



**EXPANDED PUBLIC WORKS PROGRAMME
CONTRIBUTING TO A NATION AT WORK**

THIRD QUARTERLY REPORT – YEAR 3
(Containing interim data and information for the period
1 April 2006 to 31 December 2006)

Financial Year 2006/07

(This narrative should be read in conjunction with Annexures A – G)

15 May 2007

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1 Introduction

As a nationwide programme, the Expanded Public Works Programme (EPWP) covers all spheres of government and state-owned enterprises. The aim is to draw significant numbers of unemployed people into productive work opportunities, accompanied by training, so that they increase their capacity to earn an income. The EPWP is a direct response to one of the agreements reached at the Growth and Development Summit (GDS) of 2003.

A minimum of one million work opportunities will be created in South Africa over the first five years of implementation (i.e. by 2009), of which at least 40% will be women, 30% youth and 2% people with disabilities. It should be noted that the EPWP is but one of government's responses to address the challenge of unemployment and poverty. The EPWP is implemented across four sectors, namely infrastructure, environment and culture, social and economic.

The Department of Public Works was mandated by Cabinet to lead the interdepartmental implementation of the EPWP. The EPWP is implemented by national and provincial departments, as well as municipalities and state-owned enterprises (SOEs). Project level monitoring data (according to agreed indicators) is collated from implementing bodies across the three spheres of government for the preparation of interim quarterly reports. In addition, evaluation studies have been commissioned to determine the impact of the EPWP on households and communities from which participants are drawn. The results of these studies will become available at the end of the current financial year. More light will then be shed on the value of participation in EPWP projects to direct and indirect beneficiaries.

Monitoring of the programme is guided by the targets set in the EPWP Logframe. As such quarterly progress will be given on the outputs specified, namely work opportunities, person-days of work, person-days of training and learnerships

This report reflects on data submitted for the period 1 April to 31 December 2006, as well as programme management issues (such as institution-building and capacity-building) in the EPWP. The agreed indicators for the programme have been integrated into existing reporting systems of the various sectors, such as the existing National Treasury monitoring system for the Provincial Infrastructure Grant (PIG). The EPWP indicators have also been included in the single monitoring system which is being established for the Municipal Infrastructure Grant (MIG). A limited number of questions on the EPWP are included in Stats SA's Labour Force Survey (LFS).

Data on MIG funded projects is submitted to the Department of Provincial and Local Government (dplg). EPWP project level data cannot be sourced from the MIG reporting system (MIG MIS) as yet. There is currently limited reporting from some municipalities, captured in Annexures G1-G3.

Both gross and net job opportunities are reported. The gross job opportunities are the total job opportunities created on a project, and the net work opportunities are the gross job opportunities less the opportunities which would have resulted had the same work been done using machine-intensive methods. A formula is applied to calculate the net number of work opportunities is applied only to the infrastructure sector. The social sector is by nature labour-intensive, while the economic sector focuses on the creation of emerging entrepreneurs.

EPWP data is collected cumulatively from one quarter to another and capped on an annual basis. Job opportunities reported may thus not necessarily be new ones. Some projects cut across financial years, which might result in double-reporting of some work opportunities between the fourth quarter of the previous financial year and the first quarter of the subsequent financial year. To offset these problems, data is also collected on the number of person-years of work created on EPWP projects. The number of person-years of work created is a more reliable indicator than the number of work opportunities created, because it does not have these potential double-reporting problems.

The EPWP monitoring and evaluation framework forms the basis for evaluation studies that have been commissioned. Service providers have commenced with conducting of longitudinal studies and cross-sectional surveys, as well as case studies and completion reports. The lessons learned will be fed into project planning and implementation cycles, and will be used to identify the key issues that need attention in subsequent evaluation studies.

In an effort to improve data quality, the DPW is conducting on-going capacity-building workshops for reporting bodies across all provinces.

An initiative is currently underway to conduct quality checking of the data and the processes involved before data is submitted to the EPWP Unit. The lessons learnt will be fed back to reporting bodies to improve the integrity of the data used for quarterly reports.

2 Evaluation Studies

Except for the quarterly monitoring reports based on project level data, the DPW also commission evaluation studies. Two sets of evaluation studies have been commissioned up to now, namely *Case Studies and Completion Reports* and *Cross-sectional Studies*. The results of the latter studies will be available in the next report. Selected case studies were done to investigate the nature and extent of the relationship between the EPWP and specific outcomes. Ten case studies and ten completion reports were evaluated across the Infrastructure, Environment and Culture and Social Sectors. Both quantitative and qualitative data were obtained and a thousand respondents were interviewed through focus group discussions and surveys. Projects were selected from each sector, as well

as from the following ISRDP (Alfred Nzo & Maluti-a-Phofung) and URP (Motherwell & Alexandra) nodes. In terms of labour distribution the key findings indicate that 54% women and 30% youth were employed in the selected projects. Three types of work systems had been identified, namely time-based [daily wage], task-based and a combination of the two mentioned. Task based system yields better productivity than the daily wage system. Duration of work opportunities ranged between 3 and 24 months. Training and satisfaction of beneficiaries were better with longer duration. Most projects paid wages of between R40 and R60 per day. Most projects surveyed offer technical and other forms of training [life skills]. The cost per work opportunity varies between the various sectors. According to the *Case Studies and Completion Report* study, Social Sector jobs are the cheapest to provide at R13 000, while the cost in the Environment and Culture Sector ranged from R19 000 to R62 000 and from R73 000 to R95 000 in the Infrastructure Sector. At this stage the exit opportunities were limited for all the projects investigated.

