ETHEKWINI MUNICIPALITY

EXPANDED PUBLIC WORKS PROGRAMME (EPWP)

POLICY FRAMEWORK

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## ACRONYMS

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<th>Acronym</th>
<th>Description</th>
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<tr>
<td>CIDB</td>
<td>Construction Industry Development Board</td>
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<tr>
<td>DCM</td>
<td>Deputy City Manager</td>
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<tr>
<td>DOL</td>
<td>Department of Labour</td>
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<tr>
<td>DORA</td>
<td>Division of Revenue Act</td>
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<tr>
<td>DPLG</td>
<td>Department of Provincial and Local Government</td>
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<tr>
<td>DWAF</td>
<td>Department of Water Affairs and Forestry</td>
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<tr>
<td>DSD</td>
<td>Department of Social Development</td>
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<td>DPW</td>
<td>Department of Public Works</td>
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<tr>
<td>DEAT</td>
<td>Department of Environmental Affairs and Tourism</td>
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<tr>
<td>DTI</td>
<td>Department of Trade and Industry</td>
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<td>EM</td>
<td>eThekwini Municipality</td>
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<tr>
<td>EMA</td>
<td>eThekwini Municipality Area</td>
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<tr>
<td>IDP</td>
<td>Integrated Development Plan</td>
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<td>ILO</td>
<td>International Labour Organization</td>
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<td>KPI</td>
<td>Key Performance Indicators</td>
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<td>LIC</td>
<td>Labour Intensive Construction</td>
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<td>LTDF</td>
<td>Long Term Development Framework</td>
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<td>MIG</td>
<td>Municipal Infrastructure Grant</td>
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<td>PMU</td>
<td>Project Management Unit</td>
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<td>EPWP</td>
<td>Expanded Public Works Program</td>
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<td>CETA</td>
<td>Construction Education and Training Authority</td>
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<tr>
<td>SACN</td>
<td>South African Cities Network</td>
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<tr>
<td>SALGA</td>
<td>South African Local Government Association</td>
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<tr>
<td>SCM</td>
<td>Supply Chain Management (Procurement policies)</td>
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<td>SETA</td>
<td>Sector Education and Training Authority</td>
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<td>SMME</td>
<td>Small Micro to Medium Enterprises</td>
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GLOSSARY OF TERMS

Community Liaison Officer (CLO)
The CLO is a member of the targeted community, recommended by the ward committee and appointed by the contractor to assist in the selection of local labour and is guided by the eThekwini Municipality approved CLO policy on Infrastructure projects.

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.

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.

Project Budget Aggregate
The project budget is the price tendered by the contractor plus the professional fees for the professional service provider appointed to design and supervise the project.
EXECUTIVE SUMMARY:

1 BACKGROUND (SECTIONS 1 & 2)

The Expanded Public Works Program (EPWP) is a national government strategy aimed at addressing unemployment in South Africa. As a local government we are expected to develop an EPWP policy in alignment with the City’s IDP. EPWP projects and programmes must be identified which can be implemented using labour-intensive methods with predetermined key deliverables over a given timeframe in the Infrastructure, Environmental, Social & Economic Sectors & in terms of the following legal framework:

2. Intergovernmental Relations Framework Act 13 of 2005
3. Integrated Development Plan - IDP
4. Division of Revenue Bill 2006

2 POLICY FRAMEWORK (SECTIONS 3 & 4)

This document provides a policy framework to guide the implementation of a sustainable Expanded Public Works Programme (EPWP) within the eThekwini Municipality, the objective of the policy framework is to:

- Establish the eThekwini’s Expanded Public Works Programme as an approved socio-economic developmental and poverty alleviation program with sustainable exit strategies that maximise SMME development, employment creation and skills development.
- Entrench the EPWP methodology within the IDP – a methodology that expands the current service delivery model of goods and services to ensure shared economic growth.
- 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.
3  EPWP FUNDING (SECTION 5)

Currently there are a number of existing labour intensive programmes within the city funded by either the operating or capital budgets that can be expanded on namely; the Zibambele rural road maintenance programme, solid waste collection, rural water & sanitation programme, agriculture and various other maintenance cooperatives.

4  INSTITUTIONAL ARRANGEMENTS (SECTION 6)

Institutionally; the EPWP organisational structure for the City was established in 2004 and includes a ‘strategic’ TASK group consisting of a nominated champion for each cluster. Reporting to the TASK group is the WORK group which is made up of programme implementers / drivers. The roles & responsibilities for each group are detailed later in this document. (Refer clause 6.3, 6.4 & 6.5).

5  INDIGENT HOUSEHOLDS, BACKLOGS & SOCIAL TARGETING (SECTION 7.1)

EPWP opportunities targeting the poor and unemployed need to be identified and each cluster must develop an EPWP sector plan to be incorporated into the overall eThekwini EPWP Implementation strategy.

6  IDENTIFYING EPWP PROJECTS (CLAUSE 7.2)

Each Cluster must develop the following:

a) Detailing associated budgets
b) Training requirements
c) Resource requirements
d) Monitoring & Evaluation methods
e) Deliverables and timeframes

7  COMPLIANCE (SECTION 8)

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

8  MONITORING AND EVALUATION (SECTION 9)

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.

9  IMPLEMENTATION PLAN (ANNEXURE 1)

10  EXIT STRATEGIES (ANNEXURE 2)

Critical to the long-term success of the programme is the development of integrated and sustainable exit strategies by all stakeholders within each sector, this exercise will be driven by the TASK group.

INTRODUCTION – EXPANDED PUBLIC WORKS PROGRAMME

1  BACKGROUND OF THE EPWP

Job creation is one of National Government’s top priorities. There are medium to long-term programs and strategies to address unemployment and skills shortage in South Africa. The Expanded Public Works Programme EPWP is one of such programs.

Municipalities are required to develop policies with a focus on closing the gap between the first and the second economies. These policies are expected to also promote the EPWP and are required to re-structure current activities to create greater employment opportunities per unit of expenditure, together with skills training across the four sectors detailed below. The National EPWP programs are being undertaken in four (4) sectors, targeting 1,0 million jobs over a period of five (5) years, since 2004. Within each Sector, there are opportunities for creating employment and training as follows:
1.1 **EPWP Infrastructure Sector:** increasing the labour intensive construction of public infrastructure projects:
- low volume roads
- sidewalks
- storm-water management
- trenching
- materials supply etc.

1.2 **EPWP Environmental Sector:** creating work opportunities in public environmental, agriculture and arts programs:
- Working for water (alien plant removal)
- Working for wetlands
- Working for coast, tourism
- Domestic waste collection
- Agri-business initiatives

1.3 **EPWP Social Sector:** creating work opportunities through the public sector social programs of Early Childhood Development and Home Based Care etc.

1.4 **EPWP Economic Sector:** the development of small businesses and cooperatives utilising government expenditure on goods and services such as:
- Catering
- Security
- Uniforms
- Cleaning etc
2 LEGAL FRAMEWORK

The legal framework within which the municipality adopts the EPWP is as follows:

2.1 The Constitution of South Africa Act 108 of 1996

2.1.1 Objectives of Local Government

Chapter 7, Section 152 (1) and (2) sets out a broad framework for the functions of the local government, in accordance with this framework the objectives of local government is to:

- Provide democratic and accountable government for local communities,
- Ensure the provision of services to the community in a sustainable manner for the benefit of present and future generations,
- Promote social and economic development,
- Promote a safe and healthy environment; and
- Encourage the involvement of communities and community-based organisations in the matters of local government.

