ETHEKWINI EXPANDED PUBLIC WORKS PROGRAMME (EPWP) POLICY

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The eThekwini EPWP Task Group
ACRONYMS

CAPMON  Capital Monitoring System (PC based)
DCM  Deputy City Manager
DOL  Department of Labour
DPLG  Department of Provincial and Local Government
DPW  Department of Public Works
DORA  Division of Revenue Act
EMA  eThekwini Municipal Area
EPWP  Expanded Public Works Programme
IDP  Integrated Development Plan
KPI  Key Performance Indicators
LIC  Labour Intensive Construction (methods)
PMU  Project Management Unit
SCM  Supply Chain Management (Procurement policies)
SETA  Sector Education & Training Authority
SMME  Small Micro to Medium Enterprises
GLOSSARY OF TERMS / DEFINITIONS

EPWP - The Expanded Public Works Programme
The Expanded Public Works Programme (EPWP) is a nation-wide National Government programme to draw significant numbers of unemployed into productive work, accompanied by training, so that they increase their capacity to earn an income.

Labour-Intensive Projects
The definition ‘Labour-intensive’ is the economically efficient employment of a greater proportion of labour where economically and technically feasible to execute projects in all sectors throughout the EMA, without compromising cost, time and quality. The result being a significant increase in employment generated per unit of expenditure.

Key Performance Indicator (KPI)
A qualitative or quantitative measure of a service or activity used to compare actual performance against set standard or other target. In the context of EPWP, the key performance indicators relate to worker demographics, project budget, training days, salaries, social impact studies, etc.

Job Opportunity
Payment received for work done (DPW definition)
1 INTRODUCTION AND BACKGROUND

1.1 Job creation and skills development are some of National Government’s top priorities. The unemployment rate of 39% for South Africa remains one of the highest in the world. The Expanded Public Works Programme (EPWP) is one of government’s responses to address these challenges. President Thabo Mbeki formally announced the Expanded Public Works Programme in his State of the Nation Address in February 2003 and Cabinet adopted it in November 2003.

1.2 The National EPWP framework provides that local government develop an EPWP policy that is embedded within the Integrated Development Plan. The policy is expected to promote EPWP principles and the re-structuring of local government activities to facilitate and create greater employment opportunities per unit of expenditure.

1.3 It further provides that EPWP projects and programmes must be identified within each department, which can be implemented using labour-intensive or community based service delivery methods, with predetermined key deliverables over a given timeframe in the Infrastructure, Environmental, Social & Economic Sectors & in terms of the following legal framework:

(a) The Constitution of South Africa Act 108 of 1996
(b) The Intergovernmental Relations Framework Act 13 of 2005
(c) The Integrated Development Plan - IDP
(d) The Division of Revenue Act
(e) The Code of Good Practice for Special Public Works Programmes

1.4 The Expanded Public Works Programme is about the reorientation of line function budgets (capital and operations & maintenance) so that expenditure by government results in increased employment opportunities and training, particularly for unemployed and unskilled labour. The main objectives of the programme are to create an enabling environment to:

(a) Create employment opportunities for the unemployed within local communities through the implementation of an EPWP implementation plan which collectively cuts across
the different sectors inter alia, the Infrastructure, Social, Environmental and Economic Sectors.

(b) Develop skills within communities through EPWP training programs, by accredited training providers aimed at developing sustainable skills and capacity within communities.

(c) Develop SMMEs to execute EPWP work by facilitating the transfer of technical, managerial and financial skills through relevant SETA & DoL courses, in properly structured learnership programmes.

(d) Of the total annual budget spent, maximise the percentage retained within local communities in the form of wages. Promote the procurement of goods and services from local manufacturers, suppliers and service providers.

(e) Adopt and align cluster and departmental annual business plans to the EPWP in-line with prioritised socio-economic objectives.

(f) Using clearly defined key performance indicators - monitor, evaluate and report all EPWP initiatives, including those being implemented using Provincial and National Government budgets.

2 AIM

The aim of this policy is to institute a sustainable Expanded Public Works Programme (EPWP) within the eThekwini Municipality as provided in the EPWP national framework. The fundamental objectives of the policy are to:

2.1 Inform all Clusters and Units within the Ethekwini Municipality on how their functions should contribute towards the EPWP.

2.2 Establish eThekwini’s EPWP as an approved socio-economic developmental and poverty alleviation programme with sustainable exit strategies that maximise SMME development, employment creation and skills development.
2.3 Entrench the EPWP methodology within the IDP – a methodology that expands the current service delivery of goods and services to ensure shared economic growth.

