



THE STATE OF EXPANDED PUBLIC WORKS PROGRAMMES IN SOUTH AFRICAN CITIES



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ACRONYMS

BEE	Black Economic Empowerment
CBO	Community-Based Organisation
CIDB	Construction Industry Development Board
CWP	Community Works Programme
DOL	Department of Labour
DoRA	Division of Revenue Act
DPW	Department of Public Works
EPWP	Expanded Public Works Programme
FTE	Full-Time Equivalent
GDS	Growth Development Summit
IDP	Integrated Development Plan
KPI	Key Performance Indicators
MIS	Management Information System
MOE	Municipal Owned Entity
NGO	Non-Governmental Organisation
NGP	New Growth Plan
NMBMM	Nelson Mandela Bay Metropolitan Municipality
NQF	National Qualifications Framework
NSS	Non-State Sector
NYS	National Youth Service
SACN	South African Cities Network
SALGA	South African Local Government Association
SAQA	South African Qualifications Authority
SETA	Sector Education and Training Authority
SMEC	Snowy Mountains Engineering Cooperation
SMME	Small, Medium and Micro Enterprises
SOEs	State-Owned Enterprises
WO	Work Opportunity



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FOREWORD

The South African Cities Network (SACN) was established in 2002, as a network of South African cities and partners that encourages the exchange of information, experience and best practices on urban development and city management. The SACN encourages cities to define and develop city development strategies and approaches that adopt a long-term view on urban challenges. One of the SACN's key programmatic themes is Inclusive Cities. This theme revolves around whether residents have the opportunities and capacities to share equitably in the social benefits of city life – a key aspect of which is access to employment or livelihood. In this regard, the Expanded Public Works Programme (EPWP) and its implementation in cities is of keen interest.

The State of South African Cities Report 2011 emphasised, among other key priorities, the importance of employment in effective city development. Citing results of the South African Social Attitude Survey, which provides information on the major concerns identified by the general public, the report found that '[u]nemployment emerged consistently as the most commonly cited problem, identified by about three-quarters of the population'. The National Development Plan 2030 (2011) indicated that public employment programmes (of which EPWP is one) are an important part of the employment mix and are targeted to deliver one million work opportunities annually by 2015.

A relationship between the SACN and the national Department of Public Works (DPW) was instrumental in mobilising the nine SACN member cities to focus on and contribute towards creating employment as part of the EPWP. Following a study, which revealed that the SACN members are in a position to lead innovation towards the implementation of the EPWP, in 2005 the SACN and the national DPW met to form the SACN-EPWP Reference Group. The Reference Group comprises key city officials who are responsible for implementing the EPWP in their respective cities. It provides a forum where information and knowledge can be exchanged, thereby enhancing coordination between the cities and relevant national departments and implementation of EPWP in the cities.

The EPWP has since become an established and strengthened programme in all of the member cities. However, although Phase 1 (2004–2009) of the EPWP achieved its target of one million work opportunities one year ahead of time, some constraints were identified that limited its further expansion.

In 2008 and 2009, SACN published an annual State of Expanded Public Works Programme in South African Cities report, which assessed progress in implementing the EPWP by the nine SACN member cities. In addition, the Reference Group has sought to expand its activities, to include case-study development and knowledge generation that can underpin performance improvement and programme re-design for the future evolution of the EPWP.

The main objective of the EPWP Phase 2 was to create 4.5 million work opportunities for poor and unemployed people in South Africa through the delivery of public and community services, thereby contributing significantly to halving unemployment by 2014. Public bodies from all spheres of government (as part of their normal mandates and budgets) and the non-state sector (supported by government incentives) are expected to optimise the creation of work opportunities for unemployed and poor people in South Africa through the delivery of public and community services.

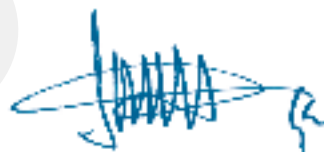
In addition to playing an important role in labour absorption, the EPWP is an example of good practice, as a programme that has been truly responsive, diligent (commissioning mid-term reviews), learning and adaptive. The support of the SACN-EPWP Reference Group has been a significant contributor to continuous improvement, being a unique forum that provides a cooperative space for sharing and support for those who are at the coalface of implementing the EPWP.

This report covers the period 2009/10 – 2011/12 which are the three years since the last State of EPWP in Cities report, corresponding with the first half of the EPWP Phase II. It is in that sense a retrospective report, but also an important piece for reflection and learning. It also serves to demonstrate the contribution and potential of the SACN member cities – even the smaller ones – and how this contribution might be further enhanced.



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INTRODUCTION

ABOUT THIS REPORT

The South African Cities Network (SACN) was established in 2002 by the Minister of Provincial and Local Government in collaboration with the mayors of South Africa's largest cities and the South African Local Government Association (SALGA), with the mandate to:

- Promote good governance and management in South African cities;
- Analyse strategic challenges facing South African cities, particularly in the context of global economic integration and national development challenges;
- Collect, collate, analyse, assess, disseminate and apply the experience of large city government in a South African context; and
- Promote shared-learning partnerships between different spheres of government to support the management of South African cities.

The SACN's core members are nine of South Africa's largest cities: Buffalo City, Cape Town, Ekurhuleni, eThekweni, Johannesburg, Mangaung, Msunduzi, Nelson Mandela and Tshwane. The nine cities collectively occupy 1.7% (approximately 21 828 square kilometres) of the country's land area and are home to nearly 40% (37.5%) of South Africa's population. Together, they contribute more than 60% of the country's gross domestic product and offer employment opportunities that attract individuals of different cultural backgrounds from all the provinces of South Africa. According to the 2011 Census, the number of employed people increased in all the cities, while the unemployed (including 'discouraged' work seekers) decreased. In 2011, all nine cities had employment rates that were higher than the country's average of 56.5%, with Buffalo City, Johannesburg, Tshwane, eThekweni and Cape Town exceeding 73%.

This report is the latest in the State of the Expanded Public Works Programme (EPWP) reports produced periodically by the SACN that reflect on how the SACN member cities have performed, and map out challenges experienced and lessons learnt.

The report outlines the progress and implementation of the EPWP by the cities over the three years 2009/10, 2010/11 and 2011/12. This period corresponds to the first three years of Phase II of the EPWP. As Phase III of the EPWP is scheduled to start in 2014/15, this report also serves to highlight the key changes and features of Phase I and Phase II.

The methodology comprised a desktop study, which reviewed and analysed documents sourced from the SACN member cities, as well as the EPWP and SACN websites. Statistical data was obtained from the EPWP Quarterly Reports and from the Management Information System (MIS) used by the EPWP Unit National Technical Support Programme, which supports municipalities in implementing and reporting on EPWP projects.

The main body of the report gives an overview of the EPWP Phases I and II, institutional arrangements, implementation and challenges faced. Individual city reports for all nine member cities (see Annexure A) focus on the progress made and key successes in implementing the EPWP – all the cities were given an opportunity to provide input towards the data contained in the reports. Best practice examples, in the form of case studies, are explored in Annexure B.

BACKGROUND

The legacy of apartheid policies meant that a large proportion of South Africa's population did not have the skills or opportunities to effectively participate and earn a living. In 1999, the most significant threats to South Africa's new democracy were identified as unemployment and the resulting poverty – approximately 40% of working-age population were unemployed, especially among the youth. This situation was further complicated by social and economic changes taking place, as a result of the country being exposed to the globalisation of capital. The most important socioeconomic challenges facing government was to reduce unemployment, alleviate poverty, strengthen the general skills base and improve social services.

This report is the latest in the State of the Expanded Public Works Programme (EPWP) reports produced periodically by the SACN that reflect on how the SACN member cities have performed, and map out challenges experienced and lessons learnt.

GOVERNMENT STRATEGIES (not mutually exclusive)

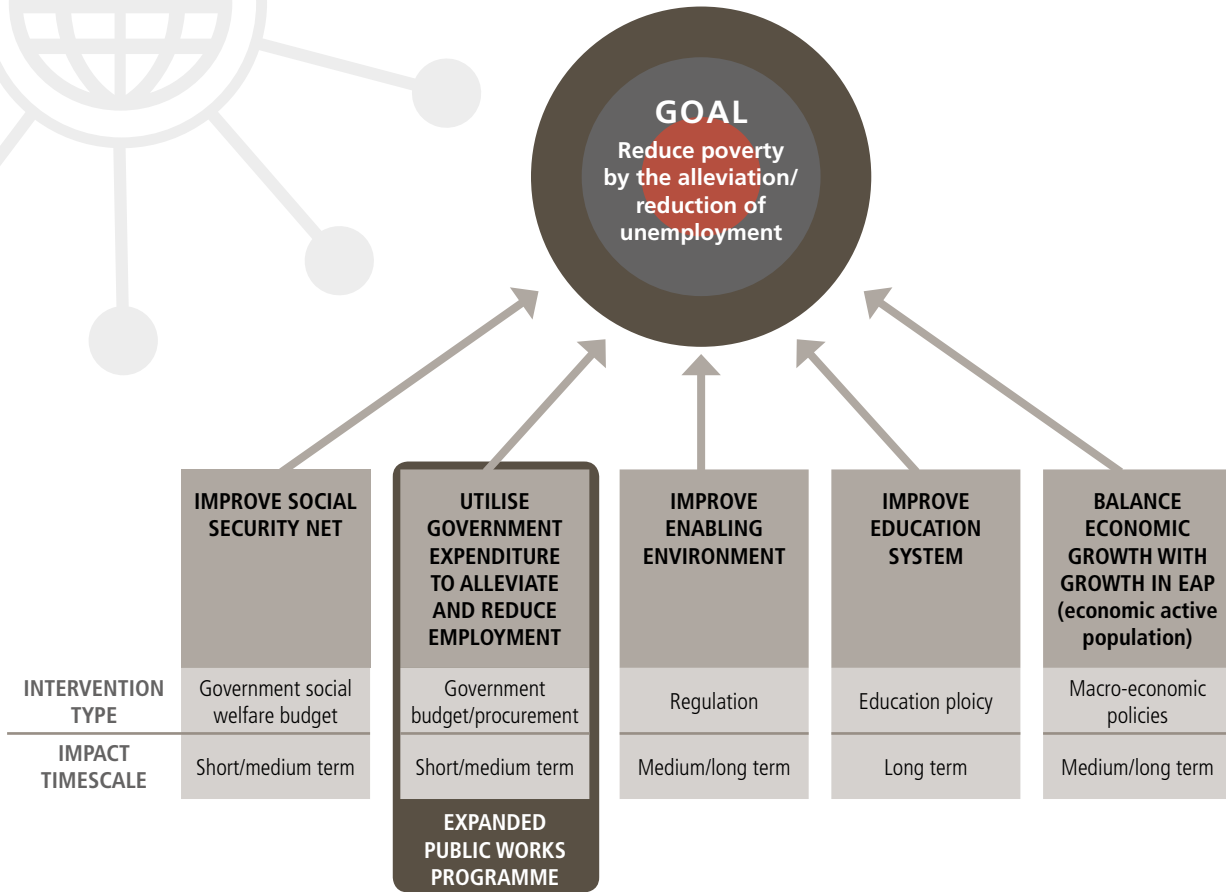


Figure 1: Strategies adopted by government to reduce poverty and unemployment in South Africa

Against this backdrop, in June 2003 government convened the Growth and Development Summit (GDS), at which it resolved to establish an EPWP, to ensure that R100-billion of planned government expenditure would be targeted for employment-intensive programmes. In 2004, former President Thabo Mbeki officially launched the EPWP, as a nationwide programme covering all spheres of government and state-owned enterprises (SOEs).

The EPWP seeks to bridge the gap between the growing economy and the large numbers of unskilled and unemployed people who have not yet enjoyed the benefits of economic development. It provides an important avenue for labour absorption and income transfers to poor households in the short to medium-term. It is also a deliberate attempt by public sector bodies to use expenditure on goods and services to create work opportunities for the unemployed. Workers are employed on a temporary or on-going basis by government, contractors or other non-governmental organisations, under the Ministerial Conditions of Employment for the EPWP or learnership employment conditions.

The EPWP is not implemented in isolation but is linked to other government initiatives. The EPWP work opportunities are linked to the New Growth Path (NGP) key job drivers, which include targeting more labour-

absorbing activities across the main economic sectors and substantial public investment in infrastructure, in order to create employment in construction, operation and maintenance. EPWP work opportunities are expected to contribute to the NGP targets through its full-time equivalent (FTE) targets. The Diagnostic Report of the National Development Plan Vision 2030 identified nine main challenges facing South Africa, including too few people in work and the poor quality of education available to the majority. The persistently high rate of unemployment in South Africa is one of the most pressing socioeconomic challenges facing government. In particular, high youth unemployment means young people are not acquiring the skills or experience needed to drive the economy forward. This inhibits the country's economic development and imposes a larger burden on the state to provide social assistance.

The fundamental strategies of both government and the EPWP, as shown in Figure 1, are to increase economic growth (so that the number of net new jobs being created starts to exceed the number of new entrants into the labour market) and to improve the education system, such that the workforce is able to take up the largely skilled work opportunities which economic growth will generate. In the meantime, short to medium-term strategies need to be put in place.



KEY COMPONENTS OF EPWP

The target of Phase I of the EPWP was to provide temporary work and skills training to one million unskilled, unemployed individuals over a five-year period, beginning in April 2004. The EPWP Phase II covers 2009/10 to 2013/14. In order to create jobs in a short period of time, the approach is based on the requirements of the GDS agreement and has the following *key principles*:

- To allow for a wide diversity of existing programmes.
- To expand best practice of existing programmes.
- To use existing budgets and replace special poverty relief or public works budgets.
- To be sustainable, so the EPWP must not be 'made work' but must be 'economically efficient'. The emphasis is on labour-intensive delivery of cost-effective quality services.
- To focus on growing sectors of the economy to avoid displacement.
- To attempt, through the design process, to maximise the involvement of local unemployed labour.

The EPWP covers all spheres of government and SOEs. Each public sector body must formulate plans for using its budget to contribute to implementing the EPWP. The focus is on *four sectors*:

- **Infrastructure:** increasing the labour intensity of specific government-funded infrastructure projects in terms of specified guidelines in order to create work opportunities. This requirement is specified in the Division of Revenue Act (DoRA) to be applied in respect of Provincial and Municipal Infrastructure Grants.
- **Environment:** creating work opportunities in public environmental programmes, through expanding existing projects originally implemented through the Special Poverty Relief Allocation; for example Working for Water etc.
- **Social:** creating work opportunities in public social programmes, particularly home/community-based care and early childhood development.
- **Economic:** using general government expenditure on goods and services to provide work opportunities for small enterprise learnerships and incubation programmes, particularly through venture learnerships.