A municipality must strive, within its financial and administrative capacity to achieve the above-mentioned objectives.

2.1.2 Developmental duties of municipalities: Section 153. A municipality must:

- Structure and manage its administration, and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and
- Participate in national and provincial development programmes.

2.2 Intergovernmental Relations Framework Act 13 of 2005

The object of this act provides the principles of cooperative government, as set out in Chapter 3 of the constitution. This is to promote and facilitate intergovernmental relations, for local government, to implement national policy/legislation.

Cited in the act’s preamble are, challenges facing our country as a developmental state, that need government to address poverty, underdevelopment, marginalisation of people and communities and other legacies of apartheid and discrimination.
2.3 Integrated Development Plan – IDP

The Municipal Systems Act 32 of 2000, promotes the development of an Integrated Development Plan (IDP) as a key strategic planning document, guiding and informing all planning and development activities in eThekwini Municipality.

Articulated in the IDP are eight key challenges that are facing the Municipality:

- Low economic growth and unemployment
- Poor access to basic household services
- High Levels of Poverty
- Low levels of literacy and skills development
- People affected by HIV/Aids
- Exposure to unacceptable high levels of crime and risk
- Unsustainable development practices
- Ineffective, inefficient, inward looking local government

Currently the eThekwini Municipality EPWP resides as a programme under the IDP plan number four (4), of Safe, Healthy and Secure Environment for reporting purposes and serves to support all of the above challenges.

2.4 Division of Revenue Bill 2006

The Municipal Infrastructure Grant (MIG) is an infrastructure grant direct from national government and aims to provide a basic level of service (Water, sanitation and access to services), to the poorest of the poor.

Schedule 4 funding allocation conditions are prescriptive for municipalities to adhere to the labour intensive construction methods in terms of the EPWP guidelines agreed to between Department of Public Works, National Treasury and SALGA.
3  ETHEKWINI VISION AND MISSION

"By 2020, eThekwini Municipality will enjoy the reputation of being Africa’s most caring and liveable city, where all citizens live in harmony. This vision will be achieved by growing its economy and meeting peoples needs so that all citizens enjoy a high quality of life with equal opportunities, in a city that they are truly proud of.”
- eThekwini’s Integrated Development Plan.

Additionally, the three strategic focus areas of eThekwini’s Long Term Development Framework (LTDF) and IDP are:

- Meeting basic needs of our citizens (service backlogs)
- Strengthening the economy (enabling environment)
- Developing peoples skills and technology (investing in the future of our citizens)

As such, these strategic focus areas directly support the objectives of the EPWP below.

4  EPWP – PROGRAMME OBJECTIVES:

The EPWP is about the reorientation of line function budgets (capital and operational) so that expenditure by the Municipality results in increased employment opportunities and training, particularly for unemployed and unskilled labour. The main objective of the programme is to create an enabling environment to:

4.1  Create employment opportunities for the unemployed within local communities through the implementation of each Cluster’s EPWP implementation plan which collectively cuts across the different sectors inter alia, the Infrastructure, Social, Environmental and Economic Sectors.

4.2  Develop skills within communities through EPWP training programs, by accredited training providers aimed at developing sustainable skills and capacity within communities.
4.3 **Capacitate SMMEs** to execute EPWP work by facilitating the transfer of technical, managerial and financial skills through a relevant SETA qualification, in properly structured learnership programmes.

4.4 Maximise the percentage of the total annual budget spent and **retained within local communities** in the form of wages. Where feasible, and within SCM regulations, promote the procurement of goods and services from local manufacturers, suppliers and service providers.

4.5 Adopt and **align cluster / departmental annual business plans** to the EPWP, through the development of clear key performance indicators in-line with prioritised socio-economic objectives.

4.6 **Monitor, evaluate** and report all EPWP initiatives within eThekwini Municipal boundaries, including those being implemented using local municipal, Provincial and National Government budgets.

> Each cluster is therefore required to compile an EPWP sector plan that incorporates the above objectives and clearly details their respective labour intensive programs, budgets and employment targets.

## 5 EPWP – PROGRAMME FUNDING:

EPWP does not receive any special grant funding from National or Provincial Government. Therefore as a municipality line departments in all sectors have to allocate a portion of their normal budgets to service delivery models that are identified as labour intensive. 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)

### 5.1 Funding Exiting Labour-Intensive Programs

To date, the Municipality is making a significant contribution to labour-intensive employment and SMME development through a number of existing projects / programmes, including inter alia:
5.1.1 **Operating Budget Expenditure**

1. Cooperatives are maintaining certain council properties
2. Waste collection cooperatives
3. Grass cutting cooperatives
4. Dune rehabilitation and maintenance
5. Zibambele Roads Maintenance Program

**EXAMPLE 1:** The Zibambele programme’s annual budget is approx R25 million. Currently the program provides 23,800 person days of work per month. The gender employment split is as follows; women 2,404 (83%), men 482 giving a total of 2,884 job opportunities of which 1,220 are youth (18-35 years - male / female)
5.1.2 Capital Budget Expenditure

- Procurement of goods and services
- Sustainable community livelihood program (SCLP)
- Water and Sanitation Construction Projects*
- Rural Roads upgrading Projects

**EXAMPLE 2:** Rural Water & Sanitation programme:

5.1.3 SMME Development

- Informal trade support
- Outsourcing of capital and operating budget and functions to SMMEs
- EPWP Construction Contractor Development Programme (2004-2007)

**EXAMPLE 3:** The eThekwini EPWP Construction Contractor Learnership Programme involves the training of 24 emerging contractor entities to the NQF 2 & 4 qualification standards in labour-intensive construction contracting and supervisory skills, which they will be able to put to use in a wide range of labour-intensive infrastructure and community public works projects within the EMA.

* These projects are funded by the Municipal Infrastructure Grant (MIG)
5.1.4 Other EPWP Type Programs

- Coast Care and land care program – Funded Department of Agriculture and Environmental Affairs
- Early Childhood Development (ECD) and Home Based Care (HBC), is a program of the Department of Health and Social Welfare.
- eThekwini’s Agricultural development programme (emerging agri-business enterprises and food security model).

**EXAMPLE 4:** eThekwini Municipality in partnership with the KwaZulu Natal Department of Agriculture and our Amakhosi (Tribal Authority) are driving a programme to develop the agricultural potential of the eThekwini Municipal Area. The aim is to create an enabling environment in which:

- Infrastructure, support systems and facilitates are in place to allow for a vibrant and growing commercial sector
- The established private sector can initiate commercially viable projects in partnership with previously disadvantaged farmers and entrepreneurs
- Unemployment and household food insecurity are significantly addressed through community based projects.

**The key objectives for the Agribusiness Model is the following:**

- Address economic development
- Increase the city’s economic activity within the agricultural sector
- Job Creation
- Poverty Alleviation & Food Security
- Attract agri-processing firms to the city
- Commercialise community gardens therefore increasing the disposable income.

