



eThekwini Municipality, South Africa

Smarter Cities Challenge executive summary

Introduction

The eThekwini Municipality was one of 16 cities selected to receive a Smarter Cities Challenge® grant from IBM in 2014 as part of the company's citizenship efforts to build a Smarter Planet®. During a period of three weeks in August of 2014, a team of six IBM experts worked to deliver recommendations on a key challenge identified by Mayor Cllr James Nxumalo, the Executive Committee and the senior leadership team.

The challenge

The Municipality has a well-articulated strategy to develop its economy, in alignment with the national agenda and the KwaZulu-Natal (KZN) provincial agenda. To achieve this strategy, a number of "step changes" have been identified in the Municipality's Integrated Development Plan (IDP) to meet the social, economic and environmental objectives.

The eThekwini Municipality asked IBM to help drive economic development and job creation while addressing four key areas:

Highlights:

- Overall focus on economic development and job creation
 - Recommendations designed to engage citizens, businesses and the entire Municipality
 - Engage youth with technology
 - Increase government transparency
 - Streamline essential business processes
 - Identify, grow and retain local talent
 - Develop a virtual labor market
 - Increase systems integration to drive efficiency and effective decision making
 - Promote eThekwini Municipality as an attractive investment destination of choice
-

-
1. Insufficiently developed entrepreneurial environment
 2. Municipality not sufficiently recognized as an investment destination
 3. Lack of coordinated skills development
 4. Need to maximize port and ocean advantages
-

Findings and recommendations

The eThekweni Municipality has a stated goal of becoming Africa's most caring and livable city by 2030. To reach this goal, the Municipality is taking steps now to balance its social and business development needs. The Municipality exhibits strong strategic planning capabilities as evidenced by the robust Integrated Development Plan, which features 101 programs and 341 projects (see Appendix C). Many of these programs and projects demonstrate clear pockets of excellence.

The Municipality applied for a Smarter Cities Challenge grant to help generate ideas that will spur economic development, create jobs and positively impact the number of employed people, which is 29% of the population, according to the 2011 Census. Additionally, according to the Economic Development and Growth in eThekweni report, published in June 2013, the unemployment rate remains persistently high at 20.6%. This has not dropped below 20% during the last 15 years. A large portion of unemployed people (56%) in eThekweni has been unemployed for a year or more. The IBM team has developed 13 recommendations to help the Municipality accomplish these goals across three broad areas:

1. Fostering creativity and innovation
2. Attracting investment
3. Improving workforce planning and breaking down silos

Fostering creativity and innovation

One of the eThekweni Municipality's greatest resources is its youth. The Municipality should engage these citizens more through technology, tapping into the creativity of young people to foster innovation through sponsored idea-generation sessions, such as "hackathons" and other such catalytic program events.

To elevate citizen engagement, the Municipality should continue to strive for openness and transparency by implementing the open government data (OGD) approach as well as encourage and celebrate excellence and transparency aligned with the Batho Pele¹ principles.

Attracting investment

To attract businesses, the eThekweni Municipality needs to change key processes. To enable businesses to move from "red tape" to "red carpet," the Municipality needs to reduce the time it takes to secure business licenses and land parcels as well as streamline other requirements that cause economic friction, especially among Small, Medium and Micro Enterprises (SMMEs).

Improving workforce planning and breaking down silos

To identify, grow and retain talent, the eThekweni Municipality needs to strengthen the purpose and execution capability of the Municipal Institute of Learning (MILE), increase the organization's advisory capacity and develop centers of excellence to focus on strategic growth sectors that will ensure adequate development of a skills pipeline.

The Municipality should consider creating a virtual labor market, deploying an integrated job portal that builds on the eThekweni Job Board and deploying e-learning systems to support life-long learning that helps close the skills gap.

Finally, the Municipality should move from siloed operational systems to an integrated "system of systems" to achieve efficiencies, reduce operational friction and support effective decision making.

Conclusion

The eThekweni Municipality aspires to be a sustainable destination of choice for living, learning, leisure and investment, with a thriving economy that takes advantage of its intrinsic assets: creative people, natural resources and appealing geography. While the Municipality has many helpful programs in this regard, they tend to focus on individual subsystems rather than consider the Municipality as a whole system.

The current approach makes it difficult to assess how various interdependent systems interact with one another, how these interactions scale and how they affect the governing structures that influence the way the systems operate in their totality. The IBM Smarter Cities Challenge team has therefore used a holistic approach, one that addresses social, environmental and economic spheres with the aim of balancing these factors. This systems-based approach aligns with the concept of sustainable living to which the Municipality aspires.

The impetus for change is clear, and the Municipality is poised for action.

For more information

To learn more, send an email to ccca@us.ibm.com or visit smartercitieschallenge.org

© Copyright IBM Corporation 2014

IBM Corporate Citizenship, New Orchard Road, Armonk, NY 10504

Produced in the United States of America – December 2014

All Rights Reserved

The information in this document is provided "As Is" without any warranty, express or implied, including any warranties of merchantability, fitness for a particular purpose and any warranty or condition of non-infringement.

IBM, the IBM logo, ibm.com, Smarter Cities Challenge and Smarter Cities are trademarks or registered trademarks of International Business Machines Corporation in the United States, other countries, or both. A current list of IBM trademarks is available on the Web at "Copyright and trademark information" at: ibm.com/legal/copytrade.shtml

SmartGridCity is a trademark of Xcel Energy Inc.

Map data ©2014 Google