The *key components* of an EPWP project are as follows:

- Public sector bodies make a deliberate attempt to use expenditure on goods and services to create additional work opportunities, coupled with training for unemployed individuals.
- Projects usually employ workers on a temporary basis (either by government, contractors or other non-governmental organisations), under the Code of Good Practice or learnership employment conditions.

- Public sector bodies attempt to define and facilitate exit strategies for workers when they leave the programme – to build bridges between the second economy and the first economy

EPWP GUIDELINES

The EPWP issued guidelines for the implementation of labour-intensive infrastructure projects in 2004 and updated them in 2005. These guidelines are designed to provide provinces and municipalities with the necessary tools to tender labour-intensive projects. They cover how to implement the most commonly encountered delivery model for labour-intensive works: 'design by the employer', whereby the contractor undertakes construction on the basis of full designs issued by the employer. It also assumes that the public body appoints a consultant to design the works and to administer the contract. Guidance is also provided in respect of:

- identification of suitable projects,
- appropriate design for labour-intensive construction,
- specification of labour-intensive works, and
- compilation of contract documentation for labour-intensive projects.

Specific direction is given regarding contract clauses to be included in order to amend or augment standard documentation regarding the implementation of labour-intensive projects.

The guidelines stipulate that the employment of locally employed temporary workers on all EPWP labour-intensive infrastructure projects must be in line with the Code of Good Practice for Employment and Conditions of Work for Special Public Works Programmes issued in terms of the Basic Conditions of Employment Act, 1997 (Act No 75 of 1997) and promulgated in the Government Gazette, Notice No P64 of 25 January 2002. The Code of Good Practice and the EPWP Ministerial have subsequently been updated for EPWP Phase II.

The EPWP indicators that are defined in the Guidelines document are shown in Figure 2.

PERSON DAYS OF EMPLOYMENT CREATED

» The number of people who worked on a project x number of days each person worked.

JOB OPPORTUNITIES

- » 1 job opportunity = paid work created for an individual on an EPWP project for any period of time. In the case of Social Sector projects, learnerships also constitute job opportunities.
- » Furthermore, the same individual can be employed on different projects and each period of employment will be recorded as a job opportunity.

PROJECT WAGE

» The minimum daily wage rate = the daily wage (whether task-rated or time-rated) per individual project. This wage rate must be included in the project tender document at all times, as per the EPWP Guidelines.

TRAINING PERSON DAYS

- » Training is funded through the National Skills Fund (NSF) from the Department of Higher Education and Training or from project budgets. The training funded through the NSF is accredited while training funded through the project budget is not necessarily accredited. The number of training person-days is calculated as follows: the number of people who attended training x the number of days of training.
- » For any other training, one training day equates to at least seven hours of formal training. It is, however, important to draw a distinction between accredited and non-accredited training person-days.

PROJECT BUDGET

» The project budget = the price tendered by the contractor plus the professional fees for the professional service provider appointed to design and supervise the project. The project budget excludes government management and administration costs.

ACTUAL EXPENDITURE

» Actual expenditure relates to the expenditure on the project by the contractor plus the expenditure by the professional service provider appointed to design and supervise the project. The actual expenditure excludes expenditure on government management and administration.

DEMOGRAPHIC CHARACTERISTICS OF WORKERS

- » The number of workers that fall within the following categories must be recorded:
 - Youth (18 – 35 years of age),
 - Women, and
 - Persons with disabilities.

Figure 2: Definition of EPWP indicators

Source: Guidelines for the Implementation of Labour-Intensive Infrastructure Projects under EPWP (Appendix D)





OVERVIEW OF EPWP PHASES

EPWP PHASE I (2004–2009)

Phase I of the EPWP aimed to create one million work opportunities within five years, with specific targets for youth and women employment. It was launched on 1 April 2004, as one of a number of government strategies and programmes aimed at addressing unemployment and poverty.

Phase I was based on the GDS Agreement of 2003 and had fairly modest objectives, despite the high levels of unemployment in South Africa at the time. Cutting across all departments and spheres of government, the EPWP required all government bodies and parastatals to formulate plans for using their budgets, so that significant numbers of unemployed people would be drawn into productive work, gaining skills in the process, and would have an income-earning potential in the future.

The national Department of Public Works (DPW) was assigned as the coordinating department for EPWP, responsible for overall monitoring and evaluation and providing progress reports to Cabinet. The DPW was also tasked with promoting linkages between sectors, and putting in place support programmes and monitoring and evaluation frameworks. The department set up a dedicated EPWP unit to fulfil its responsibilities in this regard.

The following sectors were identified as areas for increased job creation, with each of the sectors being led by a national government department:

- environment and culture sector, led by the Department of Environmental Affairs;
- infrastructure sector, led by the Department of Public Works;
- social sector, led by the Department of Social Development; and
- economic sector, led by the Department of Trade and Industry.

Results of Phase I Review

By 2008, a year earlier than envisaged, Phase I of the EPWP had reached its objective of creating one million work opportunities and exceeded its youth and women targets. The programme achieved 40% youth employment (compared to the target of 30%) and 47% women employment (compared to the target of 40%). According to the five-year review of the programme, although the rate of unemployment generally declined during Phase I, the scale of the pro-

gramme would need to be expanded significantly in order to contribute to the government's goal of halving unemployment by 2014.

The programme review highlighted some areas of concern, which contributed to the recommendations made for increasing the scale and effect of the programme. Criticism related mainly to the limited objectives and the limited effect on decreasing unemployment and alleviating poverty. Although the EPWP reached its goal of creating one million work opportunities, only 11% of unemployed people were reached in the 2007/08. The review also found that the duration of the work opportunities created was shorter than anticipated, which limited the effect on poverty reduction. The average duration of work projects varied considerably across sectors, provinces and municipalities, with generally shorter periods reported in areas with higher rates of unemployment. This suggested that work opportunities were being shared within the community.

The widely varying performance of public bodies was a further concern, with some performing very well and others very poorly. For the programme to be scaled up, all public bodies will have to perform at a specified minimum level. Wage rates also came under the spotlight, as these varied widely from sector to sector. In some instances, wages remained stagnant and did not increase to keep up with inflation and the rising cost of living, while in other cases wages were so low that they were not contributing in any meaningful way to poverty reduction among participants. A clearly defined minimum wage level (adjusted annually) for all participants in the programme would assist in resolving these issues.

Constraints to Expanding the EPWP

While the EPWP achieved its target of one million work opportunities one year ahead of time, constraints to its further expansion were identified, including:

- The DPW's limited authority to demand contributions from provinces and municipalities.
- A lack of incentives in place for provinces and municipalities to maximise their employment creation efforts.
- A lack of capacity in certain public bodies.
- Insufficient political mobilisation in some areas.

It was noted that improved mechanisms were required to make fighting unemployment a priority for all spheres of government.



IN PHASE 1, THE EPWP CREATED 1.4 MILLION WORK OPPORTUNITIES AND BENEFITTED 300 000 PEOPLE (7% OF THE UNEMPLOYED).

Recommendations from Phase I

The review of Phase I of the EPWP provided a number of recommendations aimed at increasing the scale and effect of the programme during Phase II:

- To include measures and targets for increasing the average duration of each work opportunity.
- To increase the scale of the programme to the size proposed in the draft Anti-Poverty Strategy, which required mobilising non-state capacity with programmes managed by non-government organisations (NGOs), community-based organisations (CBOs) and local communities through the Community Works Programme.
- To improve the training framework in order to implement the massive training requirements of the programme.
- To make the development of small, medium and micro enterprises (SMMEs) part of the delivery strategy for other organisations and agencies that become involved with the EPWP.

EPWP PHASE II (2009–2014)

Phase II of the EPWP aimed to build on the successes and lessons learned from Phase I and create two million work opportunities for poor and unemployed South Africans within five years through the delivery of public and community services.

In 2008, the EPWP unit began the planning and preparation for Phase II. Following Cabinet approval in June 2008, the DPW launched Phase II of the EPWP at the University of the Western Cape in Bellville on 4 April 2009.

Phase II was expected to grow the EPWP to approximately four and a half times its current size, enabling it to make a significant contribution to the Millennium Development Goal of halving unemployment by 2014. Its goal was to create employment equal to two million FTEs, or 4.5 million short, on-going work opportunities with an average duration of 100 days (one FTE = 230 working days).

As Table 1 shows, the number of work opportunities would progressively scale up, from 210 000 FTEs in 2009/10 to 680 000 FTEs in 2013/14.

INDICATORS FOR PHASE II	
Number of work opportunities (people employed and FTEs) created per annum in EPWP programmes	
Year 1 – 2009/10	500 000 work opportunities (210 000 FTEs)
Year 2 – 2010/11	600 000 work opportunities (260 000 FTEs)
Year 3 – 2011/12	850 000 work opportunities (360 000 FTEs)
Year 4 – 2012/13	1.2 million work opportunities (500 000 FTEs)
Year 5 – 2013/14	1.5 million work opportunities (680 000 FTEs)

Table 1: Indicators for Phase II

Source: EPWP Phase 2 Consolidated Programme Overview – February 2009

All public bodies, from all spheres of government, and the non-state sector would share a purpose to optimise the creation of work opportunities for unemployed and poor people in South Africa, through the delivery of public and community services. Training and enterprise development were to be implemented in sector-specific programmes to enhance service delivery and the wellbeing of beneficiaries.

Targets for Phase II

Although Phase II was in many ways similar to Phase I, more emphasis was placed on creating temporary work opportunities, to provide income to the poor and unemployed. Tables 2 and 3 show the work opportunities and FTE targets for the various spheres of government. Drawing on the recommendations from the strategic review of Phase I, the objectives for Phase II included:

- The work opportunities provided annually (starting 2009/10) would include 55% for women, 40% for youth and 2% for people with disabilities.
- Government and non-state sector service delivery would be provided to approved and defined standards.

- An increased proportion of the normal budget would be spent on EPWP outputs (work opportunities, people employed, training and income transferred).
- Sector programme targets would to be specified, where applicable, as a percentage of labour-intensive employment.

Wage Incentive Grant

To enhance the creation of FTE work opportunities by public bodies, a wage-incentive grant was introduced on 1 April 2009 for provinces and on 1 July 2009 for municipalities. From 2009/10 to 2011/12, a total amount of R4.1-billion was allocated to the DPW to pay the incentive to public bodies implementing the programme. By 2013/14, this figure is expected to have risen to at least R5-billion. Initially, in 2009/10, only the infrastructure and non-state sectors had access to the incentive, but from 2010/11 the social, environment and culture sectors were able to access the grant.

The idea behind the grant is to increase the job-creation efforts of provinces and municipalities by reimbursing a portion of their wage costs: the more

WORK OPPORTUNITIES: TARGETS PER YEAR AND SPHERE OF GOVERNMENT					
	Local	Provincial	National	Non-state	Totals
2009–2010	182 607	247 325	100 068	20 000	550 000
2010–2011	208 032	281 720	104 248	48 000	642 000
2011–2012	267 920	370 420	133 660	98 000	869 000
2012–2013	349 129	501 283	183 588	176 000	1 210 000
2013–2014	440 721	659 286	249 994	300 000	1 650 000
TOTAL	1 448 409	2 060 034	771 557	640 000	4 920 000

Table 2: Work opportunity targets for all spheres of government.

Source: EPWP Phase 2 Consolidated Programme Overview – February 2009

FTEs: TARGETS PER YEAR AND SPHERE OF GOVERNMENT					
	Local	Provincial	National	Non-state	Totals
2009–2010	61 922	117 554	22 698	8 696	210 870
2010–2011	74 371	136 630	26 999	20 870	260 870
2011–2012	97 342	181 667	40 991	41 739	361 739
2012–2013	125 853	243 527	56 272	76 522	502 174
2013–2014	157 086	320 692	76 570	130 435	684 783
TOTAL	516 573	1 000 070	225 531	278 261	2 020 435

Table 3: FTE targets for all spheres of government
Source: EPWP Phase 2 Consolidated Programme Overview – February 2009

work opportunities created, the higher the financial incentive. The assumption is that the incentive grant will lead to the public bodies adopting more labour-intensive methods and approaches. Therefore, the incentive has been designed to partially fund wage costs, freeing up funds for any additional costs incurred by public bodies, thus increasing the labour intensity of their projects. Where no additional costs are incurred, the incentive will increase the overall budget, allowing for the public body to increase its scope of work.

However, public bodies are not automatically eligible for the wage incentive grant. To be eligible, a public body has to meet specific criteria.

Public bodies must have, in a prior reporting period, reported to the national DPW on their contribution to job creation. For example, to be eligible in 2010/11, public bodies must have reported on 2008/09 EPWP performance through the EPWP Management Information System managed by DPW.

- Eligible provincial departments and urban municipalities must meet minimum performance thresholds. This minimum performance threshold is the minimum number of FTE jobs that must be created from the infrastructure grant funding allocated either through the infrastructure grant to provinces or the Municipal Infrastructure Grant.

- Participation in the incentive grant requires eligible public bodies to first enter into a standard agreement with the national DPW.

Provinces and municipalities can also use their own budgets from their equitable share and own revenues to fund EPWP projects and programmes, which many are already doing.

Sector Programmes

The EPWP has continued to operate in the infrastructure, social, and environment and culture sectors, with some changes in focus. The various SMME development activities have been integrated into the other relevant sectors of the programme, and the non-state sector has been mobilised to create employment and income for the EPWP target group.

Operationally, all the sectors continue to operate as before, and all the proposed changes have been made to enable implementing bodies to continue working as they have in the past.

Phase II of the EPWP has increased the focus on the creation of temporary work opportunities that provide income for the poor and unemployed. The outputs per sector are shown in Table 4.

CUMULATIVE OUTPUTS OF THE PROGRAMME FOR EACH OF THE SECTORS FOR THE 2009 TO 2014 PERIOD		
Sector	Work opportunities	FTEs
Infrastructure	2 374 000	900 000
Environment	1 156 000	350 000
Social	750 000	500 000
Non-state	640 000	280 000
TOTAL	4.5 million plus	2 million plus

Table 4: Cumulative sector outputs for EPWP Phase II
Source: EPWP Phase 2 Consolidated Programme Overview – February 2009



Monitoring and Evaluation

The national EPWP unit retains the overall responsibility for monitoring and evaluation. Key areas for improvement and amendment to the existing framework include:

- implementing a central web-based monitoring system to allow for more accurate and rapid reporting and management of the EPWP wage incentive,
- establishing a central database to allow for improved data analysis, and
- improving the existing evaluation studies to obtain qualitative feedback on the effect of the programme on the lives of individual participants.



ORGANISATIONAL ARRANGEMENTS OF THE CITIES

This section looks at how the nine cities have structured the EPWP within their organisations, the extent to which they have developed and implemented EPWP policies and targets, and the organisational capacity available within the cities to implement EPWP.