In order to implant and deliver on the above mentioned mandates, the following delivery structure will be used to address different projects.
The current programs therefore clearly demonstrate that there is great potential for expanding other existing programs using existing operational and capital budgets. The approach is therefore to review the existing and new programmes / projects (where appropriate) so that they satisfy the requirements of the EPWP. However before there can be effective integration and implementation it is essential that all the institutional arrangements are in place and that all stakeholders are clear as to their roles and responsibilities.
6 INSTITUTIONAL ARRANGEMENTS

6.1 National EPWP UNIT (For Information only)

The institutional framework of the EPWP at National Government level is depicted diagrammatically in Figure 2, below:

![Diagram of National EPWP Unit]

Figure 2. National EPWP Unit

6.2 eThekwini EPWP Internal Coordination

The approved eThekwini EPWP organisational structure as illustrated below is in line with the National Government EPWP sectors above. The clusters within the EPWP working group and the task group are aligned to the existing operational clusters within the Municipality and correlate with their service delivery functions. Members of the work group (nominated officials) are involved with the execution of the program.
The structure does not reside in any one cluster, and represents integration of the implementation mechanism. The task group will focus on city-wide integration of the EPWP strategic planning.

6.3 Roles and Responsibilities of the EPWP Task Group

The Deputy City Managers of each operational cluster have appointed one cluster representative Cluster Champion. The EPWP Task Group, is currently chaired by the Head of the Project Management unit, and meetings are held quarterly.
6.3.1 **Their roles and responsibilities are to:**

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

6.3.2 **The EPWP task group activities:**

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

6.4 **Roles and responsibilities of the EPWP Working Group**

The Unit Heads to confirm previously nominated members of the EPWP Work group. Each unit has a representative in this group. Meeting to be held on a monthly basis.

6.4.1 **The EPWP work group activities:**

- Assist the cluster champion in compiling EPWP sectors plans.
- Assist the Cluster champions in setting Cluster EPWP targets.
- EPWP Project identification and budget allocation.
- Implement eThekwini EPWP sectors / cluster plans and related initiatives.
- Review Unit plans for EPWP opportunities and align them accordingly.
- Provide a baseline for progress measurement and programme control.
- The overall monitoring, evaluation and reporting.
6.5 Role of the EPWP Training Coordinator.

The EPWP training coordinator is a representative from Skills Development Unit and is part of the working group. The coordinator implements ‘appropriate’ training in terms of eThekwini’s DOL Linkages Model for on-the-job / project training, for EPWP workers and entrepreneurs. The Linkages Model is due to commence February 2007. This training model includes technical skills as well as subsistence food security and agricultural unit standards.

EPWP training coordinator:

- Coordinates EPWP learnership programmes across all four sectors
- Liaises with relevant SETAs and DOL and applies for training,
- Facilitates training for the relevant EPWP sectors NQF training,
- Evaluates the relevance of training and exit opportunities; and
- 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.

7 IMPLEMENTATION FRAMEWORK:

The eThekwini EPWP Implementation Logical Framework Plan (Annexure 1) sets the logical implementation sequence for the programme. One of the first outcomes of the working groups is the further development of the integrated implementation plan across all sectors.

7.1 TARGETING EPWP:

The major objective of the EPWP is to generate employment for the local poor* and unemployed, those who have no income and have realistically no prospect of getting permanent long-term jobs. The map below of eThekwini illustrates the distribution of the targeted indigent households in the EMA.

EPWP is a means to achieve socio-economic objectives, which are to improve the lives of the poor*, unemployed, men, women, youth, and the disabled and is NOT limited to the infrastructure sector only which by nature does offer the greatest opportunities.

* Casale & Thurlow (1999) 40% of households in EMA classified as ultra poor or poor.
  20% households earned less than R1,156 pm (ultra poor)
  20% households earned between R1,157 pm & R1,834pm (poor)
7.1.1 Geographical Targeting of Indigent:

Labour intensive project identification and implementation must be within a line departments service delivery mandated obligations to maximise employment opportunities per unit expenditure. The departments must prioritise and identify projects/programmes in the targeted areas of eThekwini, where unemployment is very high i.e. the urban periphery and the rural areas. The ultra-poor live in some concentrated pockets of poverty but are also spread throughout the EMA. Poverty is found in, informal settlements, rural traditional dwellings, suburban and township dwellings, and in flats and cluster dwellings.

In terms of the Spatial Development Framework the Ultra-Poor are distributed as follows:
- 6.3% are in the Urban Core,
- 69.2% are in the Urban Edge,
- 9.6% in the Peri-Urban areas and
- 14.9% in the Rural Areas.
7.1.2 Backlogs Targeting:
Poverty is not only associated with unemployment, it also about social inaccessibility to services which includes inadequate access to household services and communal services / facilities. Current backlogs studies being done throughout the City will inform this component.

7.1.3 Social Targeting:
As mentioned previously EPWP broadly targets the unemployed and marginalised, particularly the unskilled. EPWP also targets vulnerable groups particularly women (in particular women-headed households) and the youth. This component needs to be extensively researched in line with the National Social sector business plans.

7.2 IDENTIFYING EPWP PROJECTS – Heads/Deputy Heads
The emphasis of (8.2) is in the infrastructure sector. 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:

- Selection of suitable projects for EPWP Labour Intensive construction.
- Identification of projects, which are suitable for inclusion in learnerships and SMME developmental programmes.
- The planning, design and packaging of EPWP compliant labour-intensive projects. (Heads to ensure the project-managers are LIC-NQF5 qualified.)
- Develop a data base of task rates specific to the different types of infrastructure.
- 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 projects.
- Community liaison throughout the project lifecycle.

To date a total of 130 eThekwini officials have been trained to LIC NQF5/7. In addition the DPW has published a comprehensive LIC guide*.

*Guidelines for the Implementation of Labour-Intensive Infrastructure Projects under the EPWP (2nd edition – July 2005) – see section (9.4)
7.2.1 Unbundling labour intensive projects

A technical pre-feasibility analysis needs to be done on projects to initially establish if they are suitable for labour intensive construction. The aim of the feasibility analysis is to produce indicative information regarding scope and scale of the project, together with associated cost and time. An appropriate choice of project is essential for future success of the program.

All potential labour intensive projects (construction) must be assessed in terms of its:

- Location of project
- Type of project
- Size of contract
- Extent to which labour-intensive methods may productively be used in different types of construction
- Scale of project/programme lead times
- Relation between duration of programme and overhead costs.

Labour-intensive technical support in terms of project packaging will be available to line departments from the Business Trust and the Project Management Unit. Essentially the objective is to increase the percentage of overall labour cost to between 20-35% of the total project value.

Also see reference document: "eThekwini Municipality - Labour Intensive Construction Procedures. April 2005"

The emphasis of the feasibility study is to interrogate the project on the operations and activities that are labour intensive. e.g. For the earthworks labour intensive operation; it will be excavation, loading, hauling, unloading and spreading (ELHUS) operations.

The community must be fully involved and agreement reached upon the following: nature of the project, level of service, method of service delivery availability of labour, selection of trainees and workers, wage rates and conditions of employment.

A 10% premium for some labour intensive projects is deemed acceptable. This is to cover the costs of training and time related cost of the projects. Initially, longer lead-times must be allowed for labour intensive projects. These premiums need to be closely monitored and reported on.
7.2.2 Budget allocation for labour intensive projects

Capital and operating budgets must reflect the EPWP projects, targeting five (5) years of the multi-year municipal budgets in incremental percentages as indicated in the table below. It is abundantly clear the huge potential available to the city to facilitate a sustainable EPWP programme.

