



EXPANDED PUBLIC WORKS PROGRAMME
Creating opportunities towards human fulfilment

**FOURTH QUARTERLY REPORT
(FOR THE PERIOD 1 JANUARY TO 31 MARCH 2005)**

Financial Year 2004/05

(Containing cumulative data for the period: 1 April 2004 – 31 March 2005)

(Should be read in conjunction with Annexures A – F)

30 June 2005

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1 Introduction

This report covers progress both with programme management issues (such as institution building and capacity building) and data on EPWP projects, as collected from national departments, state-owned enterprises (SOEs) and provinces. The report does not include figures on job creation resulting from infrastructure projects implemented by municipalities using the Municipal Infrastructure Grant), because the reporting system for the Municipal Infrastructure Grant (MIG) is still being tested and the EPWP indicators from municipalities can only be reported by the Department of Provincial and Local Government (dplg) once this system is in place.

This report reflects both the gross and net job opportunities over the twelve-month period for public works programmes (PWP's) which involve the substitution of labour for machines. The gross job opportunities is the total job opportunities created on a project, and the net work opportunities is the gross job opportunities less the opportunities which would have resulted had the same work been done using machine-intensive methods.

2 Monitoring and Evaluation

The monitoring and evaluation framework for the EPWP has been finalised and forms the basis for evaluation studies that are in the process of being commissioned in the financial year 2005/06. The challenge for evaluation studies is to collect meaningful data and information in the most cost-effective way through purposive sampling – given time and cost constraints. The lessons learned will be fed into project planning and implementation cycles, as well as to identify the key issues that need attention in more detailed evaluation studies.

A number of indicators have been identified which will be monitored and measured in all EPWP projects. As was stated in previous quarterly reports, these indicators have been integrated into existing reporting systems of the various sectors. For example, the existing National Treasury monitoring system is being used to monitor EPWP projects funded through the Provincial Infrastructure Grant (PIG), and the EPWP indicators are being included in the single monitoring system which is being established for the Municipal Infrastructure Grant (MIG). It has been agreed with Stats SA that indicators on the EPWP will be included in both the Labour Force Survey (LFS) and the General Household Survey (GHS).

3 Project Data for the Fourth Quarter (2004/05)

An up to date list of projects per sector is attached as Annexure F. Data was received from all the provincial infrastructure departments, from some national infrastructure departments, and from all the national environmental and culture sector departments (coordinated by the Department of Environmental Affairs and Tourism - DEAT). Global figures have been obtained from the national social sector departments.

The economic sector plan has been drawn up and is currently under discussion in the economic sector departments. Some existing economic sector programmes are currently being expanded, and data on these programmes is included in the report.

Although the EPWP Unit in DPW is continuously checking the data received from reporting bodies in an effort to improve the quality of the data for subsequent reporting periods, the data for the fourth quarter should still be viewed and used with circumspection. It is likely that the figures in this report understate the number of work opportunities actually being created on labour-intensive EPWP projects. As mentioned above, detailed reports are not yet available with regard to municipal infrastructure, social sector programmes, and some provincial and municipal programmes in the environmental and cultural sector. In the absence of such detailed reports, the global figures available from these programmes have been omitted from the data provided in Annexure F.

At least 223 400 gross work opportunities (at least 174 800) net work opportunities) were created by the end of the fourth quarter of the financial year 2004/05 (Annexure A). The total wages paid amounted to at least R823m, as against the third quarter figure of R508m.

The additional employment creation through the use of labour-intensive methods varies, depending on the degree of labour-intensity of the production methods used. Due to the complexity of the issue it should be noted that there is no uniform formula that can be applied across the board to calculate net work opportunities. For example, the average increase in employment creation through the use of labour-intensive methods in Gauteng's programme is 10%, whereas the average increase in employment creation on the Gundo Lashu roads programme in Limpopo is 600%.

The fourth quarter sector break-down of the number of work opportunities show that most net work opportunities were created in the infrastructure sector (at least 109 400), with the gross number in this sector being at least 158 000.

