technical support
2.2 Project Justification

Solid waste problem significant in early 1990s:

- Collection and disposal below 4% resulted into:
  - dirty streets and roads
  - surface and ground water pollution
  - outbreaks of cholera and other related diseases
  - flooding during rainy seasons
  - air pollution due to decaying of wastes
  - Demotion of tourist interest and foreign business
Waste as a health hazard
Pressure from the community resulted into:

- June 1996, DSM City Council (DCC) dissolved and DSM City Commission (DCC) in place to address SWM amongst others
- Establishment of 3 municipalities and a city council: more autonomous, more accountable & responsible.
- Gradual Privatisation & Major in 1998
2.3 The Project Objectives

- To create sustainable employment & income generating activities for CBOs & SMEs in waste collection and recycling,
- To improve cleanliness of the city through increased collection and disposal of solid waste
- To reduce the amount of waste by encouraging reuse and recycling.
2.4 Roles of Stakeholders

- **DCC**: manages waste disposals, coordination and advice to Municipal Councils (MCs)
- **MCs:**
  - supervise, monitor, contracts
  - Collect waste in special places (ie markets)
  - Co-ordination and standardization of collection systems
  - Formulate & implement By-laws, support service providers (franchisees)
- **Franchisees**: implement contracts (provide waste collection services)
- **Service users**: proper storage of waste, pay RCC, abide by schedule, bylaws, report, etc.
2.5 ILO Support provided

- Technical advice and training to stakeholders
- Awareness of rules and fees
- Linkages between franchisees & recycling industry
- Promotion of recycling, composting, horticulture (exhibitions)
- Campaigns for safe and healthy working conditions - DW
2.6 Project Impact

(i) Positive in terms of:
   : Municipal finance
   : Waste collected and disposed
(ii) Area covered
(iii) Employment, income and social integration
(iv) Gender
(i) City/Municipal Finance

- Cost-savings
  - on primary waste collection
- Revenue gains from;
  - dumping fee payments
  - hiring-out trucks for secondary transport
  - annual business license fees, VAT/taxes
- Cost-increases
  - higher demands on more supervisory staff
  - investment in transfer points

*On balance: improved cost-effectiveness*
(ii) Increased Waste collection & disposal

- Increase from 4% in 1990’s to 40% in 2001
- Private sector collecting more than 50% of the waste
- City is cleaner than before attracting more tourists in the industry
- Improved waste collection and disposal system
- Demand of ILO support from other municipalities in Tanzania, Kenya and Uganda
Collection services available in
1992: 5 wards
1996: 24 wards
2002: 44 wards
2003: 48 wards

Out of 73 wards of Dar es Salaam city

Street cleaning on all major roads
Many unplanned areas now provided with services
New recycling sector emerging
(iv) Employment, income and social integration.

- More than 2000 jobs created 60% being women
- 52 SMEs, CBOs have contracts with MCs to provide services hence creating employment
- Child labor eliminated in areas served
- Association of solid waste service providers formed for collective bargain.
- Recycling and composting initiatives for income generation in place
(v) Gender

- More women groups and enterprises emerging and involved in waste collection activities
3.0 Achievements and Challenges

- Employment conditions poor (ILO, 2003)- Most labour is casual; Poor health and safety conditions
- Poor community participation (fee payment low)
- Unplanned settlements don’t have strong & capable franchisees.
- Lack of investment opportunities.
challenges ----

- Environmental law then not in place
- Lack of acceptable location of landfill and transfer points (NIMBY)
- Non availability of appropriate gear for hot climate
- Inefficiency of secondary collection due to the high costs involved on transportation
- Handling of hazardous waste found in community small backyard industries, etc
Challenges------

- Weaknesses in regulatory, procurement, M&E systems of the municipalities
- Fluctuating political support
4.0 Addressing the challenges

The DSM SWM project created conducive environment that attracted the justification of the new programme

“Employment creation in Municipal Service Delivery in East Africa – improving living conditions and providing jobs for the poor

Objective: Increased involvement of SMEs in the delivery of urban environmental services in 15 municipalities in East Africa for improving SWM and other urban services whilst creating more and better jobs (12 in Tanzania, 2 in Kenya, 1 in Uganda)
Programme launching with the then City Director and Deputy Minister Local Govt.
Became operational in January 2004 to cover Tanzania, Kenya and Uganda

Focus initially on SWM.

