

PARTNERSHIP BETWEEN THE INDUSTRY AND MUNICIPALITIES

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- Types of partnerships
 - Partnerships and the law
 - Sustainability of a partnership
 - Maximizing the impact of a partnership
 - Advantages
 - Selecting a partner
 - Challenges
 - Conclusion
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- Formal Public Private Partnerships – PPP's
- Cross Sector Partnerships – CSP's
- PPP's and CSP's are collaborations between the public and private sectors which are seen by the respective parties as facilitating greater gains.



“The National Treasury legally defines a PPP as a contract between a public sector institution/municipality and a private party, in which the private party assumes substantial financial, technical and operational risk in the design, financing, building and operation of a project”.

The legal requirements for formal PPPs are quite complex and this can seem daunting to municipal, provincial and national functionaries.

A CSP is a less formal collaboration between parties with a mix of common and complementary interests and objectives, in which partners bring complementary resources and skills to reach a set goal.

CSP's typically uses joint decision-making, the addressing of common interests, innovation, use of complementary resources and competencies that could be a more fruitful route than formal PPP's.

- To be sustainable there has to be benefits for both parties.
 - Each party has to weigh up the benefits and make an informed decision.
 - We partner together because we could achieve our goals more efficiently and effectively, through joint action rather than working alone.
 - It will generate innovative ideas and plans and allow both partners to gain a better understanding of each other.
 - It will also lead to skill transfer and possible job creation.
 - We have the power to provide the opportunity to develop and build better infrastructure, meet development goals, provide basic services and encourage local economic development.
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- CSP's have the potential to positively benefit society well beyond short term objectives.
- Lead to improved relationships between the Munic, the community and the private sector.
- Partnerships should address the advancement of BEE.
- Empowerment and skills transfer.
- Should create long term stable jobs.
- Sectors could both learn lessons and increase efficiency.



- A partnership could lead to a beneficial institutional change.
- Institutional change is evident when the public and the private sectors learn lessons from working together and adjust the way they function in response.
- This will increase efficiency.
- Example is HID to LED.
- Smart controls
- Free Wi-Fi



- OEM or Distributor?
 - Company with local support and expertise?
 - Sound management structure?
 - Financially stable?
 - High standards - ISO and SANS?
 - Warranty and commitment?
 - Reliable with proven track record?
 - Shared vision and goal?
 - Partner should assist with information, skills and resources that the municipality may require?
 - Flexible when required?
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- Understanding, interpretation and implementation of the law.
 - Red tape at a private sector partner level.
 - Political support for partnerships.
 - Select the correct partners carefully, manage the partnership and challenges to successfully overcome.
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- Both formal Public Private Partnerships as well as Cross Sector Partnerships carry substantial benefits as well as risks.
- The choice of whether to partner is a vital decision to enable you to improve on service delivery for the future.
- Latest technology enables the municipality to manage and control assets.



Thank you!