In the Environment and Culture Sector at least 30 600 net work opportunities were created in the third quarter. For the fourth quarter this figure stands at almost 58 800. In the Economic Sector there was an increase of almost 2 500

work opportunities since the third quarter and the net figure now is at least 4 600. Detailed project level data for the social sector was only received from one province, namely Mpumalanga. At least 1 600 net work opportunities were created.

The EPWP's goal is to create work opportunities (coupled with training) for a minimum of one million people (at least 40% women, 30% youth and 2% disabled) in South Africa in the first five years of the programme (i.e. by 2009). A break-down of the data for the Fourth Quarterly Report shows that the work opportunities created thus far consist of 38% women, 41% youth and 0.5% people with disabilities.

Most people have been employed as manual workers in the Infrastructure and Environment and Culture Sectors. These manual workers are employed by contractors, who also employ supervisory staff. Depending on the nature of the project, some skilled artisans are also employed.

The average duration of employment on infrastructure projects is approximately four months, and for environment projects the average duration of employment is approximately six months. These employment duration periods are a function of the nature of the work being carried out. However, in some infrastructure programmes, such as the Zibambele routine road maintenance programme in KwaZulu-Natal, the employment is longer-term in nature. In addition, contractors and supervisors are often obtaining longer-term employment through EPWP projects, as they move from project to project.

The geographical location of the projects and the total budget for each project are also provided in Annexure F. The majority of infrastructure projects reported on are in Gauteng, because this province has a programme in place to increase the labour intensity of all of its infrastructure projects. There was an increase in the number of projects reported on for this reporting period. In the third quarter data was received on more than 1 800 projects across the Infrastructure, Environment and Culture and Economic Sectors. This figure now stands at more than 3 400. This improvement in reporting augurs well for the coverage of future quarterly reports.

A consolidated report (i.e. without project-level data) from dplg on the MIG indicates that 100 870 persons were employed up to the end of December 2004. The figures could not be verified, and it was not possible to determine how much of this employment occurred on labour-intensive projects, and these figures have therefore been omitted from the data provided in Annexure F. The dplg has indicated that project-level MIG data for the EPWP would only become available in the financial year 2005/06.

4 Coordination and Institutional Arrangements

As the national coordinating department for the EPWP, DPW's approach to coordination has been one of creating a supportive and enabling framework and environment for the programme to be successfully implemented by government bodies across the Infrastructure, Environment and Culture, Social and Economic Sectors. In order to achieve this, a number of coordinating mechanisms have been established.

The Director-General's (DG's) Steering Committee receive regular reports from the four sectors. This committee is convened by DPW and the following departments and bodies are represented:

- Presidency (PO)
- National Treasury (NT)
- Department of Labour (DOL)
- Department of Social Development (DSD)
- Department of Environmental Affairs & Tourism (DEAT)
- Department of Trade and Industry (DTI)
- Department of Public Enterprises (DPE)
- South African Local Government Association (SALGA)

Sector Coordinating Committees for the Environmental, Social and Infrastructure and Economic sectors have been established to take stock of progress made, discuss common challenges and to ensure that there is a common approach to training and exit strategies across the sectors.

The *EPWP Unit* in DPW is responsible for day-to-day coordination of the EPWP. The Independent Development Trust (IDT) provides support to the EPWP Unit in the form of human resources that have been deployed to assist programme managers.

Even though all provinces have established Provincial EPWP Steering Committees, not all of them function equally effectively at this stage. Some provinces are still finalising provincial EPWP implementation plans that will set provincial targets for projects and job creation.

5 Training

Training is a critical part of the EPWP. According to the Code of Good Practice for Special Public Works Programmes as gazetted by the Department of Labour, it is a requirement of the EPWP that beneficiaries should undergo at least 2 days of training out of every 22 days worked. The Guidelines for the Implementation of Labour-Intensive Infrastructure Projects also require that managers of labour-intensive projects be trained in order to build capacity to manage EPWP projects at the required scale.

There are different training courses and models provided for the target groups in the different sectors.

Infrastructure Sector

The table below illustrates the training earmarked for the target groups in the infrastructure Sector.