POLICY AND TARGETS

The purpose of developing an EPWP policy is to institute a sustainable EPWP within the cities and to provide a framework towards the implementation of EPWP by the cities. The policy should aim at providing an enabling environment for the cities wherein EPWP projects can be implemented by adhering to government directives. The DPW recommends the development of EPWP policies by local government municipalities which should include the following minimum objectives:

- Inform all departments and units within the city on how their functions should contribute towards the EPWP,
- Establish a delivery strategy in terms of social economic development, poverty alleviation, employment creation and skills development,
- Ensure development integration across all sectors, and
- Engineer the planning, design and implementation of programmes/projects with the city in order to maximise greater employment opportunities.

All nine cities have recognised the importance of developing an EPWP policy and have either approved policies or draft policies awaiting approval by their municipal council. Of the nine member cities, the City of Johannesburg, eThekweni Municipality, City of Tshwane and Nelson Mandela Bay Municipality had approved policies in place as of March 2012.

The development of overall EPWP targets is not a uniform practice across the cities. Only the City of Cape Town, Johannesburg, Tshwane and eThekweni have set specific annual targets over and above the targets set by DPW. The targets are set in relation to the anticipated work opportunities to be created by the projects implemented.

A review of the approved EPWP policies found that the following key elements were considered in the development of the policies:

- Alignment of EPWP delivery with relevant and strategic policy interventions, such as the city's Integrated Development Plan (IDP), along with EPWP targets set for the city as a whole.
- The creation of work opportunities which are linked to the budget/expenditure targets set by the cities.
- Incorporation of the EPWP into the key performance indicators (KPIs) for the relevant municipal officials and city managers.
- Integration of EPWP within municipal line departments in order to facilitate the implementation of the programme.

INSTITUTIONAL ARRANGEMENTS

Six of the SACN cities have dedicated EPWP organisational capacity in place and structured institutional arrangements for the implementation of the EPWP. The dedicated capacity and structured institutional arrangements by these cities has occurred on the basis of there being an overarching committee, with representatives from key departments and political champions, to coordinate the implementation of EPWP within the cities.

Examples of how three of the six cities with institutional arrangements have structured their organisations are as follows:

At **eThekweni**, the EPWP unit is located within the Infrastructure Management and Socio-Economic Development Department and plays an overall coordination and administrative support role to the programme. The EPWP organisational structure consists of a task



group made up of champions for each cluster/sector and including representatives from Treasury, Skills Development, Supply Chain and Human Resources, with a nominated councillor to provide political support to the programme. The task group is responsible for the planning, coordination, monitoring and reporting of all EPWP-related activities within each cluster.

The **City of Johannesburg** made changes to its institutional arrangements by relocating the EPWP unit, from the Project Management Unit within the Development Planning and Urban Management, to the Department of Economic Development. This was a strategic move to ensure that all EPWP projects would be implemented across all sectors and to break away from the predominant infrastructure sector focus during Phase I.

An EPWP Steering Committee was established, which is chaired by the Executive Director of the Department of Economic Development and includes representatives from all the city departments and Municipal Owned Entities (MOEs). The city has also established a dedicated EPWP unit, which acts as an advisory body providing support to the EPWP champions from each department, MOEs and other key role players. The EPWP unit's functions include coordinating and monitoring the city wide EPWP implementation, as well as ensuring the sustainability of the jobs created.

The **City of Tshwane's** EPWP coordination capacity was improved with the establishment of an EPWP division under the city's Economic Development Department. The establishment of the division within the department ensured that EPWP initiatives would promote the city's IDP objectives. This dedicated EPWP division is coordinated by the city manager's office. A Steering Committee was also established to oversee the overall coordination of EPWP within the city. Sector forums, which report directly to the EPWP Steering Committee, coordinate the implementation of EPWP projects within each sector.

CITY OF JOHANNESBURG EPWP POLICY

In 2009, the City of Johannesburg's EPWP policy came into effect. The policy's focus is to alleviate poverty using public sector budgets to draw significant numbers of the unemployed into productive work.

By channelling a substantial amount of its overall annual budget allocation into implementing the EPWP, the city seeks to achieve the following objectives:

- To create short-term jobs for the unemployed within local communities through, inter alia, the implementation of labour-intensive infrastructure projects.
- To develop skills within communities through on-the-job and/or accredited training of workers, thereby developing sustainable capacity within communities.
- To capacitate SMMEs and emerging contractors within local communities by facilitating the transfer of sustainable technical, managerial and financial skills through an appropriate learnership programme.
- To maximise the percentage of the city's annual budget spent and retained within local communities by promoting the procurement of goods and services from local manufacturers, suppliers and service providers.

The policy sets out the following:

- Objectives and guiding principles
- Scope and application
- Roles and responsibilities
- Institutional and organisational arrangements





OVERVIEW OF EPWP IMPLEMENTATION IN THE CITIES

This section of the report highlights the progress of the cities in their implementation of the EPWP over the three-year reporting period. It outlines the sectors and types of projects undertaken, the work opportunities created and the training provided.

FOCUS AREAS

For the first three years of EPWP Phase II, as per the information extracted from the EPWP MIS, the SACN member cities combined produced a total of 24 407 work opportunities and 4 841 FTEs. The total number of work opportunities and FTEs created is based on the total number of projects implemented by the

cities. Over the three years, the cities implemented a total of 2 726 EPWP projects.

As detailed in Figure 3, Cape Town (745), Johannesburg (623) and Tshwane (426) have implemented the most projects in this regard. This can be attributed to the fact that these cities have dedicated organisational capacity in the implementation of EPWP projects.

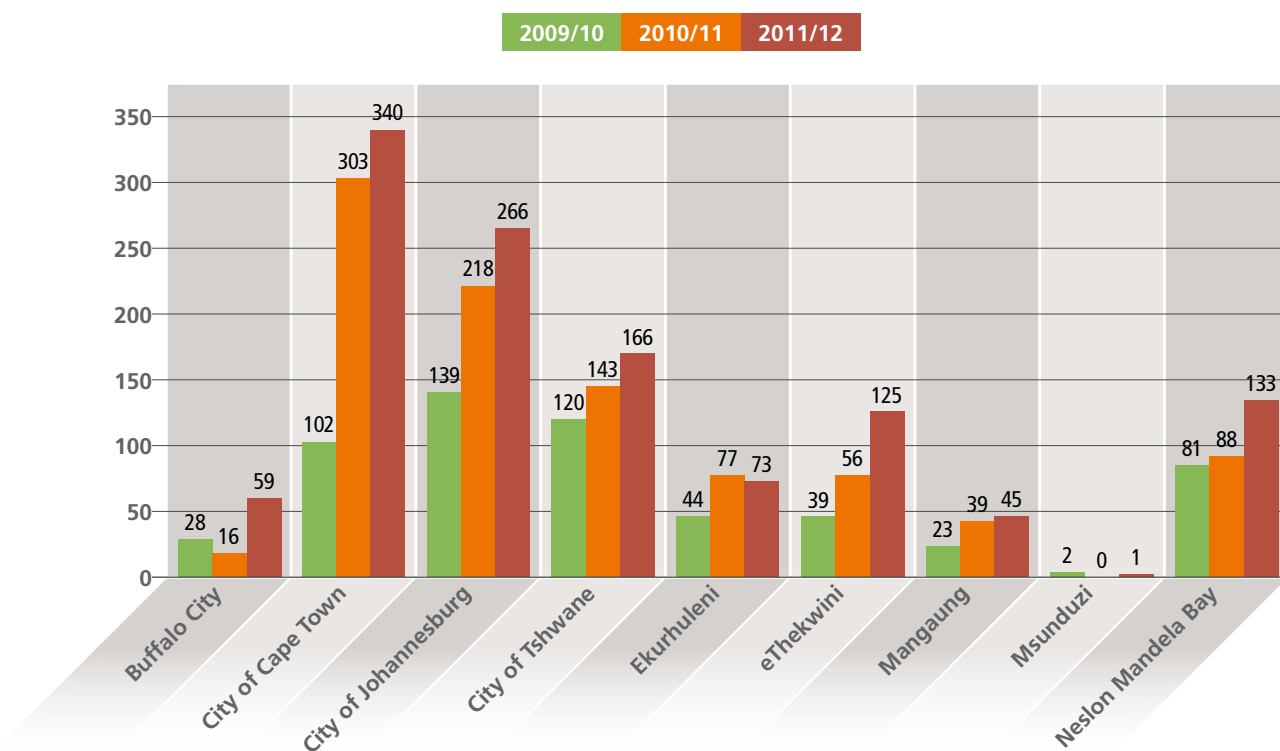


Figure 3: Number of projects undertaken by the cities

Noticeably, the number of projects implemented by the cities has progressively increased over the three years. The larger cities implemented an average of 50 projects per year, while the smaller cities implemented an average of just over 20 projects. Msunduzi Municipality is the exception because it would appear that the municipality has implemented three projects over the three years, which is considerably less than the other smaller cities.

EMPLOYMENT CREATED

As detailed in Figure 4, the cities that created the most work opportunities over the three years were Johannesburg (116 954), eThekweni (64 731) and Cape Town (34 950). The number of work opportunities created by the nine cities represents 51% of work opportunities created by all municipalities, and the cities have spent approximately R10.9 billion in creating these work opportunities, which provided wages to the value of R1.8 billion.

It is important to note that even though Tshwane was one of the cities that had implemented the most projects, the city is not one of top contributors for the number of work opportunities created. This could be attributed to the fact that the projects implemented had a small labour intensity component, or be the result of under-reporting by the city.

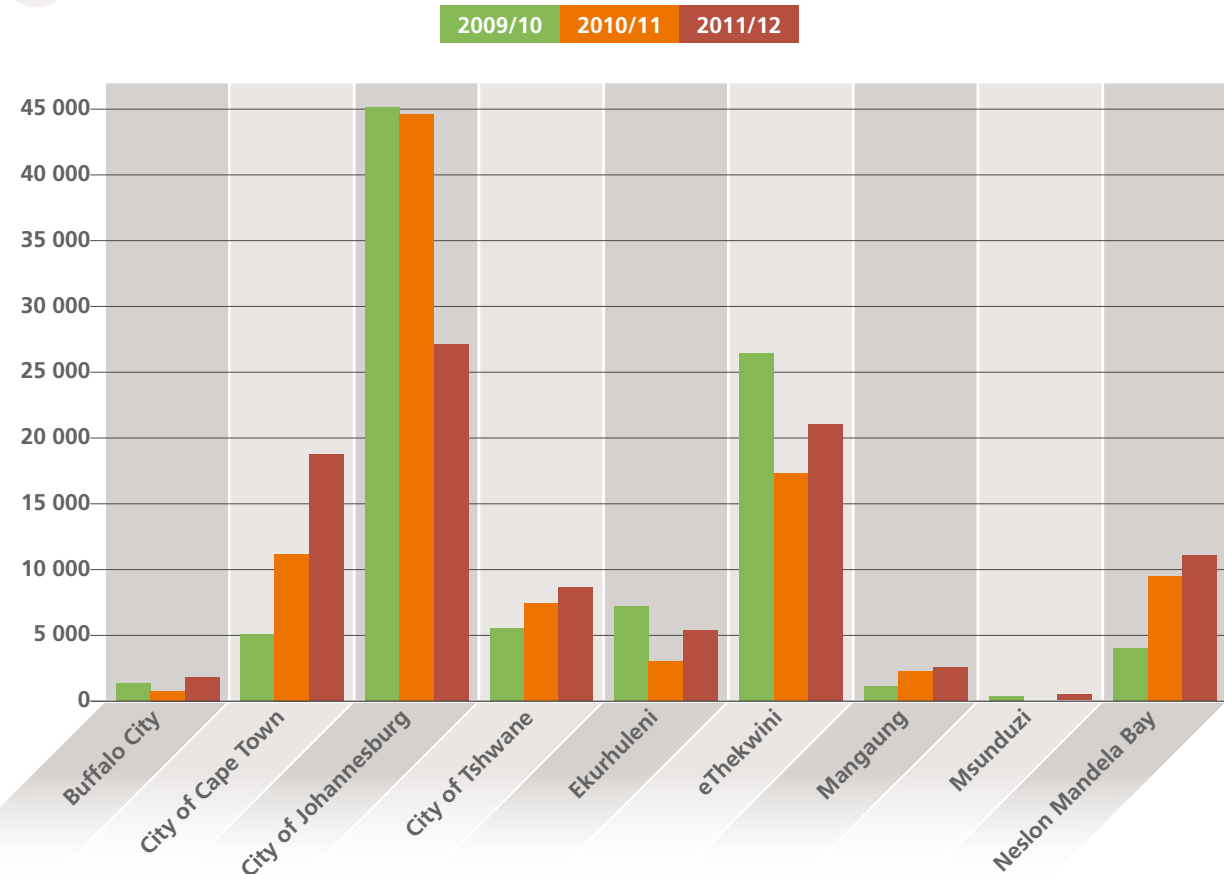


Figure 4: Total number of work opportunities created

The number of work opportunities created by several of the cities has increased, as displayed by Cape Town, City of Tshwane and Nelson Mandela. Interestingly, eThekweni has produced more work opportunities than Tshwane, despite having implemented fewer projects. This could be attributed to the projects implemented by eThekweni containing a larger EPWP component, and hence per project more job opportunities were made available. The nature of the projects would be of a longer duration and comprise a large labour intensive component, therefore allowing for more work opportunities to be created.

Figure 5 shows what the cities spent on implementing EPWP projects over the three-year reporting period. The three cities that spent the most were Johannesburg (R3.1 billion), Tshwane (R2.6 billion) and Cape Town (R1.4 billion).