The EPWP is currently three years into the first five years of implementation. A quantitative analysis of the quarterly data reported shows that the EPWP is on target and is meeting its objectives – but there are key challenges to be overcome. A Mid-Term Review (MTR) had been commissioned by DPW. The objective of the MTR is to:

- Assess the relevance, efficiency, effectiveness of the overall outcome and impact of the EPWP to date against the expected results,
- Assess the overall quality, sustainability and replicability of the EPWP
- Make recommendations as to how the EPWP should be structured into the future.

An independent team of researchers, comprising high level reputable international and national experts, was appointed to conduct the MTR.

3 Logframe targets

Targets were set for the first five years of the implementation of the EPWP. One of the most important targets is that 1 million work opportunities will be created. The definitions for the agreed indicators for monitoring of the programme are spelled out in the logframe document, e.g. that a work opportunity is paid work for any duration of time. This period of work varies from sector to sector. It should be noted that the EPWP Unit also collects data on the person-days of work created to off-set the potentially skewed picture that could be painted if one looks at a work opportunity in isolation. Below are the approximated work opportunity targets per annum over the first five years of the implementation of the EPWP.

Overall Annual Targets (1st 5 Years)

| | EPWP Annual Gross Targets | EPWP Cumulative Gross Targets |
|-----------------------------|---------------------------|-------------------------------|
| 2004/05 | 110,000 | 110,000 |
| 2005/06 | 190,000 | 300,000 |
| 2006/07 | 250,000 | 550,000 |
| 2007/08 | 280,000 | 830,000 |
| 2008/09 | 282,000 | 1,112,000 |
| Total | 1,112,000 | |
| Total: about 1 million net. | | |

**Net jobs equals total jobs created less the jobs which would have been created had the same work been done using machine-intensive methods*

It is estimated that at least **519,179** net work opportunities were created since the EPWP commenced in April 2004. More detail is given below in the discussion on the project data for the reporting period.

4 Project Data for the Period 1 April – 31 December 2006

The issue of data integrity is obviously of paramount importance for the monitoring of the EPWP. Currently there are serious challenges with the data provided from many implementing bodies. The latter provide project level monitoring data according to the key selected indicators, such as budget, expenditure, work opportunities created, person-days of work, minimum daily wage, person-days of training, number of women, youth and people with disabilities. A substantial number of projects reported contain incomplete data fields, with the result that the data can often not be included in the quarterly reports. Data on these projects are kept on the project lists for the financial year and included in subsequent quarters as they become fully compliant in terms of the quality of the data submitted. There has been a significant improvement in the quality of the data reported, resulting in 115% more projects being reported in quarter 3 than in quarter 2.

Exclusion rules are applied to distinguish between projects that comply fully with data quality requirements and those that do not. Training is one of the key pillars of the EPWP. Hence this rule was more strictly applied on project data reported

from the financial year 2006/07 onwards. Projects that did not submit training data were included in this report if there was compliance with all other data quality requirements. This will account for some of the increase in the total number of projects reported in Q3. Data included in the attached annexures for the various levels of government and sectors should be interpreted against the background of the exclusion rules. Much more is thus happening with regard to implementation of the EPWP, but project level data will only be included once there is full compliance with the data requirements for reporting on the EPWP. In some cases training may thus be taking place, but not reported on properly – and in other cases implementing bodies might be struggling with operational issues with regard to training.

Annexures F and G3 contain project level data that adhered to the data requirements of the EPWP. Usable data had been received from some provincial infrastructure, social and environment and culture sector departments, as well as from national infrastructure and environment and culture sector departments.

Consistency checks are run on the data reported. It should be noted, however, that responsibility for the validation of the data lies with reporting bodies and the appropriate institutional structures at the various spheres of government. In the absence of unique project identifiers, the data for this reporting period should be viewed and used with circumspection. It is encouraging that at least some municipal level reporting was done across all nine provinces. Reporting on infrastructure created by municipalities by using their own funds, as well as reporting on other EPWP sectors at this level, is still lacking, however.

Although data was received on many projects across the infrastructure, environment and culture, social and economic sectors, only 2 416 projects could be included – based on the exclusion rules discussed earlier. Based on the usable project level data received, at least 177 563 gross work opportunities (i.e. at least 174 375 *net work opportunities*) were created for the period 1 April-31 December 2006 (see Annexure A). The total wages paid amounted to at least R484m. The amount of at least 45 076 person-years of work had been created on EPWP projects. At least 3 754 person-years of training were completed by EPWP participants.