Target Group	Training Programme	Output
Contractors and Supervisors	Learnerships	NQF Qualifications
Workers	Life Skills – 3 Unit Standards <ul style="list-style-type: none">• HIV / AIDS• Managing my personal finances• Career Guidance	10 NQF Credits
Some of the Workers	On-the-job Hard Skills Training	NQF Qualifications Improved job performance
Public Service Managers	Manage Labour Intensive Projects NQF 5 / 7	NQF Credits

Most of the contractors and supervisors in the Infrastructure Sector are trained via the Learnership Determination Act as part of the EPWP.

Labour-intensive contractor and supervisor learnership programmes have been put in place by DPW in partnership with the Construction SETA (CETA) and provinces and municipalities. Memoranda of Understanding for 1566 learnerships have been signed to date. There is a demand for an additional 1500 learnerships. Implementation of these learnership projects is progressing steadily.

A Skills Programme for the training of workers has been developed and is paid for by the Department of Labour (DoL). The same course is also available to the other sectors. The course is set up as shown in the table below.

No	Unit Standard	NQF Level	Credits	Unit Standard Duration	Sectors
1.	Apply knowledge of self in order to make a life decision	2	3	2 days	Infrastructure and environmental sector
2.	Investigate work opportunities in order to make a personal career/employment decision	2	2	5 days	Infrastructure and environmental sector
3.	Demonstrate Knowledge of Issues relating to HIV and Aids	1	2	3 days	Infrastructure and environmental sector
5.	Environmental Awareness	1	2	2 days	Environmental Sector

In the Infrastructure Sector, 10 unit standards and NQF 2, 4, 5 and 7 were put in place together with the CETA to support implementation of the EPWP. More than 500 staff members of consulting engineering firms have been trained to date.

Environmental Sector

The Training Subcommittee is currently developing a sector training plan to improve the delivery of training in this sector. This committee will also ensure that courses are properly accredited.

Social Sector

The Social Sector recruits unemployed people and volunteers for participation in Early Childhood Development (ECD) and Home Community Based Care (HCBC) projects. Participants get on-the-job experience, an allowance and training for a period, leading to NQF qualifications and possibly longer-term income opportunities.

The Education Training Development Practice SETA (ETDP SETA) has put in place a learnership programme for NQF levels 1, 3 and 4 for ECD, and 4 500 learners have been on this programme since 2003. The Health and Welfare SETA (HWSETA) has put in place a learnership programme for HCBC workers at NQF levels 2, 3 and 4, as well as a skills programme at level 3. The NQF level 3 programme is currently being piloted in Limpopo with 600 learners, with funding from the Umsobomvu Youth Fund.

Economic Sector

To date, 120 learners are on EPWP venture learnerships with the CETA. The *New Venture Creation Learnerships (NVCL)* will be implemented as a partnership between the participating public body, the relevant SETA, DPW and dti. Learners graduate with an NQF Level 2 qualification with skills in managing a business, a track record of completing projects or delivering services, a credit record with a high street bank and a financial record.

Learners that enter the EPWP venture learnership will be required to commit themselves to the programme for a period of 2 years. Mentors will also be appointed to mentor the learner. Learners will access working capital and necessary funding for equipment through ABSA.

Other Training Initiatives

A task team has been established consisting of the National Department of Education (DOE), DoL and DPW to discuss ways to integrate the Adult Basic Education and Training (ABET) initiatives into EPWP training. A strategy has now been developed for implementation.

6 EPWP Partners

6.1 Involvement of Business and Labour

The Business Trust has committed itself to supporting the EPWP for the coming years through the establishment of a facilitation fund. The R100 million commitment of the Business Trust over the period March 2005 – March 2010, through the Business Trust Expanded Public Works Support Programme will:

- Provide strategic support to the EPWP;
- Provide operational support to provinces, municipalities and state owned enterprises;
- Mobilise and provide operational support to established private sector investors, contractors and SMMEs; and
- Link beneficiaries to training opportunities

The approach will be:

- Support focused: the primary purpose is to support the implementation of the national programme
- Prioritised: priority will be given to those sectors and actions with the greatest impact on the national targets
- Phased: the programme will be implemented in phases with the 1st phase concentrating on the infrastructure sector
- Engaged: directly with public and private stakeholders

- Incentivised: with incentives developed that will encourage the achievement of targets

6.2 IDT

The Independent Development Trust (IDT) is the implementing agency for the DPW's EPWP Maintenance of Public Buildings Programme. The programme objective is to create work and training opportunities for the unemployed to address the artisan shortage in the building industry. The IDT also supports the EPWP through its Social Facilitation Support Unit.