2.4 Ensure developmental integration across all sectors and re-engineer how we plan, design and implement projects / programmes within the existing municipal operational and capital budgets, to maximise greater employment opportunities per unit of expenditure.

3 PROVISIONS FOR THE IMPLEMENTATION OF THE EPWP

3.1 INCLUSION OF EPWP IN CLUSTER PLANS

3.1.1 Each cluster will develop and be responsible for implementing their individual sector plans and ensure EPWP compliance in terms of the respective national sector EPWP guidelines. The National EPWP guidelines cover procurement procedures, suggested interventions, required stakeholder skills and roles & responsibilities.

Some National Government suggested interventions for the four sectors:

<table>
<thead>
<tr>
<th>Infrastructure</th>
<th>Environment / Tourism &amp; culture</th>
<th>Social</th>
<th>Economic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low volume roads</td>
<td>Working for Water</td>
<td>Early Childhood Development</td>
<td>Catering</td>
</tr>
<tr>
<td>Sidewalks</td>
<td>Working for Wetlands</td>
<td>Home/Community Based Care</td>
<td>Security</td>
</tr>
<tr>
<td>Storm-water management</td>
<td>Working for coast</td>
<td>Food Security / Nutrition</td>
<td>Uniform manufacturing</td>
</tr>
<tr>
<td>Trenching</td>
<td>Domestic waste collection</td>
<td></td>
<td>Municipal building Cleaning</td>
</tr>
<tr>
<td>Materials supply</td>
<td>Agribusiness</td>
<td></td>
<td>Municipal building refurbishment</td>
</tr>
</tbody>
</table>

3.1.2 Each cluster plan must include; identified projects, associated budgets, training requirements, resource requirements, monitoring and evaluation methodologies and the deliverables against timeframes.
3.2 EPWP FUNDING

3.2.1 The Expanded Public Works Programme does not receive special grant funding from National or Provincial Government. As a municipality, line departments in all sectors must allocate a portion of their normal budgets to service delivery models that are identified as labour intensive and in line with EPWP principles. Notwithstanding the above, there are a number of EPWP type programmes funded by National and Provincial sector departments that the city is not accessing as yet. (i.e. the Working for Water programme)

3.2.2 Municipal capital works budgets and operations & maintenance budgets must reflect the identified EPWP projects, targeting five (5) years of the multi-year municipal budgets in incremental percentages as suggested in the table below.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Budget</td>
<td>R2,8 (bil)</td>
<td>R4,2 (bil)</td>
<td>R4,8 (bil)</td>
<td>R3,5 (bil)</td>
<td>R3,0 (bil)</td>
</tr>
<tr>
<td>Percentage EPWP</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
<td>25%</td>
<td>30%</td>
</tr>
<tr>
<td>EPWP target</td>
<td>280 (mill)</td>
<td>630 (mill)</td>
<td>960 (mill)</td>
<td>875 (mill)</td>
<td>900 (mill)</td>
</tr>
<tr>
<td>Operations &amp; maintenance budgets.</td>
<td>15%</td>
<td>20%</td>
<td>25%</td>
<td>35%</td>
<td>40%</td>
</tr>
</tbody>
</table>

The capital budget targets suggested above can only be realised once technically feasible projects are designed to be constructed using Labour Intensive Construction (LIC) methods.

In respect of the targets reflected against the Operations & Maintenance budgets; the intension is to take existing best practice community-based operations and maintenance partnerships / programmes and expand them to other sectors but include formal accredited training to maximise business / economic growth potential.

The capital budget alone has the potential to create a minimum of 40,000 temporary job opportunities through LIC for the period 2007/2008. The intention is to establish the current baseline employment opportunities that are being created annually within the EMA and develop an integrated plan to increase and convert them into sustainable jobs through the creation of an enabling environment and appropriate skills transfer.
3.3 INSTITUTIONAL ARRANGEMENTS

3.3.1 In line with National Government EPWP institutional arrangements, the EPWP organisational structure for the Municipality must consist of a TASK group consisting of a DCM nominated champion for each cluster. The TASK group must also include representatives from Treasury, Skills Development and Supply Chain Management. A nominated Councillor will provide political support to the programme.

3.3.2 The TASK group will facilitate integration of the programme and each champion is supported by a core WORKING group team made up of programme implementors / drivers within their respective clusters.
(The roles & responsibilities for each group are detailed in annexure A).

4 MONITORING AND EVALUATION

4.1 A consolidated EPWP report, monitoring progress of all sectors for the City is required by the national Department of Public Works on a quarterly basis, to ensure that overall the City is achieving the targeted outcomes of the programme.