A break-down of the data for the period under review shows that work opportunities created thus far consist of 49% women, 34% youth and approximately 0.6% people with disabilities. 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% people with disabilities) in South Africa in the first five years of the programme (i.e. by 2009). The map (Figure 1) shows the distribution of job opportunities created across South Africa. Most jobs were created in KZN, with relatively high concentrations in the Western and Eastern Cape Provinces, albeit limited to certain district municipalities.

One of the challenges of monitoring work opportunities created within the EPWP is the fact that a number of projects span different financial years. It is estimated that projects that straddle financial years had created approximately one-third of the total net work opportunities by the end of this reporting period. At this stage, the assumption is made that about half of these work opportunities would straddle different financial years. Thus, if adding up the total number of net work opportunities created to date, approximately half the work opportunities on projects that straddle the financial years should be subtracted. The total number of *net work opportunities* created during the first year of implementation of the EPWP amounted to at least 174 800. By the end of the second year, at least 348 900 net work opportunities were created. As was stated earlier, the cumulative total net work opportunities created under the programme since its commencement in April 2004 up until end of December 2006 is at least **519,179**. The programme is therefore on target to exceed its target of 1 million work opportunities in its first five years.

It is important to measure the number of job opportunities added through the EPWP approach, i.e. the value added. The additional employment creation through the use of employment-intensive methods in the infrastructure sector 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%.

Work Opportunities Created in 2006/07 (up to Third Quarter)

| Sectors | No. of Net Jobs Created* |
|------------------------|--------------------------|
| Infrastructure | 85 727 |
| Social | 16 644 |
| Economic | 1 515 |
| Environment & Cultural | 70 489 |
| Total | 174 375 |

**Net jobs equals total jobs created less the jobs which would have been created had the same work been done using machine-intensive methods*

The sector break-down of the number of work opportunities for this reporting period shows that most *net work opportunities* were created in the Environment and Culture Sector (at least 70 489). Wages paid in this sector amounted to R186.5m.

At least 85 727 *net work opportunities* were created In the Infrastructure Sector in the period under review. Wages paid amounted to R229.3m. At least 16 644 work opportunities have been reported in the Social Sector for this reporting period and the wages paid amounted to R63.5m. The Economic Sector contributed 1 515 *net work opportunities* and paid wages of R5.2m.

In the infrastructure and environment and culture sectors most people have been employed as manual workers. 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.

Annexure F shows the geographical location of the projects and the total budget as reported by national and provincial departments. Of the total reported net work opportunities 36% of the total reported were created in KZN, the Eastern Cape (17%) and the Western Cape (13%), with all the other provinces contributing between 4% and 7% - see Annexure B2. The highest proportion of *person-years of work* created across the four sectors of the EPWP during this quarter was also in the KZN (34%), followed by the Eastern Cape (14%) - see Annexure B3. All other provinces contributed between 6% and 10% of person-years of training for this reporting period. Annexure G3 contains data for projects reported by district municipalities and metros across provinces.

As stated earlier project level data could not be accessed as yet via the MIG MIS. The number of municipal projects reporting in this quarter has increased to 298 from the 166 in the previous quarter in the infrastructure sector (see Annexure G1). A total of at least 27 323 net work opportunities have been created, with wages paid amounting to R44.6m in 23 district municipalities and 2 metros country-wide.

The table below shows progress since Apr 2004 in terms of the number of cumulative work opportunities created per sector against the target up to the end of December 2006 (i.e. end of third quarter 2006/07).

Sector Progress Against Annual Cumulative Targets (i.e. up to end Dec 2006)

| Sector | Target End Dec 2006 | Gross Work Oppor- tunities Created Apr 2004 - End Dec 2006 | % of Target | Net Work Oppor- tunities Created Apr 2004 - End Dec 2006 | % of Target | End of Q2 % (Gross) | End of Q2 % (Net): |
|----------------|------------------------------|---|----------------|--|----------------|---------------------------|--------------------------|
| Infrastructure | 328,799 | 335,716 | 102 | 281,626 | 86 | 108 | 90 |
| Env & Cult | 87,680 | 196,392 | 224 | 196,392 | 224 | 224 | 224 |
| Social | 65,760 | 33,378 | 51 | 33,378 | 51 | 44 | 44 |
| Economic | 5,261 | 7,783 | 148 | 7,783 | 148 | 142 | 142 |
| Total | 487,000 | 573,269 | 118 | 519,179 | 106 | 120 | 108 |

5 Coordination and Institutional Arrangements

The Department of Public Works (DPW) is the national lead department for the EPWP. DPW's approach is to be pro-active and to create a supportive and enabling framework and environment for the programme to be successfully implemented by government bodies across the four sectors of the EPWP. In order to achieve this, a number of coordinating mechanisms have been established.

A National EPWP Coordinating Committee has been established. At the national level, all lead sector departments, as well as National Treasury, The Presidency, the Department of Labour (DOL), the dplg, SALGA, the DBSA and the Independent Development Trust (IDT), are represented in this forum. In order to facilitate co-ordination between national sector departments and provinces, provincial EPWP coordinators are also represented in this forum.