6.3 DBSA

The Development Bank of Southern Africa (DBSA) supports various EPWP initiatives. In the Infrastructure Sector the bank is training municipal officials on the implementation of the EPWP. The DBSA also provided support to the development of the Social Sector Plan. The Bank also supports the development of local government reporting systems for the provision of monitoring data on EPWP projects.

7 Communications

Since the implementation of the EPWP the DPW has embarked on a range of communication initiatives. The following initiatives were undertaken with regard to stakeholders, such as implementers, beneficiaries and the general public:

- Workshops and information sessions with provinces and municipal authorities and officials
- Joint workshops with dplg on the relationship between MIG and the EPWP
- Exhibitions and distribution of brochures at major events, such as conferences
- Media coverage, including one-on-one interviews of top officials by leading newspapers
- Media briefings targeted at journalists
- Advertorials prepared by DPW in conjunction with GCIS
- Radio interviews for top officials, as well as beneficiaries of EPWP
- Advertisements for EPWP branding and awareness

From January to March 2005, the DPW visited every province as part of its road show to create awareness and support for the EPWP at provincial and municipal level, amongst officials, engineers and contractors in the construction industry. An audience of more than 700 municipal managers and councillors was reached. In addition DPW has briefed seven of the nine provincial Executive Councils and all the Provincial Heads of Department (HOD) meetings.

A communications and marketing company has been appointed through GCIS to implement a marketing and communications strategy for the EPWP. As part of

the strategy, media road-shows in all provinces have been arranged from March 2005. The objective of these road-shows is to highlight local level success stories. Local role-players and project beneficiaries will be profiled.

The EPWP website plays an important role in the EPWP communication strategy. Stakeholders and interested parties can access key EPWP documents and there are links to other sites.

8 Summary of Progress per Sector

8.1 Infrastructure Sector

Provincial Infrastructure Grant (PIG)

The PIG is one of government's conditional grants to which specific EPWP conditions are attached. These conditions require that provinces using these grants implement their projects in accordance with the EPWP Guidelines. Between November 2004 and February 2005, the Auditor-General, together with DPW, conducted an interim audit in the provinces to determine the level of compliance to the EPWP conditions in the first year. While overall compliance was relatively low in the first year, it was also determined that the business processes for the EPWP need to be improved so that the auditing process can be more effective in future. DPW is working with the Auditor General, National Treasury and dplg to improve these processes.

Municipal Infrastructure Grant (MIG)

The MIG is another conditional grant to which EPWP conditions are attached. Project level data will only become available when the MIG Management Information System is fully operational.

Housing and the EPWP

An EPWP housing sector plan has been finalized, outlining the way forward for the provincial departments of housing who will be implementing the EPWP as part of their housing delivery. Implementation of the plan will align the infrastructure components of housing projects to the EPWP Guidelines. A task team consisting of the Departments of Housing and Public Works has been established to monitor the progress with the implementation of this plan.

Participation of Transnet

DPW has been engaging with Transnet regarding their participation in the EPWP through their investments in infrastructure. An EPWP policy is being prepared

together with Transnet which will direct all their branches towards using labour-intensive construction methods wherever feasible.

Replication of the KZN Zibambele Programme

One of the key focus areas of the EPWP is the replication of best practice programmes and the Zibambele road maintenance programme of the KwaZulu-Natal Department of Transport has been identified as one such programme. This programme currently provides work for more than 14 000 people who maintain sections of the rural road network across the province. This programme is in the process of being replicated in the Eastern Cape and Mpumalanga.

Mobilisation of Water Boards

DPW is engaging with the water boards to ensure that they also contribute to the EPWP. Training programmes are being conducted with Umgeni Water staff to ensure they are briefed and capacitated to start implementing the EPWP. Engagements to mobilise other water boards will continue into the next financial year.