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<td>Percentage EPWP</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
<td>25%</td>
<td>30%</td>
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<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>
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<tr>
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<td>15%</td>
<td>20%</td>
<td>25%</td>
<td>35%</td>
<td>40%</td>
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Table 1

8 EPWP COMPLIANCE – (Infrastructure)

To date the development of labour-intensive guidelines, documentation and skills development has been largely concentrated on the infrastructure sector due to the potential illustrated in the above table, and the need to reverse the years of technological mechanisation that has dominated the construction sector. The other sectors are essentially labour intensive by nature; it is the expansion of these programmes that is required as illustrated by the existing programmes within eThekwini (6.1). Section (9) therefore only concentrates on the infrastructure sector; guidelines for the other sectors will be developed in time.

8.1 Procurement / contract documentation

It is incumbent of the Municipality to ensure that all service providers, suppliers, contractors and consultants are aware of the EPWP conditions and guidelines prior to quoting, tendering etc on EPWP identified services, contracts / projects.

It is important to note that only contractors and consultants with the appropriate NQF qualifications in labour-intensive technologies may be appointed. In reality this will have to be phased in over time, a programme is in place to address this. Refer (9.2) below.

EPWP conditions also vary depending on the types of services required by line departments whether capital or operational and as such need to be assessed separately. As
implementation gains momentum, EPWP sector specialists are available from the national DPW to assist in resolving bottlenecks and achieving compliance within the different sectors. Currently all infrastructure contract documentation used by the various engineering line departments in their procurement of services are being reviewed by a DPW technical specialist for compliance. A suite of (eThekwini) EPWP compliant contract documentation will be made available for PQs, small works, conventional contracts etc, including the reporting mechanisms.

8.2 The appointment of Consulting Engineers and Contractors

The public body must ensure that:

8.2.1 The design of the labour intensive works by consultants is overseen by persons in their employ who have completed the necessary skills training (see table 2)

8.2.2 Works contracts are administered by persons in the employ of consultants who have completed the necessary skills training (see table 2); and

8.2.3 Works contracts are awarded to contractors who have in their employ managers who have completed the necessary skills training (see table 2).

8.3 Required Skills Programme:

8.3.1 Municipal Officials

As mentioned previously, the city is now well resourced in LIC skills with 130 officials who have been trained in Labour-Intensive Construction NQF5/7, who are therefore in a position to accelerate the programme significantly whilst ensuring compliance.

Table 2: Skills Programme for eThekwini Officials / Project Managers:

<table>
<thead>
<tr>
<th>Personnel</th>
<th>NQF</th>
<th>Unit Standard Title</th>
<th>Skills Programme Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior management and professionals</td>
<td>7</td>
<td>Develop and Promote Labour-Intensive Construction Strategies</td>
<td>Skills Programme against this single unit standard</td>
</tr>
<tr>
<td>Middle (technical)</td>
<td>5</td>
<td>Manage Labour-Intensive Construction Projects</td>
<td>Skills Programme against this single unit standard</td>
</tr>
<tr>
<td>Middle (admin)</td>
<td>5</td>
<td>Manage Labour-Intensive Construction Projects</td>
<td>Skills Programme against this single unit standard</td>
</tr>
</tbody>
</table>
8.3.2 Consultants. (table3)

The person responsible for the design and documentation of the labour intensive works, must be qualified in the NQF level 7 unit standard "Develop and Promote Labour Intensive Construction Strategies". The person who is responsible to the employer for the administration of the contract, must be qualified in the NQF level 5 unit standard "Manage Labour Intensive Construction Projects".

Table 3: Skills Programme for Consultants

<table>
<thead>
<tr>
<th>Personnel</th>
<th>NQF</th>
<th>Unit standard Title</th>
<th>Skills Programme Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrator / Site Supervisor</td>
<td>5</td>
<td>Manage Labour Intensive Construction Projects</td>
<td>Supervisor Skills Programme against this single unit standard</td>
</tr>
<tr>
<td>Designer</td>
<td>7</td>
<td>Develop and Promote Labour-Intensive Construction Strategies</td>
<td>Skills Programme against this single unit standard</td>
</tr>
</tbody>
</table>

8.3.3 Contractors

Contractors having a CIDB contractor grading designation of 5CE and higher shall only engage supervisory and management staff in labour intensive works who have completed the skills programme as outlined in Table 2.

Contractors having a CIDB contractor grading designation of 1CE, 2CE, 3CE and 4CE shall have personally completed the skills programme for the NQF level 2 unit standard. All other site supervisory staff in the employ of emerging contractors must have completed the skills programme for the NQF level 4 unit standard.

Table 4: Skills Programme for Contractors

<table>
<thead>
<tr>
<th>Personnel</th>
<th>NQF</th>
<th>Unit standard Titles</th>
<th>Skills Programme Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team Leader / Admin Supervisor</td>
<td>2</td>
<td>Apply Labour-Intensive Construction Systems and Techniques to Work Activities</td>
<td>This unit standard must be completed, &amp;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Use Labour-Intensive Construction Methods to Construct and Maintain Roads and Stormwater Drainage</td>
<td>any one of the listed standards must be completed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Use Labour-Intensive Construction Methods to Construct and Maintain Water and Sanitation Services</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Use Labour-Intensive Construction Methods to Construct, Repair and Maintain Structures</td>
<td></td>
</tr>
</tbody>
</table>
### Implement Labour-Intensive Construction Systems and Techniques

This unit standard must be completed, and

- Use Labour-Intensive Construction Methods to Construct and Maintain Roads and Stormwater Drainage
- Use Labour-Intensive Construction Methods to Construct and Maintain Water and Sanitation Services
- Use Labour-Intensive Construction Methods to Construct, Repair and Maintain Structures

For any one of the 3 listed unit standards must be completed

---

### Manage Labour-Intensive Construction Processes

Skills Programme against this single unit standard

---


This comprehensive document (available from the PMU) focuses on the infrastructure sector and covers the following aspects in detail:

#### 8.4.1 Responsibilities of the public body.

- Selection of projects
- **Setting of the rate of pay:**
  
  "Employment of labour is done in accordance with the Code of Good Practice for Employment and Conditions of Work for Special Public Works Programmes (clause 10.4), the public body must set a rate of pay (task-rate) for workers to be employed on the labour-intensive projects"

---

The responsibility of the Task Group here is to facilitate the process of the 'public body' developing a database of LIC Task rates across all sectors as determined by the Code of Good Practice mentioned above.

It is the responsibility of each line department to develop their own Task rates for labour intensive works specific to their type of infrastructure. The already tried and tested Task rates developed by water & sanitation department can assist as a benchmark.

It is essential however, that these LIC Task Rates when equated back as a ‘daily’ task rate are similar and that any variances can be explained away on merit to the communities should the need arise.
The eThekwini Municipality has recently adopted a policy on Community Liaison Officers (CLO) with guidelines for the employment of local labour working on infrastructure projects. The proposal is to adopt the policy to cater for all other EPWP workers under poverty alleviation programs, with the aim of ensuring common wage practices within the eThekwini Municipality’s area of jurisdiction.