National Sector Coordinating Committees for the Environmental, Social and Infrastructure and Economic sectors track progress made, discuss common challenges and 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 IDT provides support to the EPWP Unit in the form of human resources that have been deployed to assist programme managers.

Provincial EPWP Steering Committees have been established, but not all of them function equally effectively. Provincial EPWP implementation plans set provincial targets for projects and job creation across the various sectors, linked to provincial priorities.

6 Training

As stated in the objectives of the EPWP, training is critical for the successful implementation of the programme. According to the Code of Good Practice for Special Public Works Programmes, as gazetted by the Department of Labour (DOL), it is a requirement that beneficiaries should receive 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. A new training strategy makes provision for hard skills training to be given on EPWP projects.

During the period under review, 3 754 person-years of training were provided to beneficiaries (including life skills training) in the reported projects. The number of work opportunities that have been exposed to accredited training stands at 21,155, while those exposed to non accredited training amounts to 34,435 work opportunities. It should be noted that some participants could have attended both accredited, as well as non-accredited training courses. The Department of Labour (DOL) is committed to support accredited training opportunities for EPWP beneficiaries through SETAs. Funds to support the training needs of EPWP beneficiaries have been ring-fenced under the National Skills Fund (Social Development Funding Window) for this purpose.

In the social sector, learning materials for the Community Care Givers have been finalised. All ECD qualifications have been revised. Consultations with key stakeholders are being undertaken to facilitate the process of phasing in the new qualifications and phasing out the old qualifications.

An EPWP training framework has now been developed, with the intention to provide all implementing bodies with the knowledge and technical skills and information required to implement EPWP training and to provide clear guidelines on accessing support from DOL and the SETAs. DOL has developed an Operations Manual on life skills training for the use of service providers.

The DOL has agreed to expand its database to make provision for the increased demand for courses in the Environment and Culture Sector currently not available on the database. This will assist public bodies to adhere to training requirements for the EPWP.

DOL has also agreed to improve the National Skills Fund Disbursement Information System to ensure that EPWP projects can be identified in order to improve the data on the number of people trained in technical and life skills.

A survey is being done to identify unaccredited service providers, with a view to enable them to acquire the necessary capacity and to add them to the DOL database. This will enable DOL to meet the increased demand for training from the EPWP public bodies. Different training courses and models are used for the various target groups in the different sectors.

A training business process document was developed to provide guidance to stakeholders and public bodies on the provision of EPWP training. It is important for implementing bodies to understand the procedures to access training and funding from the Department of Labour (DOL).

The database of the DOL is being reviewed to cater for the demand for courses currently not available on this database. The SETA accredited courses will be included in the DOL database in order to assist public bodies with accessing these courses.

The EPWP is placing higher emphasis on the provision of technical skills, apart from the life skills training that were offered in the initial phases. This is proving successful as can be seen from the expenditure report. Some public bodies now offer training even before projects start.

A computerised database of work-seekers is being developed in DOL. This initiative will be rolled out in 72 Labour Centres and staff trained. This will assist with tracking of EPWP beneficiaries for exit strategy purposes.

6 EPWP Partners

6.1 *Involvement of Business and Labour*

The Business Trust's supports the EPWP through the Expanded Public Work Support Programme (EPWSP). A facilitation fund was established to the value of R100 million over the period March 2005 – March 2010.

During the period under review, the Business Trust Support Programme has achieved the following:

- Seven out of the eight strategic and technical assignments have been completed. A further 10 strategic and technical assignments are being scoped and procured. These assignments are jointly agreed to between the National Department of Public Works and Shisaka Development Management Services (as agent to the Business Trust on the Expanded Public Works Support Programme)
- As part of support to the EPWP Infrastructure sector direct support was given to 5 municipalities and 2 provinces. The direct engagement targets have been exceeded. The support programme assisted to secure 26,430

work opportunities in 5 municipalities. (The target 18,000 work opportunities in municipalities by the end of September 2006.) The target of 1000 work opportunities in provinces up to end of 3rd quarter was exceeded and 16,100 work opportunities were created.

- Direct support is being offered in the social sector to Limpopo and KwaZulu Natal. For the period under review, the sector completed a capacity needs assessment in terms of HCBC in Limpopo and this assessment is underway in KZN.
- A key initiative in environment and culture sector is the development of a domestic waste model. Progress thus far has been the completion of the generic waste collection model, the testing of the generic model via workshops and the selection of pilot municipalities for the project. The intention is to pilot the project in 5 municipalities.

6.2 The Independent Development Trust (IDT)

The Independent Development Trust (IDT), as a public entity reporting to DPW, was tasked with implementing the DPW's EPWP Maintenance of Public Buildings Programme. The aim of this programme is to create work and training opportunities for the unemployed and to address the artisan shortage in the building industry. The organisation also supports the Vuk'uphile programme through its Social Facilitation Support Unit. This involves assisting the learner contractors with recruitment of local labour and arranging for the training of project beneficiaries to take place. IDT's Beneficiary Information Management System (BIMS) will be used as the basis for the development of an EPWP web-based system for reporting.