EPWP and sanitation

Of the basic infrastructure targeted in the EPWP, sanitation has in general been implemented in a somewhat different manner than infrastructure such as roads and storm water. A history of a high degree of community involvement exists in this sector and in order to build on this a somewhat different approach to sanitation delivery under the EPWP is warranted. The Department of Water Affairs and the Labour Job Creation Trust therefore initiated a process to ensure that the contribution of the sanitation sector to the EPWP is maximised. A set of Guidelines on sanitation and job creation to complement the general EPWP Guidelines is being prepared and will be piloted before being mainstreamed under the EPWP.

EPWP Contractor Learnership Programme

DPW and the CETA are working together on building capacity amongst SMME contractors to participate in and contribute to the EPWP. As a result a contractor learnership programme based on the experience of the Gundo Lashu programme in Limpopo has been established as part of the EPWP.

The learnerships involve both practical work experience through carrying out labour-intensive infrastructure projects funded by the provinces and municipalities, and classroom training funded by the CETA. The learners are also provided with mentoring by mentors appointed by DPW, and with access to credit and bridging finance (through ABSA Bank). At the end of the learnerships the contractors and their supervisors graduate with NQF-registered qualifications and with the experience and expertise required to successfully tender for the

labour-intensive projects which will be tendered by the provinces and municipalities on an ongoing basis, in accordance with the EPWP guidelines.

By 31 March 2005 agreements for 1326 learnerships had been signed (see table below). Given the demand for these learnerships, DPW has been engaging with the CETA and the Department of Labour to significantly increase funding for this programme. DPW is planning to increase the total number of such learnerships to be implemented over the first five years of the EPWP to 3000.

PROVINCE	DESCRIPTION	NO OF LEARNER CONTRACTORS AND SUPERVISORS
EC	Oliver Tambo District Municipality	45
EC	Coega Development Corporation	30
EC	Buffalo City	30
EC	Nelson Mandela Metro	60
EC	Chris Hani District Municipality	30
EC	Department of Transport, Roads and Public Works	30
	<i>Subtotal Eastern Cape</i>	<i>225</i>
FS	Department of Transport, Roads and Public Works	90
FS	Mangaung Local Municipality	75
	<i>Subtotal Free State</i>	<i>165</i>
GP	Ekurhuleni Municipality	75
GP	Province Housing	81
GP	Mogale City	12
	<i>Subtotal Gauteng</i>	<i>168</i>
KZN	Ethekwini	72
	<i>Subtotal KwaZulu-Natal</i>	<i>162</i>
LP	Limpopo Public Works	78
LP	Sekhukhune District Municipality	30
	<i>Subtotal Limpopo</i>	<i>78</i>
MP	Mpumalanga Department of Roads & Transport	45
MP	Nkangala District Municipality	144
MP	Emalahleni Local Municipality (Witbank)	30
	<i>Subtotal Mpumalanga</i>	<i>219</i>
NC	Northern Cape Department of Transport, Roads, and Public Works	75
	<i>Subtotal Northern Cape</i>	<i>75</i>
NW	Rustenburg Municipality	60
	<i>Subtotal North West</i>	<i>60</i>
WC	Mossel Bay Municipality	18
WC	Cape Agulhas Municipality	6
WC	George Municipality	18
WC	Overberg District Municipality	6
WC	Department of Public Works Western Cape	60
WC	Klipfontein Corridor Project	66
	<i>Subtotal Western Cape</i>	<i>174</i>
	Total	1326

Of the learners selected to date, 29% are female and 76% are below 35 years of age. All the learners are from previously disadvantaged groups.

8.2 Environmental and Cultural Sector

The environmental and cultural sector consists of the following departments:

- Environmental Affairs and Tourism (DEAT)
- Science and Technology
- Water Affairs and Forestry (DWAF)
- Arts and Culture (DAC)
- Agriculture (NDA)

The sector has clustered its activities into a number of core programmes namely:

- Sustainable Land Based Livelihoods;
- Working for the Coast;
- People and Parks;
- Working for Tourism; and
- Working on Waste.

The sector programmes at a national level have been implemented through 1 281 projects. For the actual expenditure of R643 418 million, a total of 15 944 person-years were achieved, out of which the targeted beneficiaries were 50% youth, 44% women and 1% people with disabilities.