- Appointment of consulting engineers and contractors. As per section (8.3.2 & 8.3.3 above)

### 8.4.2 Contract Documentation for Consulting Engineers and Contractors for Labour intensive construction projects.

- Contract Documentation for Consulting Engineering Services
- Contract Documentation for the Works
- Conditions of tender
- Conditions of contract
- Scope of work
- Schedules of quantities

### 8.4.3 Design Checklist

The design checklist chapter is comprehensive and covers all design aspects for the various infrastructure disciplines. It lists types of infrastructure suitable for LIC and there is a list of numerous references to other publications on LIC relative to the South African situation.

Further to the above, the document the “eThekwini Municipality Labour Intensive Construction Procedures” dated April 2005, forms the basis for the infrastructures projects implementation procedure within eThekwini specifically. This document obviously only focuses on the infrastructure sector and is available from the Project Management Unit.
9 MONITORING AND EVALUATION

9.1 Monitoring Indicators

The national EPWP Unit developed an overall monitoring and evaluation strategy; six core monitoring indicators are reported:

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

The Consultants and project managers must collate the data obtained from the contractor/service providers and ensure it is captured on CAPMON.

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.

10 REFERENCES:

- National Department of Public Works, July 2005: Guidelines for the implementation of labour intensive infrastructure projects under the Expanded Public Works Programme (EPWP) -
- ETHekwini Municipality, 2003 : Integrated Development Plan (IDP)
- Watermeyer, RB: Labour-based construction, the development of emerging contractors and the RDP – several publications on the same subject.
- National Department of Public Work EPWP sectors plans
- ETHekwini Municipality Indigence Policy Corporate Policy Unit Geographic Information & Policy Office (GIPO)
<table>
<thead>
<tr>
<th>WHO</th>
<th>WHAT</th>
<th>Status</th>
<th>Date / Resource</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 PMU – Project Management Unit</td>
<td>The PMU provides overall co-ordination of the EPWP for the city and has the responsibility of reporting on EPWP and MIG related initiatives for all sectors to the DPW national.</td>
<td>Established</td>
<td>done</td>
</tr>
<tr>
<td>1.2 Business Trust</td>
<td>The Business Trust will provide support to the eThekwini EPWP by appointing a Municipal Facilitation Officer (MFO) and a Technical Consultant (TC) and Training Officer</td>
<td>Done</td>
<td>Ongoing Facilitation February 2007</td>
</tr>
<tr>
<td>1.3 EPWP Work Group</td>
<td>The committee comprising of approximately 20 members was convened in February 2004 and is representative of all clusters. Meetings monthly.</td>
<td>Established – Schedule of meetings to be set for 2007</td>
<td>Heads/ Deputy Heads to confirm reps Feb 07</td>
</tr>
</tbody>
</table>
| 1.4 EPWP Task Group (Cluster Champions) | The task group comprises of:  
- Cluster champions identified by the Deputy City managers. It is a decision making body required to develop and drive the process.  
- The task group would also be inclusive of support units like skills development, business support and community participation  
- Meetings quarterly | Established – Schedule of meetings to be set for 2007 | Ongoing |
| 1.5 Poverty Alleviation Task Team | Participation with the task team in setting poverty alleviation strategies | | Ongoing |
| 1.6 EPWP Councillor Champion | Workshop and adoption of the eThekwini EPWP Strategic Framework with all party caucuses | Clr. N.N. Nyanisa 083-463 3044. | Done |
| 1.7 Kwa-Zulu EPWP Steering Committee: (Provincial Government Level) | Linkages with the Different Provincial Departments  
- Identify sources of funding for all sectors – are we accessing all available funds / learnerships  
- Using DOT best practice programmes - Vukuzakhe programme & DOT Zibambele | Represented by PMU | Ongoing |
| 1.8 DPW – EPWP Management Unit | As and when facilitation | Represented by PMU + TG | Ongoing |
| 1.9 National Sector Departments | Interact with National Lead departments and align with their sector plans  
- Identify National Department and Provincial Department Funding sources  
- DEAT, DTI and DSD  
- Institute for Democracy – www.idasa.org.za (informs one of available budgets etc) | | PMU + Task Group |
| 1.10 SETAs | Partnership | | Ongoing |
| 1.11 Department Of Labour | Partnership | | Ongoing |

Shaded areas = Task complete
## 2. ALIGNMENT / INTEGRATION WITH EXISTING PLANS AND POLICIES – Across all spheres

<table>
<thead>
<tr>
<th>INTEGRATION / ALIGNMENT</th>
<th>Integration of existing sector/cluster business plans and their objectives into the EPWP strategic document</th>
<th>Task Group / Work Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 National sector plans</td>
<td>Alignment to national sector plans</td>
<td>In development of individual sector / cluster plans – March 07</td>
</tr>
<tr>
<td>2.2 Provincial EPWP strategy</td>
<td></td>
<td>Once approved by provincial cabinet – to be distributed</td>
</tr>
<tr>
<td>2.3 IDP Scorecard – Monitor KPIs:</td>
<td>Review 06/07 IDP</td>
<td>EPWP Task Group and Work Group to establish</td>
</tr>
<tr>
<td></td>
<td>What EPWP type KPI's influence the IDP scorecard and therefore need to be reported upon.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>In which cluster should EPWP reside</td>
<td></td>
</tr>
<tr>
<td>2.4 ABM business plans</td>
<td>Rural - EThekwini rural agricultural policy (development policy)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>INK</td>
<td></td>
</tr>
<tr>
<td></td>
<td>ITRump</td>
<td></td>
</tr>
<tr>
<td>2.5 Cluster Business Plans</td>
<td>Health, social</td>
<td>Task group to draft – March 07</td>
</tr>
<tr>
<td></td>
<td>Economic</td>
<td>Task group to draft – March 07</td>
</tr>
<tr>
<td></td>
<td>Agriculture, culture, tourism</td>
<td>Task group to draft – March 07</td>
</tr>
<tr>
<td></td>
<td>Infrastructure</td>
<td>Done</td>
</tr>
<tr>
<td>2.6 Skills Development</td>
<td>Liaison in terms of the co-ordination of the training and skills development</td>
<td>To be drafted – March 07</td>
</tr>
<tr>
<td></td>
<td>Department of Labour – labour EPWP training co-ordination</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Thomas – in terms of their business plan</td>
<td></td>
</tr>
<tr>
<td>2.7 Business Support Unit</td>
<td>Alignment with their business plan.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Align / participate with Small Contractor Development programme</td>
<td></td>
</tr>
<tr>
<td>2.8 Community Participation</td>
<td>EXCO resolution for Poverty Alleviation – TOR</td>
<td>Research / evaluation - ongoing</td>
</tr>
<tr>
<td></td>
<td>Poverty Alleviation Programme Implementation Programme</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Community Participation Policy</td>
<td></td>
</tr>
<tr>
<td></td>
<td>eThekwini's Indigence policy</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Section 21 companies</td>
<td></td>
</tr>
</tbody>
</table>
### Compliance to policies / standards

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>To ensure uniformity across the city in all clusters</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 2.9 Procurement Issues

<table>
<thead>
<tr>
<th>Policy</th>
<th>What does PROCUREMENT have to table at this point?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small works documentation</td>
<td>BusTrust developing suite of docs</td>
</tr>
<tr>
<td>Construction regulations</td>
<td></td>
</tr>
<tr>
<td>Rates of pay – ‘Task work’</td>
<td>ALL role-players. What level must this be taken to?</td>
</tr>
<tr>
<td>Tender document compilation</td>
<td>Bid selection committee</td>
</tr>
<tr>
<td>Bid evaluation criteria</td>
<td>Bid selection committee</td>
</tr>
<tr>
<td>Community liaison officers</td>
<td>Contract documentation and rates</td>
</tr>
<tr>
<td>Community based organisations / Co-ops</td>
<td>Contract documentation and rates</td>
</tr>
</tbody>
</table>