6.3 The Development Bank of Southern Africa (DBSA)

The Grant Agreement between the DBSA and the social sector has been finalized. The object of the agreement is to co-finance the undertaking of a detailed study to explore additional areas of expansion and the required capacities needed to manage the EPWP in this sector. This agreement will enable the sector to produce an evidence-based scenario of the potential of the sector to meet the EPWP goals as well as the management capacities required for effective implementation.

This investigative study has now commenced. Nineteen programme areas within the sector have been preliminarily identified for further investigation regarding scope and extent of potential. These areas include, among others, ABET, as well as child and youth care workers. The audit will also look into the capacity requirements of the sector which will inform the institutional requirement for mainstreaming. The results of the study are intended to assist provinces to form the basis for motivating for additional resource allocation to the sector. The target date for completion of the study is November 2006.

The DBSA EPWP Five -Year Support Strategy has been fully integrated in the Bank's business processes with each Division/unit carrying its own costs. A separate budget is therefore not required to fund DBSA involvement in EPWP in the 2006/07 financial year.

The DBSA's contribution to broader EPWP initiatives involves support to ASGISA (the Accelerated and Shared Growth Initiative of South Africa), endorsement and application of job creation and labour-based approaches on DBSA funded projects and various knowledge products and services outlined below.

The DBSA is contributing to ASGISA, which includes the reduction of unemployment levels, through DBSA's involvement in the EPWP. This includes a significant contribution to ASGISA through the DBSA's own job creation initiatives enforced in infrastructure investment projects.

The ADRU and national DPW EPWP Unit's partnership with the Department of Water Affairs and Forestry, Department of Provincial and Local Government, National Youth Services, SALGA, Job Creation Trust, Water Research Commission, and Umsobomvo Youth Fund has resulted in a recently completed national Sanitation Job Creation Guideline for Municipalities. This guideline knowledge is currently being successfully piloted and monitored by ADRU in a R100 million DBSA funded project in the North West Province.

At the request of the national DPW EPWP unit, the DBSA Monitoring and Evaluation unit is undertaking an independent assessment of the national, provincial and municipal EPWP reporting systems.

The DBSA Vulindlela is supporting the national DPW with the development and rollout of a training programme for municipal officials on aspects relating to EPWP capacity building. To date a total of 17 DBSA staff and 17 external SAWiC members received training in the use of the revised 2005 EPWP Guidelines on labour intensive approaches.

The DBSA has, in partnership with dplg/SALGA, developed a one-stop reporting system called the Local Government Resource Centre (LGRC) and a Local Government Network (LGNet) enabling, to date, 12 more municipalities (now standing at 214) to report back on financial and programme implementation. Intentions are to use this reporting system for EPWP reporting.

Against a target at the end of March 2007 of 90 skilled personnel and 30 learnerships, the DBSA task force under Project Consolidate has now mobilized 50 experienced professionals (previous quarter was 40) to 25 municipalities to build capacity in aspects that include EPWP delivery.

The DBSA EPWP technical assistance project for the Department of Social Development (DSD) research is under implementation. The DBSA Development Fund is providing R1 039 460 of a total R2 048 460.

7 Communications

During the period under review, the EPWP has received coverage in various regional and national media. 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. DPW is currently reviewing the communication challenges for the EPWP. The branding of the programme on a national basis is being reviewed in conjunction with GCIS and EPWP sector departments. The result of work done by service providers was presented to the EPWP National Coordinating Committee. Further work in progress includes a review of the EPWP website.

8 Summary of Progress per Sector

8.1 Infrastructure Sector

The infrastructure contributed 85 727 net work opportunities to the EPWP targets in the period under review. Most of this contribution was made by the various provincial EPWP Programmes, generally situated in the Departments of Public Works, Roads and Transport and Housing. Overall, an amount of R229m was paid out in terms of wages. The targets set in the infrastructure sector of the EPWP are based on the provinces spending at least one-third of the PIG on the EPWP by the third year of the programme. Provinces will be expected to further increase their EPWP programmes in the coming financial year in order for this target to be achieved.

In the period under review, DPW received reports from 23 municipalities and 2 metros on 298 municipal EPWP infrastructure projects. At least 27 323 net opportunities were created through these projects. Unfortunately no comprehensive report on the MIG contribution to the EPWP is currently available as the MIG reports submitted through the MIG MIS contain insufficient detail for reporting on the EPWP. DPW has therefore agreed to ensure that increasingly the key municipalities report on the EPWP so that their contributions can be accounted for.

Over the course of the 2006-07 financial, the Infrastructure sector has structured itself operationally into five programmes, which collectively work towards the achievement of the infrastructure sector targets. The EPWP Unit of the DPW is also restructuring itself in line with these five programmes. These five programmes are:

- 1- Technical Support to Implementing Bodies
- 2- Vuk'uphile Contractor and Site Supervisor learnership programme

- 3- Building Maintenance and National Youth Service
- 4- Scaling up EPWP in the Access Roads Sector
- 5- EPWP Large Projects Programme

Progress on the sector will be reported along the lines of these five programmes. The quantitative reports are not yet aligned to this, but in future reports this will be addressed.