Later extend to cover other services like community infrastructure upgrading works, roads improvement and maintenance, water supply, sanitation, urban open spaces improvement and management, with focus in the informal economy.
The direct beneficiaries are:
- Urban poor women, men and children living in low income urban areas (many of them un(der)-employed in the informal economy)
- Community based and micro enterprises whose capacity will be strengthened to run operate waste collection business successfully.
- Local residents from who waste is collected.
Beneficiaries-----

Municipal and local government officials, local training institutions and political leaders whose capacity will be strengthened to support the service delivery and the Informal economy.
Programme collaborating Institution(s) partners

- MoLG in Kenya, Tanzania and Uganda
- City and Municipal authorities
- Representative organizations of the poor (e.g. service provider's Trade Unions)
- Service providers, e.g. NGOs, CBOs, CBEs, MSEs)
- Training institutions – DIT, (Tanzania); Egerton University, (Kenya); Makerere (Uganda)
Programme Approach

1. Capacity strengthening of municipal authorities and waste collectors, through awareness raising, training, network and organisation development

2. Technical advice on enabling systems for small enterprise based service delivery including pro-poor contracting, revenue collection and monitoring and evaluation
Support to broad policy development on issues related to poverty reduction, service delivery and employment creation through advice and knowledge development and dissemination
What is involved in SWM?

The private and informal sector do SWM as a Business (gradual). How?

- Sell waste collection services
- Sell waste (recyclable & reusable materials)
- Sell items made out of solid waste (hand-made products)
- Expand/extend to other activities in envir. sector
- All have been demonstrated with great success (with technical support from the ILO) – to be Demand Driven
The ILO Technical Support provided

- Provision of advice, tech & business training to stakeholders (service providers & municipal authorities)
- Facilitate community awareness, collaboration, sensitisation campaigns for waste fee (RCC) payment
- Facilitate business linkages between the MSEs & recycling industries.
- Provision of campaigns, to assure safe and healthy working conditions and promote social protection to workers.
Support provided----

- Advice on improvement of service delivery systems & support on IE:
  - Pro-poor procurement systems
  - M&E systems
  - By laws
  - Informal economy support
- Facilitate formation of service providers associations for collective bargain
Support provided----

- Direct assistance for developing products from recovered materials, example, containers and sculptures from paper mache, mats, ropes bags and hats from plastics.
- Regional and International Study Tours for the purpose of learning from others
Products from recovered marterials
Informal Economy Aspects

1. Representation and voice
   - Association building & strengthening
   - Formal recognition and partnerships

2. Governance
   - Municipal capacity building
   - Procurement
   - Regulation (by-laws)
   - Monitoring and enforcement
I E aspects cont..

3. Productivity and market scope enhancement
   - SME training
   - Formal partnerships

4. Addressing vulnerabilities
   - Supporting loan and social security facilities
   - Improving health and safety
   - Creating employment for youth and women
   - Eliminating child labour
I E aspects cont..

5. Macro level policy
   ● Strengthening networks / information sharing
   ● Awareness raising
   ● Collecting evidence base for pro-poor PPPs
Knowledge sharing Process

- Development of Training materials, guidelines etc
  - Small enterprise training
  - Local employment in the informal economy guidelines
  - Studies/documentation
  - Guidelines on pro-poor PPP environment

- Urban Forum

- National and sub-regional networks (PORALG, ALAT, UNIDO, UN-Habitat, CWG, PPPUE) regular meetings
Impact assessment- Process

Previous studies:
- Impact assessment (2001)
- Independent evaluation (2001)
- Working conditions study (2003-baseline)

Monitoring & Evaluation System developed (participatory development of Indicators & tools with stakeholders)

Baseline study (2004)

Impact studies to be conducted later 2006

Good practices documentation
Support from Knowledge Sharing Project

- Capacity building/advice on:
  - M&E
  - Publicity
  - Documentation

- Knowledge sharing beyond region and project life
TRAINING MATERIALS

- SWM training with a business perspective
- Focus on SWM as Business
- Tanzania versions ready and in use
- versions for Kenya and Uganda also completed
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- Informal Economy training guide
- Start Your Waste Collection Business
- « Better Services & More Jobs » training
- Format for information gathering to assessing potentials for PPP’s
- Pro poor procurement guidelines under development (Community contracting guidelines)
Major Achievements

Replicability:
The SWM DSM project (1997-2003) ensured that the process of privatisation did not cause loss of livelihoods. This project started very small, in 1997, but turned out to be a major player and a global reference. SWM activity is in 2004 still structured as a public-private partnership, it is community-based and
demand-driven activity replicated in more municipalities in Tanzania, Kenya, Uganda and now Somaliland and Puntland municipalities.