The Environmental and Cultural Sector programmes are well established. The focus in the sector is on how these programmes can be expanded, coordinated, integrated and improved in order to ensure increased employment creation and improved environmental outcomes. In addition, the different departments in the sector have been working on aligning their existing monitoring and evaluation systems to the EPWP requirements to ensure that they are able to report to DPW as a sector. The established Monitoring and Evaluation Subcommittee is in the process of developing an integrated sector reporting system. The Training and Communication Subcommittees are currently in the process of developing a sector training plan and communication strategy, respectively.

8.3 Social Sector

This sector is focusing on the expansion of Home Community Base Care (HCBC) programmes and Early Childhood Development (ECD) programmes. Both of these are highly labour-intensive and provide enormous opportunities for the creation of work opportunities, given the large needs for these services. Under

the leadership of the Department of Social Development (DSD), the Social Sector has produced an EPWP sector plan.

DPW assisted the social sector with the preparation of an EPWP social sector action plan. The purpose of the action plan is to address the delivery challenges and facilitate the acceleration of existing plans in addition to further expanding the programme in line with the commitments made in the President's 2005 State of the Nation Address and the Programme of Action.

The Social Cluster Ministers, DG's and the relevant task teams held a number of meetings recently to address the institutional requirements needed to implement the EPWP social sector plan. Some social sector programmes are being implemented on a relatively small scale.

8.4 Economic Sector

The economic sector plan is currently being finalised. The document places much emphasis on the New Venture Creation Learnerships Level 2. The Departments of Labour, Education, the dti, DPW and Umsobomvu Youth Fund are currently developing the new venture creation learnership NQF level 2. The qualification was completed in April 2005 and was submitted to SAQA. The qualification is currently out for public comment. The learnership aims to build the capacity of emerging enterprises and to provide them with opportunities and a track record so that they are better able to function effectively in the first economy. Through this emerging enterprise development strategy, broad based BEE is achieved.

This strategy of emerging enterprise development involves the ring-fencing of Government budgets (learners will be allocated public sector projects as training projects for the practical training element of the learnership). Examples of emerging enterprises that could be nurtured through the new venture creation learnership and the ring-fencing of budgets include security, infrastructure (erection of buildings, plumbing and carpentry), catering, furniture making and waste management (collection of waste and recycling of waste).

The Sakhasonke Programme managed by the Limpopo Department of Public Works is a best practice case for the economic sector. 120 learner emerging enterprises have gone through the programme, with 62 projects undertaken to the value of R31 million. The new venture creation learnership is based on the Sakhasonke model; however, it extends beyond infrastructure into other sectors of emerging enterprise development. In April 2005, the Eastern Cape Department of Public Works signed-up for 50 economic sector learnerships, similar to the Sakhasonke Limpopo learnerships. Discussions are underway in KZN, to sign-up 10 learnerships. Various other provinces have indicated an interest in signing up for the venture learnerships. The economic sector is

currently finalising a management plan for the rollout of this type of venture learnerships.

A further component of the sector plan is the use of cooperatives and Community-Public-Private-Partnerships (CPPP) in the arts and crafts, agricultural and energy sectors. The dti has actively been engaging with the Departments of Minerals and Energy and Agriculture on emerging enterprise development in the energy and agricultural sectors.

9 Challenges and Conclusions

The EPWP is on course to meet its job creation targets. However, there is still an on-going need to correct the tendency for the EPWP to be seen as a Department of Public Works (DPW) programme rather than as a programme of the whole of government, and to intensify efforts to overcome widespread resistance to the use of more labour-intensive methods in infrastructure. This resistance is based on the perception that labour-intensive methods are more difficult to manage, take longer, are more costly, and result in inferior quality products. DPW is continuing to focus on establishing demonstration projects to overcome this perception. The current EPWP communication initiatives of the DPW, undertaken in conjunction with GCIS are aimed at strengthening awareness of the programme among implementers and beneficiaries.

Some environmental sector programmes, and some labour-intensive infrastructure programmes in some provinces, such as the Zibambele programme in KZN and the Gundo Lashu programme in Limpopo, are running successfully and could be expanded further if more funds could be made available.

The social sector offers huge potential for large-scale employment creation under the EPWP, and the main challenge facing the programme in the coming months is to tap this potential.