1- Technical Support to Implementing Bodies

Over the course of the implementation of the EPWP it has become clear that the provision of technical support to public bodies is critical in order for all such bodies to achieve their EPWP targets. This is particularly important for ensuring that the conditional infrastructure grants to provinces and municipalities (PIG and MIG) are used to contribute to the EPWP.

A comprehensive support strategy has been developed by DPW with the assistance of the EPWP Support Programme that will support the infrastructure divisions of municipalities, as well as key provincial departments with the implementation of the EPWP. A team of technical experts is being procured by DPW and a web-based project management system has been established to manage the technical support. Forty-five strategic municipalities have been identified to start with, and the technical support will be rolled out to other municipalities in future.

It is anticipated that this additional technical support will commence in the fourth quarter and will start having significant impact on reporting from municipalities in the next financial year.

2- EPWP Contractor Learnership Programme (Vuk'uphile)

The Vuk'uphile programme currently stands at 1 500 learnerships and will remain so until the funding arrangements for additional learnerships with the CETA and NSF have been finalised. The mentorship costs of the programme remain substantial, but an additional allocation to cover the mentorship costs for the current financial year was made by National Treasury to ensure that costs are covered. The programme is performing well overall and some of the achievements to date are highlighted below:

- All projects done by the Learners have been completed successfully.
- Overall a pass rate of around 80% is anticipated
- It is the largest contractor development programme in country.
- Coega learners will be doing projects valued at around R7m
- Most learners have been operating at a profit and as such ABSA's exposure to losses is fairly minimal.

The programme continues to face operational challenges, however, and these are being taken into account in DPW's planning to grow the programme further. Some of the key challenges are:

- Conflicts between the contractors and their site supervisors often arise and intensive programme management is needed to resolve these issues.
- Delays in the awarding of projects by public bodies result in overall programme delays and periods of no income for the learners
- Quality control of the training of learners is sometimes poor
- Mentors are slow to advise of problems
- Learners have enrichment/entitlement attitude towards the programme as opposed to viewing the programme as an opportunity to empower themselves
- Poor mathematics and science abilities of some of the learners are an impediment in training

The first learners are currently completing their learnerships and will be graduating from the programme by the end of the financial year. An exit strategy has been developed to accommodate the contractors and supervisors who have completed the programme to ensure they can access further support as they enter a more competitive environment.

3- Building Maintenance and National Youth Service

DPW is also establishing a National Youth Service (NYS) Programme within its building maintenance portfolio. This programme will link the EPWP to the NYS and train youth to be artisans and exit them into the construction industry. A target of engaging 5 000 youth in the next financial year has been set and a programme to achieve this target has been developed.

4- Scaling up the EPWP in the roads sector

As part of efforts to scale up the EPWP, DPW and the Department of Transport (DOT) prepared and introduced a submission into the government budgeting process to motivate for additional funds to be allocated to the provincial roads and transport departments for scaling up the EPWP in the access roads sector. An additional R3bn was allocated over the MTEF to the provinces in this regard. In response, DPW and the DOT are mobilising resources to ensure that all provinces are ready to increase their EPWP programmes in line with the additional funds allocated.

5- EPWP Large Project Programme

In order to develop modalities for implementation of larger projects, DPW has been working closely with the Business Trust and dplg to develop a model that will make it easier for public bodies to structure larger EPWP projects, without compromising on the use of labour-intensive methods or BEE contract

participation goals. It is also anticipated that this model will reduce the project and technical management demand on public bodies by reducing the number of contracts and associated tender and contract administration processes. Private sector consultations were also conducted to ensure that the model is seen as a realistic intervention by contractors. With the current amount of infrastructure work available in the construction industry, ensuring buy-in from the private sector has become more important.

Preparations are underway to pilot the model in three municipalities, namely, eThekweni Municipality (KZN), OR Tambo District Municipality (EC) and Nkangala District Municipality (MP), as well as with the Free State Provincial Department of Public Works, Roads and Transport. In order to ensure rapid progress from piloting to implementation, a task team has been established that will ensure that the lessons from the different phases of the pilot are immediately incorporated into the model so that it can be used by other public bodies even before the pilots are finished.

DPW has continued engaging with the SOE's in the reporting period, and a briefing of the Minister of Public Enterprises and the CEO's of the various SOE's was done in July 2006. Subsequently a training workshop with technical managers of the SOE's was held to assist them in identifying opportunities for the EPWP within their portfolios. All SOE's committed to preparing plans and submitting them to DPE with the intention of having the first SOE start contributing the EPWP by January 2007.

8.2 Environment and Cultural Sector

The Department of Environmental Affairs and Tourism (DEAT) is coordinating the sector. Other member departments are Water Affairs and Forestry (DWAF), Arts and Culture (DAC) and 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 Environmental and Cultural Sector programmes are established according to the required criteria of the EPWP. The continuous 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. The implementation and reporting of the activities of the sector have institutionalised through three sub-committees, namely monitoring and evaluation, training and communication.