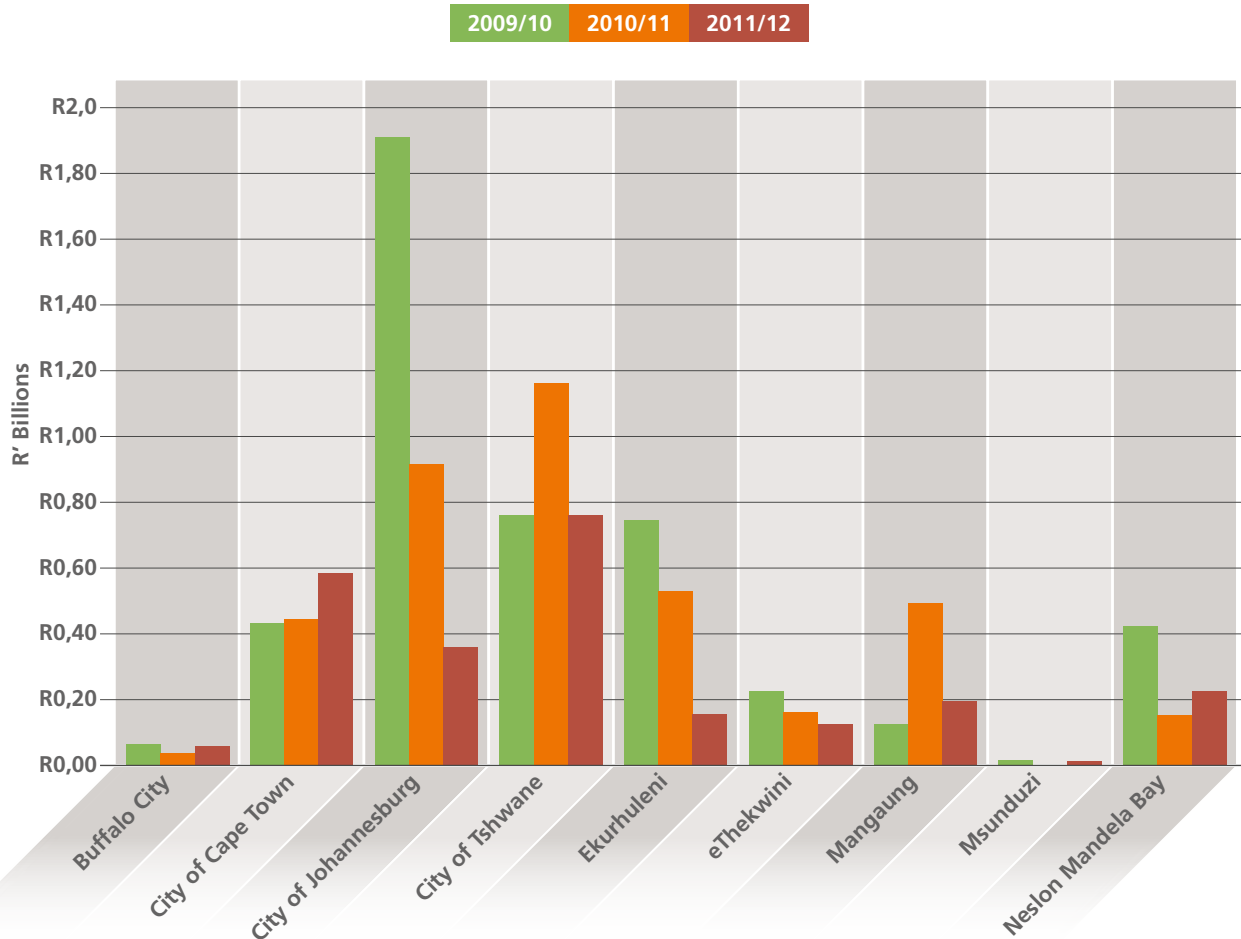


Figure 5: Expenditure on the implementation of EPWP projects (2009/2010–2011/12)

Over the three years, expenditure by Johannesburg and Ekurhuleni declined, whereas expenditure for Cape Town and eThekweni varied only marginally. It would have been expected that expenditure would have increased in relation to the increased number of EPWP projects implemented. This was however not the prevailing trend throughout all nine cities as in the case of Johannesburg and Ekurhuleni. Johannesburg implemented 48 more projects but spent less than half the budget in 2011/12 compared to the previous year. This trend could be attributed to the duration and the size of the projects being implemented by the city. Smaller projects with shorter durations would still generate work opportunities and reflect on the increased number of projects being implemented but would cost less to implement, thereby resulting in a decrease in expenditure while increasing the number of projects when compared to the previous year.



Figure 6 shows the cost of creating one work opportunity for each of the cities. The three cities that incurred the highest costs were Tshwane (R382,586), Ekurhuleni (R307,748) and Mangaung (R400,761).

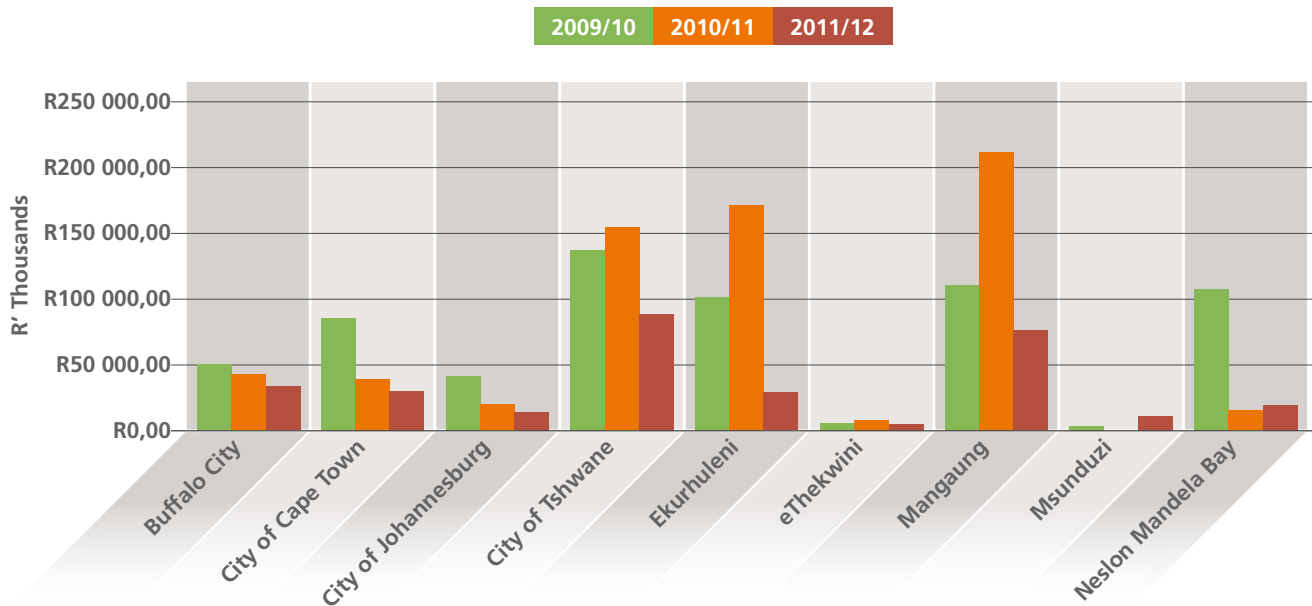


Figure 6: Cost per work opportunity created

The cost per work opportunity varies considerably across the cities and reflects the different ways of reporting on the expenditure. The EPWP MIS should include expenditure on the portion of the project that relates to the implementation of EPWP, but the cities sometimes include the entire project budget, not just the EPWP component, in their reports. This can create the impression that the cities are spending large amounts of money to create work opportunities. In cases where budgets are accurately reported, the cost per work opportunity is significantly reduced, as shown by eThekweni's cost of R22,983 per work opportunity. Inaccurate reporting by the cities could be related to the maturity of the city's EPWP institutional arrangement, in that some might be inexperienced and therefore report inaccurately.

Figure 7 illustrates the amounts cities paid out in wages. Johannesburg paid the most in wages (R850 million), followed by eThekweni (R337 million) and Tshwane (R204 million).

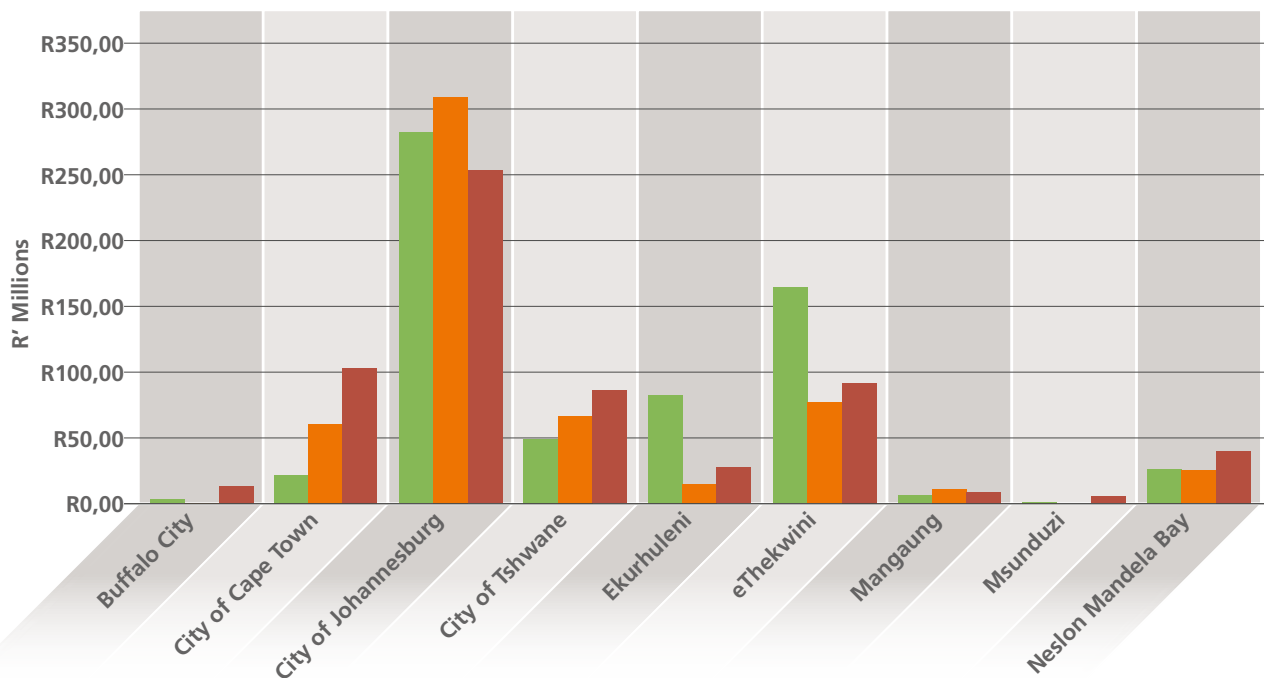


Figure 7: Wages paid out in the undertaking of EPWP projects

A relationship exists between the number of work opportunities created and the wages paid out. The more work opportunities created, the higher the expenditure on wages, as Johannesburg, eThekweni and Tshwane show. These cities produced the highest number of work opportunities over the three-year reporting period and also paid out the most wages.

The cities provided a total of 112 training days of work during the three year reporting period. As detailed in Figure 8, Johannesburg (65), Cape Town (24) and eThekweni (17) provided the highest number of training days.

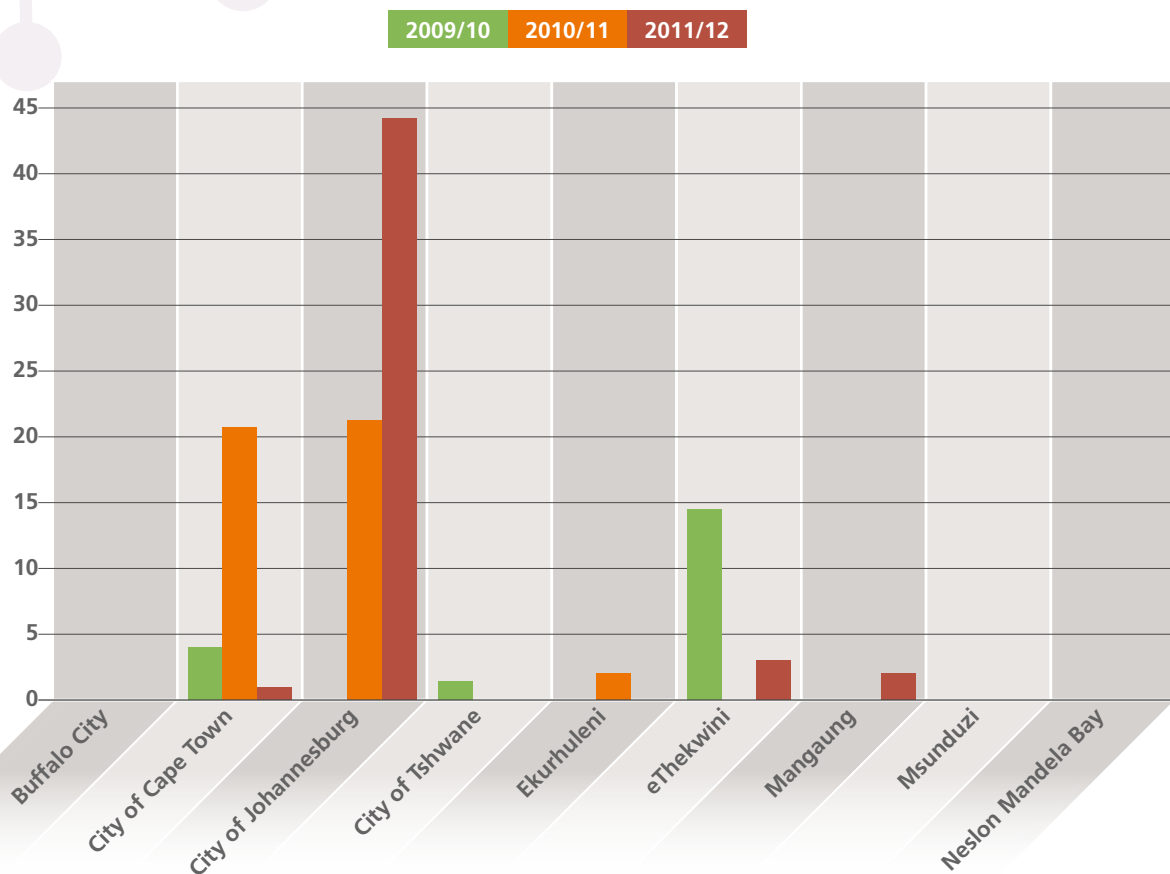


Figure 8: Total number of training days

One of the key findings of the mid-term review of Phase I was that the approach to training and exit strategies had a limited impact on unemployment. Recommendations based on the findings suggested that the EPWP should strive to provide training and exit strategies. The nature of the work opportunity determines the training to be provided and the basis on which the training will occur. It is evident that Cape Town and Johannesburg facilitated the most training days in 2010/11, while Johannesburg was the only city to have a significant number of training days in 2011/12. This can be attributed to the nature of the projects implemented by Cape Town and Johannesburg which required training to be facilitated for the projects to be carried out.

As displayed in Figure 9, the cities that created the most FTEs over the three-year reporting period were Johannesburg (28 127), eThekwni (11 649), and Cape Town (8 022). FTEs are considered as the minimum number of jobs created in order for public bodies to be eligible for incentive grant allocation.