- “Not a stand alone”
  The programme now working with UN-habitat in Somalia, Cities Alliance DSM, CIUP under World Bank in DSM
Other major achievement of the programme.

- Contribution to poverty alleviation by increasing incomes and improving living conditions for the urban poor women and men and youths.
- By December 2004, 90 CBOs, SMEs, NGOs engaged in SWM activities providing jobs to more that 4,000 poor men and women in 7 municipalities of Tanzania (from Baseline & M&E results)
- Cleaner environment- waste collection & disposal improved to >46% in 2004 in DSM, from 28% in 2003 to 47% in 2004 for Mwanza City,
continue…

- Associations for service providers established in 6 municipalities for collective bargaining. Resulted into extension of contracting period for two municipalities (Kinondoni & Mwanza) and change to better contractual conditions.

- SMEs are gradually involving women in leadership positions more women groups are established to engage in service provision activities
Emerging of companies owned by females being involved in SWM activities,
More than 70 SMEs, CBOs have been training to efficiently manage SWM activities, including re-use, recycling and composting initiatives for more income.
ISWM and Entrepreneurship training materials developed for Tanzania, Kenya and Uganda
Capacity built for local institutionsology ) for sustainability of the training component
M&E systems for 9 municipalities have been strengthened to monitor and assess poverty related indicators in SWM activities
5.0 Some Success Quotes

“I am very thankful to SWAMECO (Women CBE doing waste collection) for employing me. I dropped out of school because my mother did not afford. Now I am supporting her with the Tsh 45,000/= I get on monthly basis from this job since 2001” (Juma - 22yrs in DSM)

“I was jobless, used to sit at jobless point and took weed (marijuana, cocaine or drugs). I had绝望ed with no future. We were mobilized in 2001 to collect waste. We started earning money and I stopped completely to take the weed” (Idi – 32yrs in DSM).
More…

“I was retrenched from my formal job as a clerk with the NHC. I with other women tried to do many things but found them not viable. We started waste collection with little capital. It was also not viable and we were about to despair. But ILO saved us by training and encouragement. Now we own a tractor and several tools and have our contract extended to 3 years to 2007.” (Ms Mwana – 54yrs Chairperson of KIWODET CBO in DSM)
More QUOTES----

“"I can not believe that I have raised my daughter with money from waste since she was in primary school, now she has been selected to join the Higher level education” (Halima – 46yrs- KIWODET in DSM)

“I ran away from home in Mtwara after messing up, and came to DSM in 1993. I longed very much to go back home but did not afford the fare. Thanks to WAMKUTU. By being a member and collecting waste, I was able to go back home in March 2004 after 11 years. It was all celebrations as I was like the lost child in the Bible” (Mtereka – 32yrs - WAMKUTU)
“I don’t think I wish to do any other job than this, sweeping the roads and surrounding is our tradition and I am happy to do it, as not only do I keep the surrounding clean but I am also earning some income to sustain my grand children which I am taking care of at home” November 2004 (Hilda a 65 year old woman – HIMAJA group in Mwanza)
More Quotes

“We are getting more money and several orders for items made out of waste including bags, hats, animal sculptures, etc. Our major customers are white people” (several SMEs/NGOs)

“We have an order of 1400 tons of compost and we are working hard to fulfil it and this is just the beginning. Waste is going to be our saviour from poverty” (Ilamazig CBO group members of Iringa- March 2005)
More quotes---

“Waste stings with money, I am now happy at home, I don’t quarrel with my husband any more because I can afford to buy him drinks at the end of the day—(Joyce of KIWODET narrating to the DSM ILO Director, Mr. A. Ibrahim 2003)
“We worked with a one year contract since 1999 now through our association of Franchisees which was formed with facilitation from ILO we have been able to bargain with the municipal authority and given a three year contract 2005-2007 for those who have performed well. We are now guaranteed to get loans and invest in Waste activities” – Mr. Christopher Mgonja, Chairperson Kinondoni Waste contractors Association)
Case Study: CLN.