**PMU / BusTrust are working on EPWP suite of contract documentation with Procurement.**

**Task Rate to be set by TASK group**

#### 2.10 Technical Issues

<table>
<thead>
<tr>
<th>Issue</th>
<th>Project design</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uniformity of technical issues across all departments</td>
<td>Using CIDB guidelines etc</td>
</tr>
</tbody>
</table>

### 3. PROGRAMME IMPLEMENTATION

<table>
<thead>
<tr>
<th>WHAT</th>
<th>WHEN</th>
<th>WHO</th>
</tr>
</thead>
<tbody>
<tr>
<td>eThekwini Municipality EPWP Policy</td>
<td>Await approval January 2007</td>
<td>PMU / Policy Sub-Committee</td>
</tr>
<tr>
<td></td>
<td>An EPWP Policy is to be prepared by the PMU and sent for approval to the Ethekwini Policy Sub-Committee. Once approved the policy will be the formal Guideline to the Implementation of the EPWP across all sectors / departments with the EMA.</td>
<td></td>
</tr>
<tr>
<td>3.1 Implementation of EPWP Policy</td>
<td>As soon as policy is approved Feb 2007</td>
<td>Task Group</td>
</tr>
<tr>
<td>Workshop the approved Policy to the Work Group Members and Project Implementers within the various Departments</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### 3.3 Sector Plans

- The different sector plans need to be developed within each sector / cluster:
  - Infrastructure
  - Social
  - Environmental / Agricultural / Culture / Tourism
  - Economic
- Preparation of a list of Projects on the 2006/2007 and 2007/2008 financial years which can be implemented using EPWP Principles especially from a LIC point of view
  - Looking at the Capex & Opex budgets.
- Workshop and confirm the list with the Implementing Departments and their Project Managers.
- Plans to include all measurable KPIs
  - Budgets – allocations, sources of funds
  - Job opportunities – quantified
  - Resultant outcomes (i.e. New Infrastructure built using LIC methods)
  - Training needs - timeline
  - Constraints
  - Monitoring and Evaluation mechanisms / score-card

**When**: As soon as policy is approved

**Who**: Task Group / Work Group

### 3.4 Identification of Blockages (EPWP targeting purposes)

- Identify blockages on the implementation of EPWP projects.

**When**: February 2007

**Who**: BusTrust

### 3.5 Reporting on EPWP KPI's

- Interaction with Project Managers who are implementing EPWP Projects and to gather KPI’s which will be entered into the CAPMON.
- The % labour costs out of the entire project cost is to be calculated (should be between 20-35% of total project cost).
- The reporting tool is to be investigated/modified - right down at contractor / site level to ensure that accurate reporting is done

**When**: Ongoing

**Who**: PMU / Line Departments

### 3.6 Contractor / Consultant Involvement

To ensure that Consultant and Contractors have a relevant NQF qualifications – request proof of qualification and check various databases ie CETA

Advertise EPWP requirements for Consultants and Contractors

Workshop the EPWP Policy Guidelines and Targets to external Consultants. This will include Best Practice for LIC work, the EPWP Tender Documentation in conjunction with the CIDB requirements and EPWP design and construction methods.

Consultants and Municipal Officials will be assisted by BusTrust as and when required with regards to EPWP Guidelines.

Consultants and Contractors will be monitored with regards to EPWP Targets. Man-days and Job opportunities will be verified by the BusTrust TC. The construction work will be unbundled to create opportunities for Emerging Contractors.

Consult Engineering Organizations such as SAICE, CETA, SAFCEC etc with regard to compliance

Verify Contractors registration with CIDB and capacity to undertake the works

Consult with Business Support with regard contractor development

**When**: Ongoing

**Who**: BusTrust / PMU / Task Group
### 3.7 EPWP Learnership Programme

- **WHAT**
  - The existing Learnership Programme at the Ethekwini Municipality is to be assessed and reported on. The programme needs management by a technical person.
  - An assessment tool is to be used to assess the present status of the contractors on the programme.
  - The Mentors are to be interviewed.
  - A remedial plan is to be formulated and implemented to better the success rate in the programme.
  - The NQF qualifications of the emerging contractors are to be assessed.
  - The Learnership Programme is to be aligned with the Cities Emerging Contractor Programme.
  - A DoL training model is to be looked at for eThekwini's labour/emerging contractor programme.
  - The feasibility of establishing an eThekwini Training Centre is to be investigated. This will assist the PMU to monitor and evaluate the Learnership Programme.

- **WHEN**
  - Ongoing

- **HOW**
  - BusTrust / PMU / Task Group

### 3.7.1 Training and Skills Transfer

- **WHAT**
  - The Training of Emerging Contractors during the construction period
  - The Training of the Local Community
  - Consult Department of Labour with regard to the funding of the above.
  - A dedicated DoL person is to be stationed at eThekwini.
  - The entire training programme is to be coordinated from here in conjunction with the PMU and other organisations.

- **WHEN**
  - Ongoing

- **HOW**
  - BusTrust / PMU / Task Group

### 3.8 Social Facilitation

- **WHAT**
  - The engagement of Social Facilitators with the Councillors and the various Stakeholders of the Community to ensure a successful contract. The Social Facilitators must work closely with the Consultants, the training Consultant and the Community in identifying candidates for LIC, Learnership Programmes and Training.
  - The undertaking of a Skills Audit by the SF to determine existing skills, suppliers and small businesses in the area.
  - Creating a model of a Project Liaison Committee (PLC) in conjunction with the Area Based Management teams.
  - The task rates for the various areas are to be established. This information is vital to the contractors when they tender on a project.

- **WHEN**
  - Ongoing

- **HOW**
  - BusTrust / PMU / Task Group

### 3.9 Expand on the Community based Operational and Maintenance Programmes

- **WHAT**
  - Identify opportunities for the Implementation of Maintenance programmes such as Zibambele in other maintenance departments ie. Roads Maintenance, Drainage Maintenance, Parks and Recreational areas and Maintenance of Municipal Buildings via a learnership programme etc.

- **WHEN**
  - Ongoing

- **HOW**
  - BusTrust / PMU / Task Group

### 3.10 Exit Strategies

- **WHAT**
  - The Establishment of Database of Job seekers, previously trained persons, ex learners, Artisans, Emerging Contractors etc.
  - Look at sustainability and integration of programmes.
  - Develop a exit strategy in alignment with Small emerging contractor programme of Business Support

- **WHEN**
  - February 2007

- **HOW**
  - BusTrust / PMU / Task Group

### 3.11 Accelerating the EPWP: The engagement of large Contractors in Public Sector Projects

- **WHAT**
  - The model has to be approved by the Ethekwini Municipality.
  - A Pilot Project is to be undertaken over a 3 year period to determine the success of the model.
  - The PMU is to identify the Project for implementation.