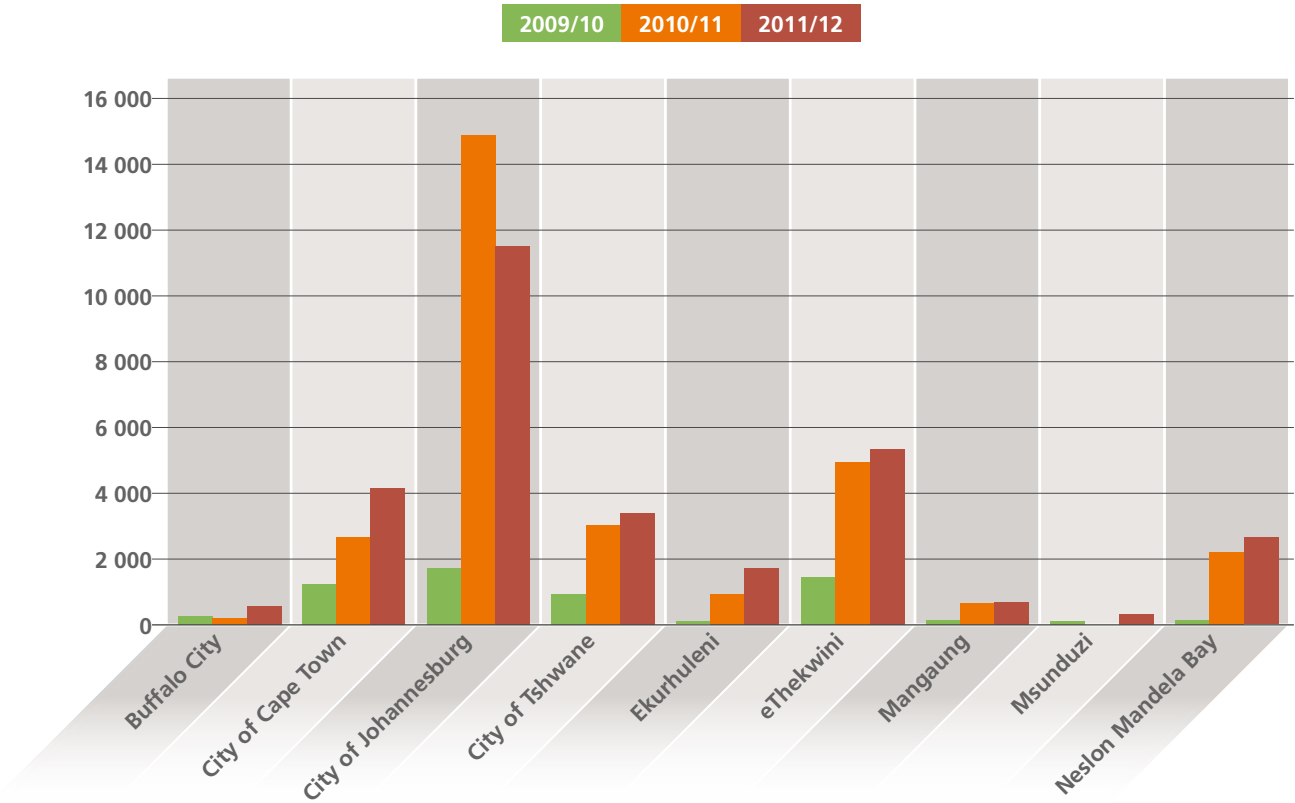


Figure 9: FTEs generated by the cities (2009/10–2011/12)

All cities are creating FTEs, although to a lesser extent by some of the smaller cities, such as Buffalo City and Mangaung. The larger metropolitan cities are producing the most FTEs, in particular Johannesburg and eThekwni. Many of the cities have progressively increased the number of FTEs created per year, with the most FTEs being created during 2011/12.



SACN CITIES ANNUAL PROGRESS

The period 2009/10–2011/12 EPWP marks the first three years of Phase II. The EPWP's target is to create two million work opportunities by 2014. This section highlights the progress made by the SACN member cities in contributing to this target.

EPWP PROGRESS IN 2009/10

Table 5 presents the progress achieved by the cities in 2009/10, showing the work opportunities and FTEs created, as well as the expenditure and wages paid in implementing the EPWP projects or programmes.

CITY	EXPENDITURE	WAGES PAID OUT	WORK OPPORTUNITIES CREATED	WAGE/ EXPENDITURE RATIO	FULL-TIME EQUIVALENT (FTEs)
Buffalo City	R63,113,241	R4,420,377	7.00%	1 224	197
City of Cape Town	R428,971,822	R22,741,310	5.30%	4 976	1 227
City of Johannesburg	R1,898,041,595	R284,726,761	15.00%	45 215	1 706
City of Tshwane	R746,578,796	R48,413,542	6.48%	5 412	926
Ekurhuleni	R740,494,440	R83,125,689	11.23%	7 138	67
eThekweni	R218,086,426	R166,432,229	76.31%	26 453	1 371
Mangaung	R121,192,322	R6,430,319	5.31%	1 082	109
Msunduzi	R321,195	R321,195	100.00%	87	39
Nelson Mandela Bay	R424,409,542	R25,350,333	5.97%	3 905	1 220

Table 5: Cities performance for the 2009/10 reporting period

For 2009/10, Johannesburg, eThekweni and Ekurhuleni reported the highest number of work opportunities created and expenditure on implementing projects across all sectors. Table 6 shows clearly that the larger metropolitan cities have created the most work opportunities and FTEs, which is not surprising given that the larger cities implemented the most projects.

EPWP PROGRESS IN 2010/11

Table 6 presents the progress achieved by the cities in 2010/11, showing the work opportunities and FTEs created, as well as the expenditure and wages paid in implementing the EPWP projects or programmes.

CITY	EXPENDITURE	WAGES PAID OUT	WORK OPPORTUNITIES CREATED	WAGE/ EXPENDITURE RATIO	FULL-TIME EQUIVALENT (FTEs)
Buffalo City	R36,086,624	R1,135,309	822	3.15%	164
City of Cape Town	R440,165,147	R61,359,994	11 173	13.94%	2 644
City of Johannesburg	R912,650,430	R309,787,240	44 564	33.94%	14 887
City of Tshwane	R1,158,832,327	R67,792,005	7 412	5.85%	3021
Ekurhuleni	R527,658,402	R15,644,071	3 020	2.96%	891
eThekweni	R155,139,503	R77,495,862	17 228	49.95%	4908
Mangaung	R485,283,246	R11,416,983	2 293	2.35%	673
Msunduzi	R 0	R 0	0	0.00%	0
Nelson Mandela Bay	R152,768,954	R25,124,393	9 459	16.45%	2 195

Table 6: Cities performance for the 2010/11 reporting period

For 2010/11, Johannesburg and eThekweni reported the highest number of work opportunities and FTEs created. Msunduzi did not report on any work opportunities and FTEs, as no EPWP projects were implemented during this period. During the three years, most cities decreased their expenditure on projects, although more work opportunities were created. Nelson Mandela Bay improved significantly from the previous reporting year and appears to have implemented more projects, based on the number of FTEs created.

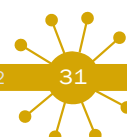
EPWP PROGRESS IN 2011/12

Table 7 presents the progress achieved by the cities in 2011/12, showing the work opportunities and FTEs created, as well as the expenditure and wages paid in implementing the EPWP projects or programmes.

CITY	EXPENDITURE	WAGES PAID OUT	WORK OPPORTUNITIES CREATED	WAGE/ EXPENDITURE RATIO	FULL-TIME EQUIVALENT (FTEs)
Buffalo City	R57,394,454	R13,816,079	1 720	24.07%	530
City of Cape Town	R579,096,145	R105,558,991	18 801	18.23%	4151
City of Johannesburg	R352,572,867	R256,164,539	27 175	72.66%	11534
City of Tshwane	R754,897,016	R88,700,848	8 550	11.75%	3374
Ekurhuleni	R153,875,218	R28,207,747	5 254	18.33%	1757
eThekweni	R120,697,338	R93,548,580	21 050	77.51%	5370
Mangaung	R189,091,139	R8,499,120	2 452	4.49%	676
Msunduzi	R5,543,840	R5,384,610	517	97.13%	260
Nelson Mandela Bay	R220,768,056	R41,789,596	11 043	18.93%	2612

Table 7: Cities performance for the 2011/12 reporting period

For 2011/12, Johannesburg, eThekweni and Cape Town reported the highest number of work opportunities and FTEs. Msunduzi, in comparison with the previous year, reported 517 work opportunities and 260 FTEs created. During this period, Mangaung and Buffalo City created fewer work opportunities than the larger cities. Yet, another smaller city, Nelson Mandela Bay reported significantly more work opportunities and FTEs than the other small cities.





EPWP SECTOR ANALYSIS FOR THE CITIES

This section focuses on performance within the sectors in which the cities are implementing projects. The predominant sector is infrastructure, but the cities are also implementing projects in the environment and culture, social and non-state sectors, as shown in Figure 10.

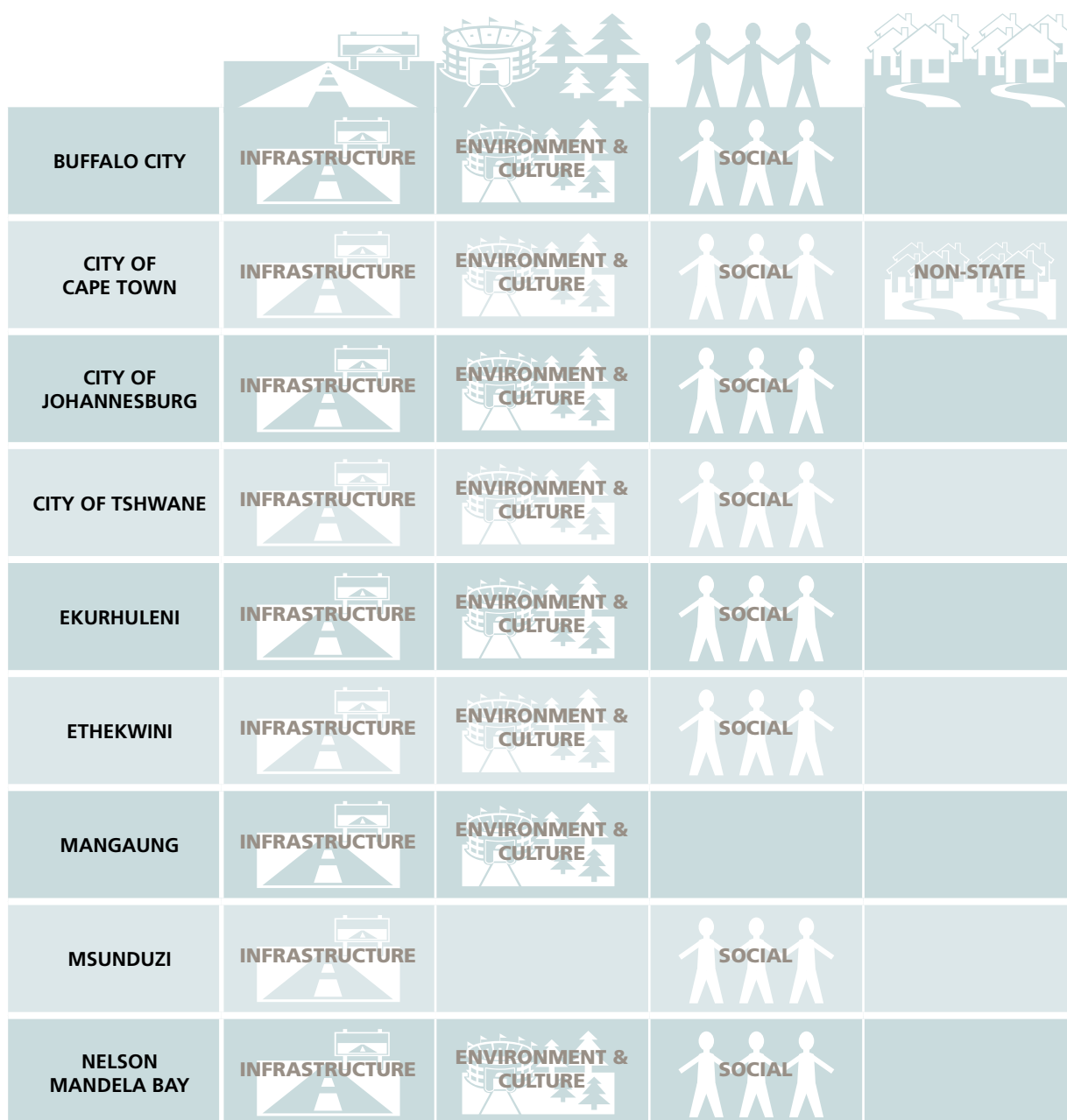


Figure 10: EPWP sectors being implemented within the cities



INFRASTRUCTURE SECTOR

The national DPW is the lead department for the infrastructure sector and collaborates with the departments of transport, cooperative governance and traditional affairs, water affairs, mineral resources and energy.

The infrastructure sector involves the use of labour-intensive methods in the construction and maintenance of public sector-funded infrastructure projects. Labour-intensive infrastructure projects under the EPWP entail:

- using labour-intensive construction methods to provide work opportunities to local unemployed people,
- providing training and skills development to the locally unemployed people, and
- building cost effective and quality assets.

The provinces and municipalities implement most projects. All provinces and 99% of municipalities contributed to the EPWP, but many provincial departments and municipalities could increase their contribution further. The continued growth of the sector will depend on the degree to which some of the under-performing provinces and municipalities can increase their performance by implementing their projects more labour intensively and by establishing dedicated labour-intensive maintenance programmes, which have the potential to provide regular employment to large numbers of people, especially in rural areas.¹

In some cases, poor or inaccurate reporting on the implemented projects within municipalities or provincial departments has adverse effects on the progress achieved by the department or municipality. This means that not all work opportunities and FTEs generated are reporting and so the national DPW does not capture this information on the MIS. As a result, the overall progress achieved does not reflect against the national targets, which also restricts the municipality from accessing grant funding.

Sector-specific Programmes Implemented in the Cities

Five key programmes have been implemented in the infrastructure sector under the auspices of the EPWP:

1. *The Technical Support Programme*

Under this programme, the DPW/EPWP technical team provides technical support to provincial departments and municipalities to facilitate the implementation of infrastructure projects.

The services provided include:

- identifying suitable projects,
- setting job-creation targets for selected projects,
- ensuring that contract documentation is compliant with EPWP guidelines,
- providing advice on the development and adoption of policies that favour labour-intensive construction, and
- reporting by municipalities on key performance indicators (KPIs) of the EPWP on projects implemented.

2. *Vuk'uphile Contractor Learnership Programme*

This programme trains individuals in labour-intensive methods of construction and to become contractors at NQF level 2 and supervisors at NQF level 4. The objective of the Vuk'uphile programme is to build the capacity of contractors and supervisors who are knowledgeable in the areas of labour intensive methods of construction. To date, more than 492 labour-intensive contracting companies have been developed across all nine provinces. The DPW has partnered with 22 municipalities, six government departments and two government agencies in the creation and development of the 492 labour-intensive civil works companies. Each of the public entities has actively participated in the labour-intensive contractor development programmes.