CLN Ltd is the first company franchisee owned by a lady **Stella Manayanya**. Now there are 3. Uses the ‘taka – pesa’ Waste – cash strategy meaning waste for cash per volume.

“Our customers have accepted our services and the Taka - pesa system is affordable and friendly system to both of us, “customers and the company”. We have enough support from our area leaders and customers. We have good relationship among employers and employees. We have highly motivated and committed staff. We are flexible to continuous improvement towards our services and jobs”.
Case study continue-----

“By 2004 almost all customers were paying the RCC at 94%, but the company has been failing to satisfactorily serve all of them due to insufficient equipment and tools as we were not able to invest due to short duration( one year) of contract. Now with the three year contract beginning 2005, I have a great opportunity and comfortable to invest in the SWM activities. Right now I have been promised with a Tshs 20M loan by the CRDB bank and in the process to secure it” confessed by Ms. Manyanya
The Director and Owner of CLN Ms. Manyanya boasts that, though she is a woman she has performed better than men’s owned enterprises and she can compete in the tough business environment. Her company worn an award on the environmental day on 5th June 2004, as the best performer among 34 SWM service providers in Kinondoni municipality.

The owner is now MP
What they say about the programme

“what we normally term ‘waste’ can be turned into valuable commodities. Garbage should no longer be discarded indiscriminately. They are economic resources” (Hon. Frederick Sumaye Prime Minister URT during launching of UNIDO Recycling and Processing Centre on April 6th 2005)
“We commend the ILO for training those undertaking solid waste collection activities in DSM City, and for contributing towards the establishment of the Recycling and Processing centre…” (Mr. Felix Ugbor, UNIDO Country Representative during launching of UNIDO Recycling and Processing Centre on March 6th 2005)
6.0 New Challenges of programme

- Employment conditions still poor (ILO, 2003)
  - Most labour is casual; Poor health and safety conditions

- Low community participation (including fee payment)- caused by
  - Non enforcement of by- laws at municipal and local level
  - Lack of awareness on environmental health issues

- Weaknesses in regulatory, procurement systems

- Weak political support
New Challenges cont....

- Handling hazardous waste (incl. Electronic and high-tech waste)
- High costs for secondary collection due to economic inflations
- Lack of Appropriate protective gear for hot climate
- Lack of Transparency and accountability systems that work for the poor
Employment is high on political agenda for poverty reduction – demand for more resources
A longer programme time frame is required to enhance confidence to create impact for policy reform
7.0 Lessons learnt and wayfoward

- Privatized waste collection can boost urban employment and can be transformed into decent work under the right conditions.
- The PPP with proper support appears to be the best option.
- It is easier to create employment and generate income in waste sector.
- Waste is free but cost money to manage it,
- Who is to meet the cost and how can she/he be made willing?
More lessons…

- A transparent tender process is vital to prevent allegations of corruption and ensure that the best possible services and employment creation potential are achieved.

- Transparency requires clear rules and fairness in the implementation.
Lessons cont..

- Community-driven development to improve and sustain living conditions can lead to city-wide strategies for sustainable development.
- Up-scaling requires good public-private partnership arrangements built on trust, business principles and legal reinforcement.
- Poverty reduction and social inclusion can be achieved by creating jobs through employment-intensive investments and enterprise-based service delivery.
Way forward

- More time and other resources required for the programme to register impact on the ground. System and behaviour change require time and patience!!

- Need for Municipal programmes to support people working in the informal economy, including youth
Way forward cont…

Requirement for continuation of the support to the private and informal sector participation in pro-poor urban services delivery in more EA municipalities in order: -

- to consolidate what has been already achieved
- to improve the sustainability of the system that has been developed and
Way forward cont…

to have a good and tested model that can be recommended with confidence to other developing cities/municipalities, and finally contribute to a Government Policy

Strong political will vital. Case of Tanzania and July 1st
PAC meeting in progress chaired by PS – Local Govt. Ministry
The programme is contributing to employment and income generation (MDG1)

Improving living conditions for the urban poor women and men (MDG3)

Providing a cleaner environment thru waste collection and disposal (MDG7)

Offering employment and improved living conditions for youth (MDG8)

ALL are embraced in Tanzania’s new PRS (NSGRP) 2005 – 2010.

THANK YOU