- **WHEN**
  - July 2007

- **WHO**
  - BusTrust / PMU / Task Group
### 3.12 EPWP Programme REVIEW

- Evaluate the targets set by National Government and the Municipality with regard to EPWP and create a 4 to 5 year programme showing on a Timeline milestones achieved and blockages.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Status</th>
<th>Responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing</td>
<td>BusTrust / PMU / Task Group</td>
<td></td>
</tr>
</tbody>
</table>

### 4. COMMUNICATION:

#### 4.1 Communications
- All communication is done as the EPWP communication Policy

<table>
<thead>
<tr>
<th>Activity</th>
<th>Status</th>
<th>Responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complete</td>
<td>PMU</td>
<td></td>
</tr>
</tbody>
</table>

#### 4.2 EPWP Street Theatre
- Rollout commenced 2005

<table>
<thead>
<tr>
<th>Activity</th>
<th>Status</th>
<th>Responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing</td>
<td>PMU</td>
<td></td>
</tr>
</tbody>
</table>

### 5. EVALUATION & MONITORING / BEST PRACTICES:

#### 5.1 Establish Key Performance Indicators
- Format a scorecard to monitor job creation and Skills Development.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Status</th>
<th>Responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>BusTrust / PMU / Task Group</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 5.2 Norms and standards
- Consult with CIDB, CETA etc with regard to various norms and standards eg task rates. This information must be readily available on the eThekwini Web Site.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Date</th>
<th>Responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 2007</td>
<td>BusTrust / PMU / Task Group</td>
<td></td>
</tr>
</tbody>
</table>

#### 5.3 M&E Framework
- Monitoring and Evaluation tools to be used to check the success rates of the various programmes and activities

<table>
<thead>
<tr>
<th>Activity</th>
<th>Status</th>
<th>Responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing</td>
<td>BusTrust / PMU / Task Group</td>
<td></td>
</tr>
</tbody>
</table>

#### 5.4 Reporting mechanisms
- The reporting mechanism has to be investigated right down at grass roots level to ensure that the reporting is accurate

<table>
<thead>
<tr>
<th>Activity</th>
<th>Date</th>
<th>Responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 2007</td>
<td>BusTrust / PMU / Task Group</td>
<td></td>
</tr>
</tbody>
</table>

#### 5.5 Impact Assessments
- The Social Facilitators are to be involved in assessments of communities to ensure that all the programmes in the EPWP are improving the lives of people.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Date</th>
<th>Responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 2007</td>
<td>BusTrust / PMU / Task Group</td>
<td></td>
</tr>
</tbody>
</table>

#### 5.6 Project / programme – cost benefit analyses
- Compare Conventional Contract to LIC Contracts as far as costs are concerned.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Date</th>
<th>Responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 2007</td>
<td>BusTrust / PMU / Task Group</td>
<td></td>
</tr>
</tbody>
</table>

#### 5.7 Further research on Labour Intensive Construction
- Investigate the modification of tools and small plant to assist with LIC. The investigation into construction materials to create LIC eg retaining systems, stormwater systems, road surfacing etc. A library with all of this information should be established for easy access.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Status</th>
<th>Responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing</td>
<td>BusTrust / PMU / Task Group</td>
<td></td>
</tr>
</tbody>
</table>

#### 5.8 Innovation
- Document the actual construction process using various media tools (Photos, Video etc). This can be used for future reference.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Date</th>
<th>Responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 2007</td>
<td>BusTrust / PMU / Task Group</td>
<td></td>
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</table>

#### 5.9 Establish Key Performance Indicators
- Format a scorecard to monitor job creation and Skills Development.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Date</th>
<th>Responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 2007</td>
<td>BusTrust / PMU / Task Group</td>
<td></td>
</tr>
</tbody>
</table>
6. FUNDING MECHANISMS

<table>
<thead>
<tr>
<th>WHAT</th>
<th>WHEN</th>
<th>WHO</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1 Consolidated budgets</td>
<td>Reorientation of existing budgets</td>
<td>February 2007</td>
</tr>
<tr>
<td>6.2 Donor Funding Opportunities</td>
<td>The Business Trust has been approached to facilitate such a mechanism but will require support from other donors. Within each of these areas a number of projects have been identified and packaged as potential areas for donor support and funding. Three mechanisms for donor input have been identified namely:</td>
<td>May 2007</td>
</tr>
<tr>
<td></td>
<td>• Support to a department, focus areas or region</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Support through the Business Trust Facilitation Fund</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Direct support to a project</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Wherever possible donor input will be coordinated and captured on a central database providing an overview of the areas of continued need and those already funded. This will be administered by the Business Trust on behalf of the EPWP centralised coordination centre in the Department of Public Works</td>
<td></td>
</tr>
</tbody>
</table>

7. SUSTAINABLE EXIT STRATEGIES:

| 7.1 EPWP learnership EXIT Strat. | As per Annexure 2 | Needs to be developed | BusTrust/ Line departments / PMU |
| 7.2 Incubation | | February 2007 | |
| 7.3 Enabling environment | | | |
### 8. ASSUMPTIONS and RISKS – These are associated to the SHORT TERM and the MEDIUM to LONG term objectives

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>8.1 Capacity</strong></td>
<td><strong>Capacity</strong> is the primary assumption. The EPWP is based on the assumption that the public and private sector stakeholders have the management, technical and financial capacity to implement the programme in a reasonably short period of time. This includes national provincial and local EPWP management capacity available to implement the programme, including personnel, systems, budget provision, the delivery of goods and services tied to the EPWP, and/or the ability to develop the necessary plans to put the necessary capacity in place. It is also necessary for the M&amp;E systems developed to be implemented by all departments to enable troubleshooting and improvements. With regard to key partners, capacity is also required in the skills development arena, especially in the relevant SETAs, / DOL, and the EPWP assumes that the HR and management systems are in place to manage service delivery and/ or plans to build the required capacity will be developed and implemented by these government agencies. It is also assumed that the relevant NGO's and CBOs have the ability to scale up existing programmes to absorb the additional work and that labour-intensive delivery will be adopted at scale by the private sector and local authorities to enable the roll-out.</td>
</tr>
<tr>
<td><strong>8.2 Buy-in of labour intensive methods</strong></td>
<td>An enabling environment for labour intensive contracts needs to be in place, especially with regard to tendering requirements.</td>
</tr>
<tr>
<td><strong>8.3 Labour market</strong></td>
<td>A number of key assumptions exist as to the participants functioning post exiting the EPWP. It is assumed that the market is able to absorb 10 % of the new job seekers and that the skills and experience gained by participation in the programme are relevant to labour demand in the economy. Where appropriate, the private sector takes up opportunities to roll out labour intensive delivery methods and increased information about employment opportunities should help work seekers to secure employment.</td>
</tr>
<tr>
<td><strong>8.4 Exit strategies</strong></td>
<td>It is also assumed that further training opportunities will be made available and funded by external entities. It is assumed that the longer term service market exists and that funding exists to create the additional long-term posts required to sustain the service delivery. That private sector, the municipality and communities take responsibility for on-going service delivery and maintenance and that government encourages procurement from SMMEs.</td>
</tr>
<tr>
<td><strong>8.5 Funding</strong></td>
<td>It is assumed that funding (municipal) exists to create the additional long-term posts required to sustain the service delivery.</td>
</tr>
<tr>
<td><strong>130 eThekwini officials have been trained to NQF5/7 in LIC technology</strong></td>
<td>Task Group / BusTrust / PMU / Work Group</td>
</tr>
<tr>
<td><strong>The readiness of consultants / contractors is flagged as a concern.</strong></td>
<td>Task Group / Work Group</td>
</tr>
<tr>
<td><strong>The availability of accredited Service Providers is another concern</strong></td>
<td>Task Group / Work Group</td>
</tr>
<tr>
<td><strong>EPWP Policy will resolve</strong></td>
<td>Task Group / Work Group</td>
</tr>
<tr>
<td><strong>Data from Skills audits</strong></td>
<td>Task Group / Work Group</td>
</tr>
<tr>
<td><strong>Formal EXIT strategies are being developed.</strong></td>
<td>BusTrust / PMU / Task Group</td>
</tr>
<tr>
<td><strong>See Annexure 3 Exit Strategies for EPWP Learnerships</strong></td>
<td>Task Group / Work Group</td>
</tr>
<tr>
<td><strong>Capex &amp; Opex budgets</strong></td>
<td>Task Group / Work Group</td>
</tr>
</tbody>
</table>
8.6 Training environment