3. *National Youth Service (NYS) Programme*

The NYS programme was jointly implemented by the DPW, the Umsobomvu Youth Fund and the Department of Labour. The NYS is a year-long skills training and development programme. It aims to provide unemployed South African youth with technical skills and life-skills training, access to practical work experience and mentoring, and opportunities for future employment, or support for continued studies upon completion of their year within the NYS programme. The EPWP NYS unit also facilitates exit strategies for youth who have been trained on the programme. These strategies include placing youth trained with contractors, at further education and training colleges and within DPW workshops. A total of 9 688 individuals have been recruited by both the national and provincial public works departments to participate in the NYS programme.

4. *Large Projects Programme*

Large projects are defined as those with a minimum budget of R30-million. These should have appropriate contract conditions, including labour-based methods, and allow workers of all categories (non-skilled and

1. Expanded Public Works Programme Phase 2: Consolidated Programme Overview, 2009 – Department of Public Works.



semi-skilled) to undergo training. The programme aims to ensure:

- delivery of large budgets based on EPWP principles,
- meaningful development of emerging contractors, and
- job creation and skills transfer by training beneficiaries.

This programme is currently being implemented by three provincial departments, three metropolitan municipalities, and two district municipalities.

5. *Provincial Roads Programme*

This programme focuses on providing technical sup-

port to provincial roads and transport departments in constructing and maintaining access roads labour intensively. The technical support provided includes:

- assisting in identifying projects,
- designing and developing appropriate contract documentation for projects identified, and
- assisting during project implementation to ensure that projects are implemented labour-intensively and that the work opportunities created are reported adequately.

The Provincial Roads Programme contains more than 64 programmes and has created more than 88 000 work opportunities.



EKURHULENI METROPOLITAN MUNICIPALITY – VUK’UPHILE LEARNERSHIP PROGRAMME

In 2005, the Vuk’phile Learnership Programme officially started in Ekurhuleni. Its objective is to develop emerging contractors into fully fledged contractors. The programme is not limited to certain ethnicities of people but is open to all aspiring contractors.

In February 2006, 25 learner contractors and 40 learner supervisors were recruited into the programme. Six learner contractors withdrew early on from the programme because of disinterest, so the learnership started with 19 learner contractors and 40 supervisors. The participants were contracted and introduced to a SETA-approved series of classroom training modules coupled with on-site training. The participants were inducted through the learning and practical development of the programme and, as set out in the learnership, were expected to complete a minimum of three sets of projects over a three-year period.

After completing the programme, the contractors were expected to leave with a National Qualification Framework (NQF) level 2, while the supervisors had to obtain an NQF level 4. The NQF level courses are accredited by the South African Qualifications Authority (SAQA). The lower-level qualification for the contractors was to give people with years of site experience but little formal education (because of apartheid legislation) the chance to participate in the programme. The higher level for the site supervisors responded to the need for more sophisticated mathematical understanding, e.g. for setting out work and for taking off quantities in the exercising of their work.

In July 2009, a total of 19 learner contractors and 40 learner supervisors completed the programme. Sadly, one of the contractors who graduated passed away during the exit phase of the learnership.

eThekwini Municipality has also adopted and implemented the Vuk’uphile Learnership Programme. The eThekwini case study on page 87 provides a best practice model for implementing contractor development.

ENVIRONMENT AND CULTURE SECTOR

The environment and culture sector contributes to the EPWP by employing people to work on projects that improve their local environment. The sector builds South Africa’s natural and cultural heritage and, in doing so, dynamically uses this heritage to create both medium- and long-term work and social benefits.

According to the environment and culture’s log-frame², the sector’s objectives are:

- creating jobs and providing training and, through these jobs, facilitating long-term employment,
- linking marginalised people with opportunities and resources to enable their participation in the developed ‘mainstream economy’,
- integrating sustainable rural development and urban renewal,
- creating land-based livelihoods,
- promoting community-based natural resource management,
- developing natural resources and cultural heritage,
- rehabilitating natural resources and protecting biodiversity, and
- promoting tourism.

2. Environment and Culture Sector EPWP Phase II Log-frame: 2010-2014.



Sector-specific Programmes Implemented in the Cities

Programmes in the environment and culture sector are initiated by the departments of environmental affairs and tourism (DEAT), agriculture (DoA), arts and culture, water affairs, and science and technology.

Funds for EPWP programmes in the environment and culture sector are allocated to the budgets of the relevant national and provincial departments and then dispersed to the projects through existing channels.

Flagship programmes:

- DoA – Land-care programmes and the Comprehensive Agricultural Support Programme,
- DEAT – People and Parks, Coastal Care, Sustainable Land-based Livelihoods, Cleaning up SA and Growing a Tourism Economy programmes,
- Working for Water Programme,
- Working for Wetlands Programme, and
- Working on Fire Programme.

Through its different programmes in all spheres of government, the environment and culture sector has been able to create more than 450 000 work opportunities.



CITY OF JOHANNESBURG – JUKSKEI RIVER CLEAN-UP PROJECT

The banks and the flow of the upper Jukskei River in Alexandra, northern Johannesburg, are being cleaned up in a long-running partnership between City Parks and other government departments. This cleanliness drive is part of a campaign that was mooted and launched by former Gauteng MEC for Agriculture, Conservation and Environment, Khabisi Mosunkutu, to spread awareness and sensitise people about the deteriorating condition of rivers in Gauteng.

The project is a partnership between City Parks, the city's Environmental Management Department and the Gauteng Department of Agriculture and Rural Development. Phase one of the project took place in 2008/09 when 484 tons of waste was collected from the river banks during a period of seven months.

In terms of socioeconomic benefits, phase one of the project created 80 job opportunities for the people of Alexandra and surrounding settlements. Of these, 50 people were employed as community-based environmental workers, and 30 were employed to remove litter and debris from the river on a daily basis. Of these 30 cleaners, 67% were women and 67% were youth.

The project not only focuses on cleaning up but also emphasises training, skills development and education, and environmental awareness. The 30 cleaners were trained in various skills such as herbicide application, safety, health and environmental quality awareness, first aid levels one and two, basic computer skills, compiling a CV and interview skills, contractor teamwork development, leadership, welding, call centre, tiling and the use of a brush cutter.

In 2010, the project ran from May until October.







SOCIAL SECTOR³

The beneficiaries of the EPWP social sector are given opportunities to be trained through skills programmes and learnerships. Unemployed and unskilled people are provided with the work opportunities through the delivery of social development and community protection services such as:

- **Early Childhood Development.** Education and care to children are provided in the temporary absence of their parents or adult caregivers. Services include provision of child health, nutrition, education, psychosocial and other needs within the context of the family and the community. The beneficiaries are provided with skills to increase their capacity to generate an income, hence improving care and learning environment.
- **Home/Community-Based Care.** Basic health services are provided by formal or informal caregivers employed in EPWP projects to people in their own homes or home-based care that the community can access closer to their homes.
- **School Nutrition Programme.** Community members are employed as food handlers to provide food to children from needy families and thus address malnutrition.
- **Community Crime Prevention.** Community members are encouraged, by employing volunteers in EPWP projects, to be active in helping to identify community safety priorities for their neighbourhoods.
- **School Mass Participation.** Work opportunities are provided to sports coaches and members of the public are encouraged to participate actively in sports, with the objectives of promoting good health, self-realisation, community development and social cohesion.
- **Kha Ri Gude** (Tshivenda for 'let us learn'): a Mass Literacy Campaign aimed at inviting adults who missed out on their schooling, and who cannot read nor write, to join literacy classes provided across the country.

Sector-specific Programmes Implemented in the Cities

A key focus of the EPWP social sector is to equip pre-school teachers and support staff (cooks, gardeners and administrators) with adequate training to pass on their knowledge to benefit the country's children in the long term. The social sector contributes to the EPWP by employing people, through NGOs and CBOs, to work on home-based care and early childhood development programmes coordinated by the departments of social development, health and education.⁴

3. EPWP Social Sector – Expanded Public Works Programme.

4. EPWP 2010 Presidential Report.

CITY OF CAPE TOWN – VIOLENCE PREVENTION THROUGH URBAN UPGRADING

Khayelitsha, outside Cape Town in the Western Cape, has been identified as one of the most dangerous areas in the country, with high rates of murder and rape, and other crimes. This is the result of numerous factors, including a lack of access to services, employment opportunities, schooling etc.

The City of Cape Town therefore partnered with the German government, through the German Development Bank (Kfw), to develop precincts within the Khayelitsha, Nyanga, Gugulethu, Manenberg and Hanover Park areas to reduce crime, and to improve the safety of residents in the area. The three main aims of the programme were social crime prevention, situational crime prevention and institutional crime prevention.

The programme employs a holistic approach to making the area safer, focusing on crime reduction, social development, and capacity-building. It included constructing safe public spaces; supporting and strengthening social crime prevention; and training, mentoring and providing access to economic opportunities for residents. Projects implemented under this initiative include constructing walkways, sports centres and parks and Active Boxes.

A number of businesses have been established or supported, including welders, informal traders (including the development of the Ntlazane Trader Association), mosaic artists, and contractors. This has helped to provide an income, and make industry more formal within the area.

Similar projects could be initiated in other high-crime areas, which would be a worthwhile project considering the massive crime rates in the country. Initiatives such as this are likely to be more effective than simply hiring more police to patrol an area. However, for such projects to be effective will require significant funding and buy-in from government and local community members. Thus these sorts of projects will probably only be initiated by city municipalities, or other large groups with access to substantial funding. The on-going monitoring and evaluation of the project will make it easier for other groups to replicate, as best practices and unsuccessful initiatives are outlined.





NON-STATE SECTOR (NSS)

In 2009, the NSS was introduced as a new component for EPWP that uses wage subsidies to support NPOs in their community development initiatives. The NSS comprises of the community work programme (CWP) and the non-profit organisation programme. The CWP is area based and is managed by the Department of Cooperative Governance. The NPO is institutional based and is managed by the national DPW, which (as custodian of the programme) offers an administration fee and a subsidy for the wages of the people employed in NPOs. The wage subsidy is designed to provide additional funds to different types of programmes that create employment.

Sector-specific Programmes Implemented in the Cities

The institutional-based programmes are delivered through non-state institutions, such as NGOs and CBOs, while the area-based programmes are delivered through organisations that build capacity at local level. This approach offers considerable scope for work activities to be determined by the unique needs of a community and implemented at community level with partial funding from the state.⁵

5. Expanded Public Works Programmes: Non-State Sector – Department of Public Works.

COMMUNITY WORKS PROGRAMME (CWP)

The CWP was a pilot programme that was implemented as a partnership between the Special Projects Unit of the Presidency, the Integrated Development Directorate of the Department for Social Development and the Youth Desk in the Presidency. The group is tasked with contributing to the upgrading of public works operations and special employment programmes, or publicly funded employment. In the process, the partnership explores different approaches to achieving employment objectives across sectors.

The CWP also investigates a range of issues, including the development of a minimum-employment guarantee based on regular, weekly work, the operationalisation of such a programme in the South African context, as well as ways of enhancing community development. The group is continuously looking into ways of integrating social tasks into the work allocated for each project, through interventions that differ according to the nature of the project; for example, providing support to child-headed households.

Participants in projects earn R60 per day for two days of work per week. The pooled pay-outs from projects ultimately make a noteworthy contribution towards sustainability in communities and supporting families. For example, in a case where 2 000 people work two days a week for a month, the programme injects R800,000 into the community. In this way, the programme also contributes positively towards building the local economy.

The programme focuses on community development and various community-based initiatives in areas with special needs. The work done by the programme is proposed mostly by residents, ward committees, CBOs or faith-based organisations. In every project, a reference group of community leaders is responsible for appointing a project manager who is then trained either by the SERITI Institute or TEBA development, the recognised training providers for the programme.

The CWP has left an impression on the environment as well as on the fabric of society through efforts such as tree-planting and community-building initiatives championed by members of the communities themselves.





CHALLENGES FACED BY CITIES

Based on the responses obtained from the cities and the analysis of existing documentation, Table 8 highlights some of the major challenges facing the cities in implementing the EPWP, as well as potential solutions.

CHALLENGES	POTENTIAL SOLUTIONS
<p>Under-reporting and ineffective monitoring because of the lack of capacity to monitor and evaluate the implemented projects.</p> <p>This has devastating implications on access to grant funding for the municipalities and affects the resources available for keeping track of the changes to grant funding allocation</p>	<p>Put in place management systems to ensure that project data is reported and that the systems comply with the EPWP MIS reporting requirements.</p>
<p>Varying audit requirements affect the cities, as there are no set criteria relating to audit guidelines.</p>	<p>Streamline audit requirements between the various auditing bodies and standardise the process.</p>
<p>EPWP champions who keep changing within departments and entities. This has led to a lack of support from relevant role players and contributes to the under-reporting problem.</p>	<p>Review the institutional arrangements in place and resources available to enforce the implementation of EPWP.</p>
<p>The lack of branding of EPWP projects, which results in inadequate awareness of projects implemented under the banner of EPWP.</p>	<p>Provide improved financial aid and material support from national EPWP for branding of EPWP projects at municipal level.</p>
<p>The lack of focus on creating opportunities for and recruiting persons with disabilities on infrastructure projects.</p>	<p>Identify work opportunities that are best suited to disabled individuals.</p>
<p>Insufficient training funds and delayed approval of accredited training for beneficiaries.</p>	<p>Approve accredited training prior to implementing projects and consider setting up a separate fund for training requirements at local government level.</p>

Table 8: Challenges and potential solutions for implementing EPWP





CONCLUSION

Unemployment continues to be one of South Africa's greatest socioeconomic challenges, and municipalities have the ability to contribute to addressing this challenge. In doing this, the municipalities themselves can realise meaningful developmental benefits particularly in terms of:

- providing short-term employment to the unemployed within their areas and integrating them into the economy, and
- assisting in the provision of basic services, transport networks, social sector facilities and SMME development.

The SACN cities have experienced challenges in establishing EPWP institutional arrangements and monitoring and evaluating EPWP projects, as to do this has required significant revisions to their operating and institutional procedures and systems. Despite these challenges, since the start of the EPWP, these municipalities have created important work opportunities for unskilled and unemployed individuals. Every year, municipalities are improving the number of work opportunities created through the EPWP.

During the period 2009/10–2011/12, the nine SACN member cities contributed a total of 24 407 work opportunities out of the overall number of work opportunities created by municipalities. All of the cities are delivering work opportunities and are undertaking measures to facilitate the implementation of the EPWP. Over the three years, the SACN cities spent R10.9 billion implementing the EPWP. Of this amount, R1,8 billion was paid out as wages, primarily to youth and women.