4.2 The national EPWP Unit requires that we report on the following key performance indicators.

- Job Opportunities
- Person days of Employment
- Demographic targets (Women, Youth, and People with Disabilities)
- Training days
- Project Budgets
- Project Wage Rates

4.3 The responsible officials must collate the data obtained from the contractor/service providers and ensure it is captured on CAPMON.
4.4 The members of the work group collect or download data from CAPMON on a monthly basis and submit it to the task group. The Cluster Champions collate all EPWP reports for the compilation of the sector progress reports on a quarterly basis for onward submission to the Department of Public Works by the Project Management Unit (PMU).

4.5 In addition there will be an annual report that will reflect: achievements, challenges and best practices for the reporting period as well as an outline of goals and activities for the following year.
ANNEXURE A. - ROLES & RESPONSIBILITIES

1. EPWP TASK GROUP

The Task group will be chaired by the Head of the Project Management and meetings will be held on a quarterly basis.

1.1 TASK GROUP Roles and Responsibilities are to:

1.1.1 Facilitate the EPWP cluster implementation plans and revise annually.
1.1.2 Ensure the ongoing achievement of the EPWP objectives across all clusters.
1.1.3 Facilitate integrated implementation of all new EPWP cluster / sector initiatives.
1.1.4 Liaise with external stakeholder – national and provincial EPWP lead departments.
1.1.5 Ensure that information on the extent and impact of the EPWP is communicated to all the stakeholders including the Ward Councillors.
1.1.6 Collectively submit progress evaluation reports to EPWP unit of the DPW and DPLG.

1.2 TASK GROUP activities:

1.2.1 Guide and monitor the outputs of the EPWP work groups.
1.2.2 Identify EPWP projects / programmes; set targets and performance standards.
1.2.3 Plan sector training and capacity building, which includes identification of training needs for each sector, linking training to projects.
1.2.4 Identification of exit strategies within each sector.
1.2.5 Establish an effective monitoring and evaluation system for the sector; and submit regular sector reports to the national EPWP Unit
1.2.6 Beyond the five (5) years of the program, determine new initiatives and areas of improvements.
1.2.7 Facilitate the development of a database of LIC Task rates across all sectors as determined by the different line departments.
2. **EPWP WORKING GROUP**

EPWP Work group meetings to be held on a monthly basis.

### 2.1 EPWP WORK GROUP activities:

- 2.1.1 Assist the cluster champion in compiling EPWP sectors plans.
- 2.1.2 Assist the Cluster champions in setting Cluster EPWP targets.
- 2.1.3 EPWP Project identification and budget allocation.
- 2.1.4 Implement eThekwini EPWP sectors / cluster plans and related initiatives.
- 2.1.5 Review Unit plans for EPWP opportunities and align them accordingly.
- 2.1.6 Provide a baseline for progress measurement and programme control.
- 2.1.7 The overall monitoring, evaluation and reporting.

3. **EPWP TRAINING COORDINATOR**

The EPWP training coordinator is a representative from Skills Development Unit and is part of the Task Group. The coordinator implements *appropriate* training in terms of eThekwini’s DOL Linkages Model for on-the-job / project training, for EPWP workers and potential SMMEs. The Linkages Model includes technical skills as well as livelihood unit standards.

### 3.1 The EPWP training coordinator:

- 3.1.1 Coordinates EPWP learnership programmes across all four sectors,
- 3.1.2 Liaises with relevant SETAs and DOL and applies for funding and training,
- 3.1.3 Facilitates training for the relevant EPWP NQF sector training for officials,
- 3.1.4 Evaluates the relevance of training and exit opportunities; and
- 3.1.5 Monitors and reports on the overall status EPWP training.

The training needs vary from project to project; therefore, project stakeholders are expected to make their submissions through the Skills Development Unit EPWP cluster champions for consideration.
Heads/Deputy Heads - Identifying EPWP projects

A line department’s core function is service delivery and as such, is key to the long-term success of the EPWP programme. It is therefore the responsibility of line department Heads / Deputy Heads to ensure that their project managers champion and facilitate the following for submission to the work groups:

- Selection of suitable projects for EPWP Labour Intensive construction or community based operations & maintenance partnerships in all sectors.
- Identification of projects, which are suitable for inclusion as on-site training for formal EPWP learnerships and SMME developmental programmes.
- The planning, design and packaging of EPWP compliant projects.
- Develop a database of task rates specific to the different types relative to the infrastructure sector.
- The recording and provision of information to CAPMON on the number of employment opportunities created per unit expenditure of the total budget and the availability of local labour skills training etc. (The required EPWP specific KPI’s have already been built into CAPMON)
- Monitoring and evaluation of the EPWP type projects.
- Ensure appropriate community liaison throughout the project lifecycle.