The Waste Collection Programme has been identified as an area where meaningful expansion can be made in this sector. The Domestic Waste Collection Initiative is implemented as a joint initiative between the DPW, Department of Provincial and Local Government (dplg) and DEAT, supported by the Expanded Public Works

Support Programme Shisaka through the Business Trust. KZN has started with a waste management programme based on a Brazilian model.

A number of training programmes have been implemented in the sector in line with the EPWP requirements. Short courses, learnerships and skills programmes in environmental matters, fire programmes, arts, culture, wetlands and those related to removing alien vegetation species have all been provided. The total number of person-years of training was more than 1 754 for both accredited and non accredited courses with funds sourced from the Department of Labour (DOL) and the SETAs. In addition, the sector has been working at improving coordination of the various training activities.

DEAT has developed a lead training provider programme to improve delivery on accredited courses in tourism guiding, & hospitality, conservation & environmental education, agriculture & horticulture, project management & business skills, craft production, waste management & water reticulation and financial management. Seventeen accredited providers have been appointed by DEAT already.

The sector strives to align the EPWP with the Integrated Sustainable Rural Development Programme (ISRDP) and the Urban Renewal Programme (URP). Provincial sector implementation plans have been developed in Gauteng, Mpumalanga, Limpopo, Free State, Northern Cape and KZN.

Implementing bodies reached a common understanding and agreed on appropriate coordination mechanisms that are needed to facilitate implementation in this sector. The importance of aligning the EPWP with the Integrated Sustainable Rural Development Programme (ISRDP) and the Urban Renewal Programme (URP) was emphasised. Provincial sector implementation plans have been developed in Gauteng, Mpumalanga, Limpopo, Free State, Northern Cape and KZN.

8.3 Social Sector

This sector's focus is on the expansion of Home and Community Base Care (HCBC) and on Early Childhood Development (ECD) programmes. Both these programmes are highly labour-intensive and provide enormous opportunities for the creation of work opportunities, given the large needs for these services. An EPWP social sector plan was developed under the leadership of the Department of Social Development (DSD).

Work opportunities in these sectors consist of skills programmes and learnerships during which health workers, caregivers and ECD practitioners will undergo formal training while also doing practical work. Workers in the learnership programme will obtain a formal qualification in Home Community Based Care, Community Health Worker Programme or ECD and thus enabling them to enter into formal employment in these sectors which will need to grow to

address large gaps in service delivery. So far a total of 16 644 job opportunities have been reported in this sector in 2006/07.

Early Childhood Development (ECD)

Limpopo, North-West and Mpumalanga have commenced with ECD training in this quarter. A total of 1 870 learners started with ECD related training including skills programmes and learnerships. The training is funded by the Departments of Labour and Education.

Home Community Based Care (HCBC)

A draft regulatory framework has been developed to regulate the community care sector. This regulatory framework applies to community care workers, volunteering or receiving a stipend, who offer care and support services within the home, community and institutional setting who are not regulated under any health, social development or allied professions act. The purpose of this framework is to regulate training, education and practice of community care workers as a new cadre operating within the HCBC areas within the social sector.

A total of 31 158 care givers are now receiving stipends. Of these over 9 000 have been trained in HCBC and other health and social development related courses. Over 500 000 beneficiaries have received HCBC services from these caregivers.

Training

There has been substantial improvement in the implementation of training in this quarter. More than 5 000 new learners started training in both ECD and HCBC related courses. An additional 1 500 learners were taken through a process of Recognition for Prior Learning (RPL) by the HWSETA. The purpose of the RPL process is to ensure that learners' prior knowledge and skills are recognised and that the learners are assessed and appropriately placed for training.

NYS

The Umsobomvu Youth Fund (UYF) in partnership with the Departments of Health, Social Development, Public Works, the National Youth Commission (NYC) and Provincial Youth Commissions, is currently implementing the Community Care Worker Youth Service Project in the provinces of Limpopo and Free State. The programme involves the appointment of young people to train as community care workers while they provide services related to their training in their own communities. A total of 460 youths have already been identified and placed for training.

Possible areas for expansion

The Social Sector, in partnership from the Development Bank of South Africa (DBSA), conducted a study on possible expansion into areas other than ECD and HCBC. Table 1 outlines the findings of this study, indicating areas for possible further expansion. The estimated costs indicated are all inclusive, and in the case of School Nutrition Workers, for instance, also includes the cost of food to be provided by them.

The relevant departments have been requested to interrogate the findings and recommendations of this study so that so that plans for expansion can be concretised in order to make timely submissions for inclusion in the budgetary cycle.