For successful implementation to occur, cities need to have an EPWP policy in place, set targets, make budget available and incorporate the achievement of the EPWP into the balance scorecards of the city manager, executive and other relevant directors. All of the SACN cities have either implemented or are in the process of putting these elements in place.

The implementation of the EPWP within municipalities continues to face a number of challenges, of which the most significant have been:

- the ability to provide training,
- monitoring and reporting, and
- a lack of capacity and funds.

As Phase 2 of the EPWP progresses, it will be necessary to begin addressing these challenges.





ANNEXURE A: INDIVIDUAL CITIES REPORTS



BUFFALO CITY MUNICIPALITY

OVERVIEW OF EPWP POLICY AND IMPLEMENTATION

During the first three years of EPWP Phase II, Buffalo City Municipality focused on strengthening and expanding its EPWP, predominantly in the infrastructure sector. The emphasis was on creating employment through labour-intensive methods within all housing, building and infrastructure construction projects, as well as on improving reporting, monitoring and evaluation. Therefore, the decision was taken to house the EPWP unit within the Directorate of Engineering Services for efficient administration, as most of the infrastructure projects are implemented within this directorate.

Buffalo City noticeably improved the implementation, growth and success of its EPWP through:

- using labour-intensive construction methods on infrastructure projects,
- increasing on-going maintenance of existing infrastructure,
- establishing targets for longer duration of work opportunities, and
- providing training and skills development to those locally employed workers.

During this period the municipality's EPWP Policy was drafted and submitted to the Council for approval. Once approved, the Policy's aim is to mainstream and guide the implementation of EPWP within Buffalo City Municipality.

Buffalo City recognised that, to be effective, the EPWP needed to be incorporated into all activities within the municipality. Therefore every project implemented, as per the municipality's Integrated

Development Plan (IDP), was required to investigate and promote all possible EPWP opportunities. Existing projects were subsequently restructured in order to promote greater employment opportunities per unit of expenditure.

For the municipality, the distinct differences between EPWP Phase I and the first three years of Phase II were:

- a greater level of EPWP participation from the municipality,
- increased emphasis on labour-intensive construction methods,
- the rollout of EPWP in the social and environment and culture sector, and
- submissions of the Municipality's draft EPWP Policy.

INSTITUTIONAL ARRANGEMENTS

During the three-year reporting period, the Directorate of Infrastructure Services administered the municipality's EPWP, supported by two data capturers, a senior technician reporting to the Manager: Project Management Unit and other superiors within the Directorate. A task team was established, which was responsible for managing and implementing the EPWP within the municipality. This team provided strategic support to the coordination of the programme across all sectors, ensuring an integrated approach in terms of planning, coordination, monitoring and reporting of all EPWP-related activities.

A proposal for establishing a dedicated EPWP Unit has been put forward but not yet implemented. Figure 11 illustrates the institutional arrangement within the municipality.

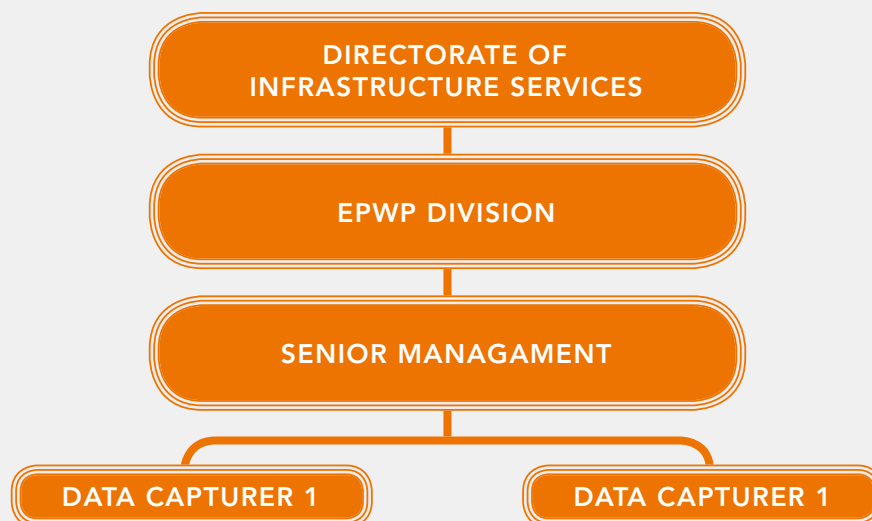


Figure 11: Institutional arrangement – Buffalo City Municipality

EPWP PROJECTS 2009/10 – 2011/12

Buffalo City Municipality implemented EPWP projects in the infrastructure, environment and culture, and social sectors. Table 9 shows the progress of the municipality's EPWP across these sectors during the three-year reporting period.

	2009/10	2010/11	2011/12	TOTAL
Number of Projects	28	16	59	103
Expenditure	R63,113,241	R36,086,624	R57,394,454	R156,594,319
Work Opportunities Created	1 224	822	1 720	3 766
Person Years of Training	0	0	0	0
Wages Paid	R4,420,377	R1,135,309	R,13,816,079	R,19,371,765
% Youth	50%	56%	47%	1.53
% Women	0%	13%	33%	
% Disabled	0%	0%	0%	

Table 9: Buffalo City Municipality EPWP progress (2009/10–2011/12)

As Table 9 shows, Buffalo City Municipality created a cumulative total of 3 766 work opportunities over the three years. The work opportunities created were achieved by implementing a hundred and three EPWP projects, and over R19 million was paid in wages.

CORNERSTONE PROJECTS AND SUCCESSES

Over the three years, Buffalo City Municipality achieved significant success in the following projects:

1. *Vuk'upile Learnership Contractor Programme*
Learners were provided with theoretical and practical training in sanitation, roads and water-related infrastructure construction projects.
2. *Duncan Village Movable Ablutions Project*
This project formed part of the city's objective of putting service delivery into 'overdrive'. The aim was to construct communal ablution blocks, using labour-intensive principles to provide not only work opportunities, but also basic construction training to EPWP beneficiaries. The project created 83 work opportunities and 36 FTEs in 2010/11 and 77 work opportunities and 33 FTEs during 2011/12.
3. *Manyano Thembelihle project*
The Manyano Thembelihle project was a housing project initiated by Buffalo City Municipality to address

the service delivery shortfall with regards to housing. The project employed EPWP beneficiaries, through the use of labour-intensive construction methods, to assist in the construction of the houses. The project generated 11 work opportunities and 5 FTEs in 2010/11 and a 151 work opportunities and 65 FTEs in 2011/12.

KEY CHALLENGES

The challenges experienced by Buffalo City Municipality, which limited the success of its EPWP, included:

- difficulties experienced by the Directorate of Infrastructure Services in coordinating the reporting requirements from other EPWP implementing departments,
- the implementation of projects outside of the EPWP wage rate made job creation increasingly difficult for various departments as it raised the wage expectation of EPWP employment and thereby decreased the number of jobs that could be created with the available budget, and
- delays in project implementation had a negative impact on job creation and delayed the achieving of set targets.

CITY OF CAPE TOWN

OVERVIEW OF EPWP POLICY AND IMPLEMENTATION

During the first three years of EPWP Phase II, the City of Cape Town placed a huge emphasis on structuring its EPWP around the city's IDP. From being in the design stage during Phase I, the EPWP shifted to the implementation stage during EPWP Phase II.

By integrating the EPWP with the IDP, the City of Cape Town was able to streamline its EPWP objectives to align with and support the strategic goal of establishing Cape Town as an 'Opportunity City'. The aim of the EPWP during the three years was to achieve the job creation targets in order to promote this strategic goal.

The following achievements contributed to the success of the EPWP during this period:

- The development of an annual EPWP Implementation Plan in order to meet EPWP targets as set out in the EPWP Implementation Protocol Agreement entered into with the national DPW and the Premier of the Western Cape.
- The incorporation of EPWP job creation targets into the performance agreements of the city manager, deputy city manager and executive directors.
- The cascading of EPWP job creation targets into the Service Delivery Business Implementation Plans (SDBIPs) of implementing line departments; and
- The institutionalisation of EPWP within the city's governance structures.

The policy instruments used to guide the implementation of the EPWP and achievement of the targets included the Policy for the Recruitment of Workers from the Community (approved in 2010) and the Policy for the Implementation of the EPWP (in draft format from 2009). In 2011 the draft EPWP policy was submitted but was not approved; it was therefore not implemented during this reporting period. Under the provisions of the Policy for the Recruitment of Workers from the community, the City was able to:

- establish a database of jobseekers,
- provide principles and methodology for the recruitment and selection of jobseekers in local communities by Council and its service providers for community-based programmes and projects,
- ensure that unemployed, low-skilled or semi-skilled community members have fair access to community based work, and
- ensure that local community members are protected from corruption and nepotism during the processes of accessing job opportunities.

During the period under review, in addition to the policies supporting the EPWP, the City of Cape Town also defined its EPWP institutional arrangements, establishing a dedicated EPWP office within the deputy city manager's office.

The strategic decision to target proactively under-reporting was a fundamental driving force behind the success of the city's EPWP. This was achieved by including EPWP reporting and compliance requirements in the city's procurement documentation, whereby the submission of monthly EPWP reports with their payment certificates was compulsory for contractors or service providers.

For the City of Cape Town, the distinct differences between EPWP Phase I and the first three years of Phase II included:

- a greater focus on the impact of EPWP projects from the beneficiaries perspective,
- improved under-reporting,
- integration of the EPWP with the IDP, and
- formalisation of the city's EPWP institutional arrangement.

INSTITUTIONAL ARRANGEMENTS

With the signing of the Implementation Protocol Agreement between the City of Cape Town and the national DPW in 2010, the executive mayor assumed the responsibility as the political EPWP chairperson. The institutional structure was formalised with a dedicated EPWP Office that was established within the deputy city manager's office. This EPWP unit was responsible for overseeing the following:

- EPWP policy development and implementation,
- EPWP monitoring and evaluation,
- support to line departments during the implementation of the EPWP, and
- liaison with other spheres of government.

After the establishment of the EPWP office, a steering committee was formed, consisting of representatives at senior management level. The steering committee's responsibility was to facilitate the downward implementation of EPWP across all line departments. Figure 12 illustrates the institutional arrangement within the city.





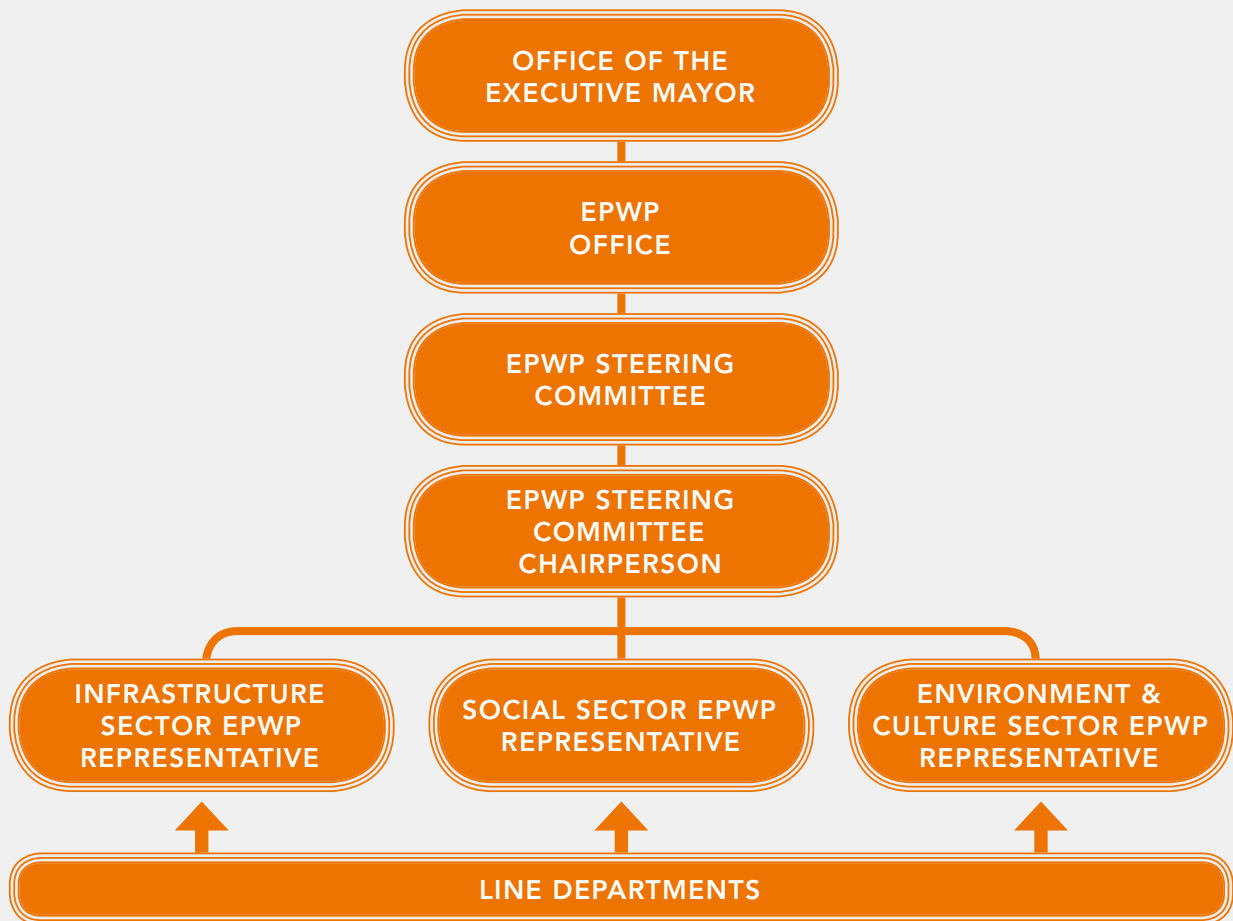


Figure 12: Institutional arrangement – City of Cape Town

EPWP PROJECTS 2009/10 TO 2011/12

The City of Cape Town implemented projects in the infrastructure, environment and culture, social and non-state sectors. Table 10 shows the progress of the City of Cape Town's EPWP across these sectors during the three-year reporting period.

	2009/10	2010/11	2011/12	TOTAL
Number of Projects	102	303	340	745
Expenditure	R428,971,822	R440,165,147	R579,096,145	R1,448,233,114
Work Opportunities Created	4 976	11 173	18 801	34 950
Person Years of Training	3.57	20.63	0.57	24.77
Wages Paid	R22,741,310	R61,359,994	R105,558,991	R189,660,295
% Youth	48%	53%	57%	
% Women	5%	41%	35%	
% Disabled	0%	0%	0%	

Table 10: City of Cape Town EPWP progress (2009/10–2011/12)

As per Table 10, the City of Cape Town created a cumulative total of 34 950 work opportunities over the three years. The work opportunities created were achieved through implementing 745 EPWP projects, and over R189 million was paid in wages.