The training environment is crucial to the deliveries of the EPWP. It is assumed that the relevant SETA’s / DOL have the capacity and competence to deliver and that adequate capacity exists in NQF accredited service providers. Centralised capacity to evaluate relevance of training in terms of exit opportunities needs to be in place.

8.7 Enabling environment

The take up of labour intensive approaches depends in part on the ability of the municipality, DPW in partnership with the Business Trusts EPWP Support Programme, to raise awareness of the benefits of labour-intensive approaches and to create an enabling environment for the adoption of such approaches. This requires both changes to tendering and other procedures and mechanisms to identify and capture new ideas and opportunities for mainstreaming labour intensive approaches.

This is NOT the case and therefore needs to be monitored.

eThekwini Communication Policy will cover. Also BusTrust will drive political awareness

9. SOURCES OF REFERENCE / BASELINE INFORMATION: Identifying needs

<table>
<thead>
<tr>
<th>DEMOGRAPHIC INFORMATION:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>9.1 Poverty indices – StatsSA</td>
<td>StatsSA (Kevin Perry 012-310 2111)</td>
<td>Research / evaluation</td>
</tr>
</tbody>
</table>
| 9.2 Backlog needs | • Demarcation board GIS data / Provincial DTLG GIS office  
• City’s own BACKLOG study to inform EPWP target areas. | Research / evaluation | PMU |
| 9.3 Community Needs Analysis Report | | Research / evaluation | PMU |
| 9.4 ABMs – Skills AUDITS | Rural ABM | Research / evaluation | PMU |
| 9.5 Quality of Life Survey | Demographic Projections | Research / evaluation | PMU |

<table>
<thead>
<tr>
<th>STANDARDS:</th>
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</tr>
</thead>
<tbody>
<tr>
<td>9.6 CIDB</td>
<td>Construction Industry Development Board (CIDB). Code of conduct for the parties engaged in construction procurement</td>
<td>Research / evaluation - ongoing</td>
</tr>
<tr>
<td>9.8 MIG Policy documentation</td>
<td></td>
<td>Research / evaluation</td>
</tr>
<tr>
<td>9.9 Various ACTS</td>
<td>Division of Revenue Act – grant frameworks</td>
<td>Research / evaluation</td>
</tr>
</tbody>
</table>
ANNEXURE 2

EXITING THE eTHEKWINI EPWP LEARNERSHIP PROGRAM.

1 EDUCATION-BASED INTERVENTIONS

Education-based interventions are interventions focused on improving skills and knowledge. This is premised on the fact that the current 2-year small contractor development program is inadequate and that on-going mentoring and focused education are needed. Formal independent assessments (SAFCEC) need to be done on all of the contractors to identify the gaps and appropriate interventions to be planned. Possible interventions could include:

1.1 Further need-based technical and managerial training:
- Emerging small contractors (ESC) may require further mentoring and training to ensure sustainable enterprises.
- Emerging small contractors must be categorized according to CIDB grading system which will take into consideration the subject areas trained and the skills gap so that graduates can receive further training to fill the gaps.
- Short courses designed in collaboration with stakeholders to meet specific needs on emerging contractors.

1.2 EXTENDED 3-year Post-Learnership Training: A follow-up 3-year program could be investigated whereby the support for the graduated learnership contractors will be phased out on a sliding scale such as:
  - 50% support for year 1,
  - 30% for year 2, and
  - 20% for year 3.

Two categories can be experimented. Specific arrangements could include, :

- Incubation program. Top performers (e.g. Top 10%) could be offered additional 3-year training or incubation during which period they will work towards higher valued projects increasing their star rating to a maximum of 5 based strictly on performance. The program can focus on further mentorship, training and support. Pre-qualification could be strictly linked to contract value,
type of work, complexity of work, and capacity of contractor in terms of turnover.

- **Modified Emerging contractor Development Program**: The other graduates apart from those selected for the incubator program could be allocated to some willing ‘Large’ Companies (partnerships). They would be provided with support such as; mentoring, finance and credit support, entrepreneurial support, commercial, and contract management skills etc. The agreement between the large private sector companies/main contractors and the small contractors should be structured such that the bigger/main contractors must not use these smaller contractors as “sub-contractors”.

### 1.3 Partnership-based Interventions

Partnership based interventions could focus on enhancing the visibility and use of the facilities which are currently available through partnerships. Support to the ESC should be reduced over time, as they gain more experience. Some partnership-based interventions could include

- **Partnership with large construction companies** but skills transfer requirements should be firmly embodied in contracts to avoid tokenism. Experience shows that big firms are usually interested in product delivery and not skills transfer and mentoring. Possible arrangement can be Joint Venture partnership between the ESCs and the established contractors or subcontracting. The learner contractors need to be appointed as “nominated sub-contractors” whose activities could be supervised by the private companies/main contractors. This is a mentorship arrangement but with greatly reduced dependency of the small contractors on the large companies. The private companies in turn earn credits for such skills transfer and this could help them during tendering, through tax incentive, lump sum payment or any other policy instrument emanating from the government. The parent company may assist small companies through loan guarantee, technical advice, procurement, marketing and other aspects of mentoring. Ensuring that subcontractors meet time, quality and performance requirements can be a nightmare for the parent company for which reason they need to monitor their performance closely.

- **Partnership with general business** for business to provide work opportunities (projects), accessibility of resources and infrastructure for small contractors, skills
training, business management, financial skills and support. Business could expose the graduates to their already existing clients and networks. Emerging small contractors could also use the services of Business Referral and information Network (BRAIN) that is an external agency that provides information, referrals, capacity building, and guidance to entrepreneurs and small businesses in South Africa. Emerging Small contractors could also use the service of Growth Achieved by Integrated Network (GAIN) that assists municipalities to address economic development through business development.

- **Partnership with the local authorities (municipalities)** for them to increase their public spending on infrastructure through active use of the Municipal Infrastructure Grant (MIG) and to engage with them on their programs such as IDP, Project Consolidate, Planning and Implementation Management support (PIMS), Local government leadership academy, Local Economic Development (LED) plans. Local municipalities intensively promote or mainstream labour-intensive methods for such programs so as to provide the emerging small contractors more opportunities.

The result of such partnerships for the small emerging contractors will be enhanced skill, increased job opportunities, enhanced entrepreneurial capabilities, resource acquisition, efficient customer relationship management, leadership capabilities and increased chance of success or sustainability.