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SUPPORTING INFORMAL TRADING PEER LEARNING EXCHANGE

ETHEKWINI – MAPUTO – MBOMBELA MUNICIPALITIES

LEARNING NOTE AND SUMMARY OF DISCUSSIONS

15 MARCH 2013

DURBAN CITY HALL

1. INTRODUCTION

In pursuit of the City's vision of becoming a leading learning City, peer learning initiatives for capacity enhancement for local government practitioners through the Municipal Institute of Learning (MILE) are held based on needs of practitioners on the continent. Each event is hosted by the relevant line departments and supported by the Inter-Governmental Relations Unit.

The eThekweni-Maputo-Mbombela learning exchange on the topic of supporting the informal economy was held on Friday, 15th March 2013, and hosted by eThekweni's Small Business Unit (BSU). This note is a summary of the key discussion points. This document will be used as key output to help structure the future relationship between Maputo and Durban.

2. KEY EXPECTATIONS FROM MAPUTO

- **Managing informal trading spaces in an integrated, holistic manner:** Understanding how to formalise demarcated areas for traders, ensure that trading areas are allocated according to goods sold; city planning and allocation of inner city areas for trading – and ensuring a sense of public space in this process
- **Partnerships and Collaboration with Traders:** Working with Traders Associations as mediators between Council and traders; understanding how to organise informal traders and how the negotiations take place. In addition how to train traders so that minimum health standards are maintained
- **Design and Infrastructure:** How to design and provide basic infrastructure that works for traders and comply with hygiene, health and safety requirements
- **Policy Framework:** How City Council can develop an overall enabling policy framework that will guide the management of informal trade rather than a punitive and prohibitive policy framework. To include in this policy dialogue, the issue of taxes and fees.

3. KEY GENERAL INPUTS

The morning session of the learning exchange was dedicated to having key inputs from selected speakers. A record of the main points is reflected below.

3.1. Overview of eThekweni Municipality, Eric Apelgren, Head, IGR.

Mr Apelgren gave an excellent overview of the eThekweni Municipality, its structure, systems and development programmes. He noted that Maputo and Durban are sister cities and extended an invitation to the Maputo

delegation to consider a more sustained programme of support. It was suggested that this be done in September 2013 and co-ordinated through Ms Bongiwe Mkhize, from the Inter-Governmental Relations Unit. It was agreed that both the Development Planning Units and the eThekweni Transport Authority be included in this exchange.

3.2. Message from the UCLG, Urban Strategic Planning Committee

Ms. Sara Hoeflich, Programme Manager, UCLG, Barcelona explained that the area of informal trade and business support is not the focus of the Urban Strategic Planning Committee. However, it was at the request of Maputo that this area be focussed on, as it is the central priority of the city of Maputo.

She contextualised this event, explaining that a Peer Learning Event organised by the UCLG was held in late 2012 where Porto Alegre in Brazil, eThekweni and Bello Horizonte was invited to share experiences around the informal economy. In addition the City of Barcelona was also seen as a key partner to assist Maputo in developing their city markets. Ms. Hoeflich encouraged the line departments from both cities to work together in a sustained programme.

3.3. Head of Markets, Maputo

Mr. Arnaldo Monteiro, Head of Markets, noted that during the Maputo exchange, the eThekweni experience was seen as very relevant as the context and challenges seemed similar.

4. KEY CONTENT INPUTS

4.1. Overview of Informal Policy: from regulation to management

“ informal trade is here to stay” – Michael Hlangu, BSU.

Michael Hlangu in outlining the broad policy framework noted that informal traders are an important component of the city's economy and must be well managed. He outlined the importance of having a robust enabling policy framework AND set of sub-policies that govern key areas from allocation to impact assessment.

The Maputo delegates found it interesting that the operational costs of the services provided (cleaning, safety, water, ablution, etc.) are not fully recovered from the monthly rates that are paid by the informal traders. The Council actually subsidize this cost of R68 per month for basic stall and R150 for larger stall.

Whilst informal trading is embraced and managed, the point was emphasised that Metro Police are seen as an important partner to regulate trading and ensure that traders who transgress the policy are fined.

A series of support programmes including building informal trader capacity are seen as an important component of eThekweni's approach.

4.2. Responding to the Informal Economy: Supporting emerging and existing businesses

Ms. Khosi Sithole from the SBU noted that it was important to provide skills development to the traders and ensure that ultimately they are seen as entrepreneurs so that they can become big businesses. A change of mind-set from survivalists to entrepreneurs of the traders is something that is focussed on.

The focus of the programme run by the Small Business Unit is to ensure that traders graduate and encourage product diversification. A range of partnerships with organisations such as ENABLIS as well as the corporate sector must be in place that can help support informal traders. More than merely providing training it is important to provide business opportunities to traders. In addition, a series of dialogues are held in order to get feedback from traders to understand their needs and provide solutions to their challenges.

As part of the BSU's capacity building programme, courses are run by the private sector service providers that are paid for by the Council. These are very popular and based on demand and need. Course around business management has been oversubscribed. Specifically designed mentorship programmes are also constructed to ensure that traders are provided with on-going support.

Ms. Sithole also spoke passionately about the role of women in the informal economy and ensuring that women are supported to access business opportunities that have historically been male dominated. She argued that stories of women traders' journey in their path towards becoming entrepreneurs is also very important to share.

4.3. A trader's perspective

Ms. Nomonde Magadla, a trader, explained the importance of traders sitting at the table with government to talk about the challenges being faced by the traders. She noted that the Municipality has been supporting traders by providing a platform for dialogue. In 2011, a Symposium was held where issues such as by-laws were examined and these will be duly changed.

4.4. Public Space and Trade

Ms. Angela Baker, a private architect shared her insights on how informal traders can be incorporated into the urban fabric. She focussed on the KwaMashu Town Centre redevelopment project and in particular the Station Traders Market. The integration of public transport, pedestrian movement and trade was highlighted. Interestingly, the concept is premised on public space first and then locating traders within this public space.

Baker argued that the locational criteria of different types of products are critical. For example, the fruit and vegetable stalls has to be located within good proximity to pedestrians and must have surveillance, cold storage, refuse collection, electricity and public ablutions. Poultry trading as an activity requires lots of foresight around design based on functional requirements – e.g. cage design, shelter, water and food.

Ms. Baker made the case for use of 3D graphics and models are seen as an innovative way of communicating to traders and is seen as important as part of the consultation process.

Numerous lessons have been learned through the iterative process of consultation and redesign. These range from surveillance of products, the quantity of products, visibility and space availability.

5. The Proposed Road Map:

Future Area of support	Actions	Unit	Contact Person	Time Frames
1. Developing an integrated PLAN for managing informal trade				
I. Informal Trade Management Plan to guide optimal location of informal traders	Cooperation between eThekweni Planning and architects to help prepare management plan Ensuring that Transportation Planning considerations are dealt with	Framework Planning / Land Use Planning		
II. Architectural and urban design inputs	Design guidelines to be shared with Maputo	Architecture Unit		
III. Infrastructural considerations	Developing a standard model for trader kiosks	???		

IV. Training and capacity building of vendors	Writing up Terms of Reference for training service providers	BSU		
V. Improving Trader – Council Relations		BSU		

Next Steps:

1. Detailed Site Visit: Monday, 18th March 2013

Shadow visit from Maputo to Durban, BSU to design the content, IGR to support

2. Multi-disciplinary Team from Durban to follow up

3. Agree on name of Project Champions: Thulani Nzama, Business Support Unit and Bongive Mkhize to support

4. Time Frames to be determined