Table 1: Potential Areas of Expansion in the Social Sector: Findings

| Additional category of worker cadres for which models were developed | Jobs | Cost R m |
|---|----------------|-----------------|
| School Nutrition Workers | 102,372 | 4,438.0 |
| Sports Coaches | 25,593 | 478.6 |
| School Caretakers | 51,186 | 621.2 |
| Adult educators | 46,210 | 525.4 |
| Special School Teaching Aide | 25,256 | 290.3 |
| School Clerks | 46,480 | 478.6 |
| Peer Educators | 33,371 | 470.0 |
| Social Security Workers | 26,772 | 374.4 |
| Food Security Workers | 50,162 | 2,746.7 |
| TOTAL | 407 402 | 10 423.2 |

Challenges for the sector

There are a number of constraints in scaling up and expanding the Social Sector. These include the following:

- Some of the funds allocated for expansion of ECD and HCBC (R4.2 billion over MTEF) have in some provinces been allocated to other programmes and, as a result, the overall targets to accelerate service delivery and create employment will not be achieved.
- The limited numbers of accredited training service providers, especially in rural areas, constrain the roll-out of training.
- There is limited capacity within the HWSETA and the ETDP SETA to fast-track accreditation and to provide quality assurance for training

- The programme design is being constrained by human resources limitations at provincial and municipal level, as well as at the level of service delivery agents (NGOs and CBOs). It is estimated that ten times the number of jobs could be created if more capacity were in place to ensure effective delivery

8.4 Economic Sector

The initial draft plan has set a target of 3 000 New Venture Creation (NVC) Learnerships within the 9 provinces over the first five years of implementation of the EPWP. It is estimated that three additional people would be employed through every micro enterprise. Learners from the unemployed will be registered on full-time SETA-funded learnerships and be supported to set up SMMEs. Below are the annual targets set per province in order to achieve the overall target of 3 000 NVC Learnerships

New Venture Creation (NVC) Learnerships

| Economic Sector Provincial targets | Fin year 2005/06 | Fin year 2006/07 | Fin year 2007/08 | Fin year 2008/09 | Total Enterprises allocated a Venture Learnership |
|---|-------------------------|-------------------------|-------------------------|-------------------------|--|
| Eastern Cape | 50 | 42 | 92 | 91 | 275 |
| Free State | 0 | 92 | 92 | 91 | 275 |
| Gauteng | 0 | 158 | 158 | 159 | 475 |
| KZN | 0 | 158 | 158 | 159 | 475 |
| Limpopo | 120 | 93 | 93 | 94 | 400 |
| Mpumalanga | 0 | 92 | 92 | 92 | 276 |
| Northern Cape | 0 | 58 | 58 | 59 | 175 |
| North West | 0 | 58 | 58 | 59 | 175 |
| Western Cape | 200 | 0 | 137 | 137 | 474 |
| Totals | 370 | 751 | 938 | 941 | 3000 |

The sector has created 7 783 work opportunities since inception up to the end of the 3rd quarter of 2006/07. The cumulative target set for end of the third quarter was 5 281 work opportunities. In 2006/07 1 515 work opportunities were created in this sector and R5.2m were paid in wages. The pace of work opportunities created is expected to increase in the coming quarters, based on the following initiatives in the sector:

- Work opportunities will be created through the various SMMEs that are being established in the sector. A number of contractor development companies have been established in Limpopo, Eastern Cape and Mpumalanga. Collectively, these provinces have created 223 SMMEs.

Furthermore, 502 labour-intensive contractors have been developed over the same period.

- Business and technical skills have been provided to cooperative members. Initiatives are underway in Limpopo and will be expanded to KZN shortly.
- The roll-out of SMME initiatives in the development of wholesale companies.

The sector has various research products underway that will inform the expansion of the sector and contribute to the creation of work opportunities. The research includes:

- The development of a cooperatives model, in conjunction with the dti.
- The development of a case study on the contractor development initiatives in Limpopo, Eastern Cape and Mpumalanga, with the aim of documenting the processes and lessons from these projects. This case study will be applied in the rollout of more contractor development programmes across the country in 2007/08. Training funding received through the NSF is available for the training of more contractors on the Construction Contractor NQF Level 2 learnership.
- The review of the sector's venture creation learnership programme.

The sector has completed its study of Government procurement of goods and services. This study identified growth opportunities for small businesses and will guide the sector in the development of SMME development. This work has been shared with the dti and will contribute to the Public Sector SMME Targeting Procurement Scheme.

9 Challenges and Conclusions

Based on the data received, the EPWP is on course to meet its job creation targets. There is an on-going need for aggressive advocacy and communication to position the EPWP as a programme of the whole of government and to encourage the widespread use of more labour-intensive methods in the creation of infrastructure, through the use of the EPWP tender and design guidelines. The current communication initiatives of the DPW, undertaken in conjunction with GCIS are aimed at strengthening awareness of the programme among implementers and beneficiaries. Training is an area that needs serious attention from all implementing bodies. The provision of hard skills training for workers on EPWP projects should strengthen the chances of workers exiting into employment under the Basic Conditions of Employment.

Several environment and culture sector programmes, and some labour-intensive infrastructure programmes in a number of 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 scaling up of the EPWP initiative in the roads sector aims to direct

additional funds to such programmes and is structured to also act as an incentive for provinces to increase their contribution to the EPWP by allocating additional funds to those who are performing well.

Reporting in the social sector has improved significantly and 8 provinces are reporting at this stage. Limited reporting from municipalities is encouraging, but should get much more serious attention.