The city's aim was to exceed the annual targets set by the national DPW in the Protocol Agreement. The city managed to achieve this target periodically but consistently, on an annual basis.

The success of the city's EPWP is partly attributed to the Mayor's Special Job Creation Programme (MSJCP) that was introduced in 2011 and focused on using savings to fund EPWP projects in various line departments. Furthermore, line departments took on the responsibility of proposing projects that were deemed feasible for implementation and would result in direct employment. The objective was to provide thousands of work opportunities to the poor, and also to extend service delivery in some of the following areas:

- Cleaning: river cleaning, area cleaning bush cleaning, and
- Maintenance: parks, stormwater assets, cemeteries and kramats

CORNERSTONE PROJECTS AND SUCCESSES

The City of Cape Town achieved significant success in the following projects during the three-year reporting period:

1. *Kader Asmal Environmental Management Project*
Named after the late Kader Asmal, this project involved cleaning rivers, areas and the bush, as well as preserving and protecting endangered plant species. The project was implemented city wide, within the framework of the EPWP and with financial support from EPWP, and under the banner of special projects. The project created thousands of work opportunities and resulted in the extension of service delivery city wide. In one year, 2011/12, the project reported a total of 10 projects, which created a total of 653 work opportunities.

2. *Cleaning of Informal Settlements*

The Department of Solid Waste implemented cleaning of informal settlements initiatives, and the upgrading of informal/existing settlements programme reported remarkable successes in 2011/12 with total of 26 projects being implemented.

3. *Winter Preparedness Programme*

Through this programme, the Disaster Risk Management Centre together with various other departments such as the departments of human settlements, solid waste management, roads and stormwater, social development and early childhood development were consistently the main contributor, of approximately 50% of all EPWP jobs created by the city. In 2011/12 a total of 161 projects were implemented.

KEY CHALLENGES

The challenges experienced by the City of Cape Town, which limited the success of its EPWP, included:

- Record keeping and managing information: Phase II of EPWP resulted in a significant increase of job creation targets and an equally significant increase in administrative compliance. This led to a lack of administrative capacity within departments to manage the workload, particularly with regards to record keeping and administration as well as the safeguarding of project labour information for auditing purposes.
- Insufficient funding was available for training at local government level. The approval of accredited training for EPWP beneficiaries during project implementation/project life cycle was a major challenge.
- Varying audit requirements caused setbacks in the reporting process.
- The change to the type of grant in the middle of the implementation of Phase II prompted a change in strategy.
- A need for improved financial and material support from the national EPWP for branding of the EPWP projects at local government level.

CITY OF JOHANNESBURG

OVERVIEW OF EPWP POLICY AND IMPLEMENTATION

During the first three years of EPWP Phase II, the formalisation of the City of Johannesburg’s EPWP Policy facilitated the growth of its EPWP. In May 2009, the city manager and the Mayoral Committee adopted the policy after extensive consultation with all departments and municipal entities. Extensive roadshows were presented to all departments and municipal entities to ensure their buy-in to the implementation of EPWP projects in accordance with the guidelines set out by the EPWP Policy. The slogan of the roadshow presented to the EPWP Implementation Lekgotla was ‘Every Project an EPWP Project’.

During the three years, the city not only advanced its EPWP Policy but also made significant changes to its EPWP structure and implementation approach. The EPWP unit was relocated to the Department of Economic Development, in a strategic move to ensure that EPWP projects would be implemented equally across all sectors, breaking away from the predominant infrastructure sector focus during Phase I. To facilitate the implementation of EPWP projects across all sectors, the city employed an EPWP coordinator within each sector to manage this process.

For the City of Johannesburg, the distinct differences between EPWP Phase I and the first three years of Phase II included:

- The training requirements of EPWP projects changed, with training no longer being compulsory (which was the case in Phase I).
- Projects became generally longer in duration.
- Greater emphasis was placed on branding.
- The focus shifted from predominantly the infrastructure sector to all sectors, i.e. social, environment and culture, and infrastructure sectors.

INSTITUTIONAL ARRANGEMENTS

The City of Johannesburg made significant changes to its institutional arrangements during the three year reporting period. The responsibility for EPWP was relocated from the project management unit within Development Planning and Urban Management to the Department of Economic Development. A dedicated EPWP unit was therefore established under the Department of Economic Development. Figure 13 illustrates the institutional arrangement within the city.

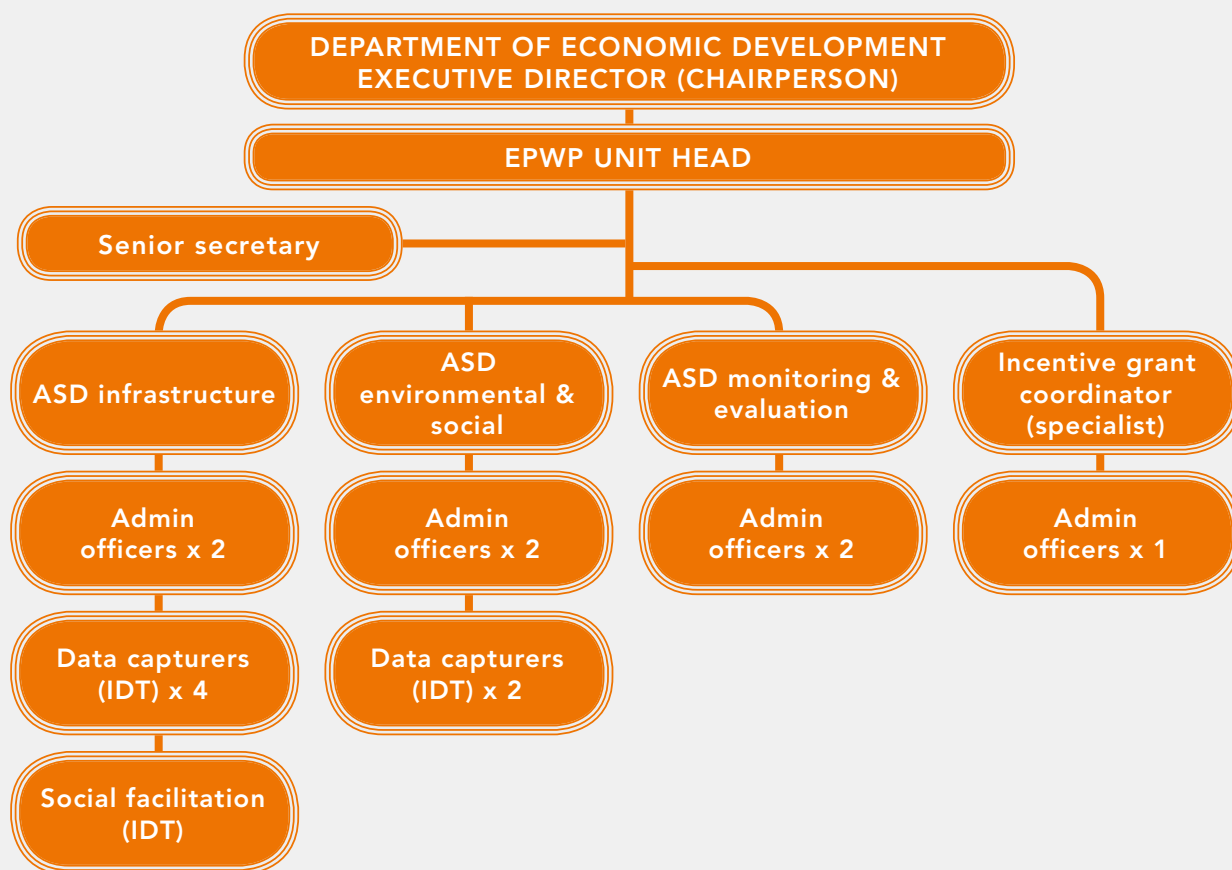


Figure 13: Institutional arrangement – City of Johannesburg

EPWP PROJECTS 2009/10 TO 2011/12

The City of Johannesburg implemented EPWP projects in infrastructure, environment and culture, and social sectors. Table 11 shows the progress of the City of Johannesburg's EPWP across these sectors during the three year reporting period.

	2009/10	2010/11	2011/12	TOTAL
Number of Projects	139	218	266	623
Expenditure	R1,898,041,595	R912,650,430	R352,572,867	R3,163,264,892
Work Opportunities Created	45 215	44 564	27 175	116 954
Person Years of Training	0	21.21	44.48	65.69
Wages Paid	R284,726,761	R309,787,240	R256,164,539	R850,678,540
% Youth	54%	53%	56%	
% Women	8%	22%	37%	
% Disabled	0%	0.001%	0.001%	

Table 11: City of Johannesburg EPWP progress (2009/10–2011/12)

As can be seen in Table 11, the city created a cumulative total of 116 954 work opportunities over the three years. The work opportunities created were achieved through implementing 623 EPWP projects, and over R850 million was paid in wages.

The City of Johannesburg's success was achieved by incorporating the EPWP into the city's overall spending approach. This philosophy was depicted through the city's EPWP slogan of 'Every Project an EPWP Project'.

To further enhance the success of the city's EPWP, robust monitoring and evaluation procedures were developed and implemented. This not only enhanced the city's EPWP reporting procedures but also increased the level of accountability, particularly at senior management level. The city's performance management system reinforced the heightened level of accountability, ensuring that EPWP objectives remain a strategic goal of the city's overall long-term planning.

CORNERSTONE PROJECTS AND SUCCESSES

The City of Johannesburg achieved significant success in the following projects during the three-year reporting period:

1. *Jozi Ihlomile*

The Jozi Ihlomile project is a door-to-door HIV/AIDS

education programme whereby marginalised communities in informal settlements are educated about HIV/AIDS issues. Beneficiaries are selected from within the communities and given the necessary training to provide HIV/AIDS education to the other community members. As a result of the Jozi Ihlomile projects, communities have been empowered to take care of all health and HIV/AIDS-related issues. Community members feel free to access voluntary counselling and testing, disclosing their HIV/AIDS status without fear of stigmatisation or condemnation. The project created over 2000 work opportunities and resulted in the city receiving the Kamoso award.

2. *Cosmo City Development*

This project trains individuals in the areas of civil engineering services, and residential and mixed development. Beneficiaries receive the necessary training to assist in low-cost housing construction projects. The project received the Kamoso award for the best infrastructure programme in 2010/11 and created a total of 4000 work opportunities. It also resulted in the provision of shelter to several destitute families.

3. *Bus Rapid Transit (BRT)*

The BRT project entails the construction of a new public transport bus system that delivers fast, comfortable, and cost-effective urban mobility, through providing segregated right-of-way infrastructure, and rapid and frequent operations.





KEY CHALLENGES

The challenges, which limited the success of the City of Johannesburg's EPWP, included:

- A lack of focus on creating opportunities for people with disabilities.
- A lack of available and accredited training services for beneficiaries.
- Insufficient training funds from national DPW.
- Expectations of the current beneficiaries, wanting to be offered full-time employment.
- Planning limitations because of the single-year planning approach for considering EPWP fund allocations.





CITY OF TSHWANE

OVERVIEW OF EPWP POLICY AND IMPLEMENTATION

During the first three years of EPWP Phase II, the City of Tshwane experienced a major transformation and progress of its EPWP. This transformation was attributed to the fact that the city only participated in EPWP Phase I to a limited extent. This meant that the impact during Phase I was not visible, not all departments participated in the programme, and no targets were set for various departments, which resulted in the departments' EPWP performance not being measured.

The City of Tshwane made significant changes to its EPWP institutional arrangements, and implementation and operational structures. The emphasis was on aligning the city's EPWP with its IDP, in order to ensure that the EPWP initiative promoted IDP objectives. On 27 August 2009, the city's EPWP Policy Framework was submitted to and approved by the Mayoral Council. This made way for the implementation of the city's EPWP Policy, thereby entrenching the city's EPWP vision, goals and objectives.

With guidance from the EPWP Policy Framework, the city established job-creation targets for each department across all sectors. These targets were reviewed at the start of each reporting period. Continuous monitoring and evaluation, within each department, region and city entity, was done through reports submitted on a monthly basis; these reports detailed projects at planning stage and at implementation stage, thereby indicating work opportunities created for the month.

For the City of Tshwane, the distinct differences between EPWP Phase I and the first three years of Phase II included:

- approval and implementation of the EPWP Policy,
- alignment of the EPWP Policy with the IDP,
- establishment of job-creation targets per department, region and city entities,
- implementation of EPWP across all departments,
- improved reporting procedures,
- continuous monitoring and evaluation,
- the introduction of Incentive Grant in Phase II, which boosted the city's EPWP performance, and
- revision of EPWP training framework by the national DPW.

INSTITUTIONAL ARRANGEMENTS

The City of Tshwane's EPWP coordination capacity was improved with the establishment of EPWP division under the Economic Development Department. The city manager's office coordinated this dedicated EPWP division for the three-year reporting period. Furthermore, an EPWP Steering Committee was established to oversee the coordination of EPWP within the city. Sector forums, which reported directly to the EPWP Steering Committee, coordinated the implementation of EPWP projects within each sector. Figure 14 illustrates the institutional arrangement within the city.



Figure 14: Institutional arrangement – City of Tshwane

EPWP PROJECTS 2009/10 TO 2011/12

The City of Tshwane implemented EPWP projects in the infrastructure, environment and culture, and social sectors. Table 12 indicates the progress of the city's EPWP across these sectors during the three-year reporting period.

	2009/10	2010/11	2011/12	TOTAL
Number of Projects	120	143	166	429
Expenditure	R746,578,796	R1,158,832,327	R754,897,016	R2,660,308,139
Work Opportunities Created	5 412	7 412	8 550	21 374
Person Years of Training	1.06	0	0	1.06
Wages Paid	R48,413,542	R67,792,005	R88,700848	R204,906,395
% Youth	59%	54%	53%	
% Women	25%	21%	22%	
% Disabled	0%	0%	0%	

Table 12: City of Tshwane EPWP progress (2009/10–2011/12)

As Table 12 shows, the City of Tshwane created a cumulative total of 21 374 work opportunities over the three years. The work opportunities created were achieved through implementing 429 EPWP projects, and over R24 million was paid in wages.

CORNERSTONE PROJECTS AND SUCCESSES

The City of Tshwane achieved significant success in the following projects during the three year reporting period:

1. *Vat Alles*

The first Phase of the Vat Alles project was launched in May 2012 in Hammanskraal. The project is aimed at keeping Tshwane clean, the 'Vat Alles soldiers' are responsible for general litter picking, the maintenance of the city's clinics, provincial clinics, hospitals, schools, homes and crèches, as well as rudimentary maintenance of cemeteries. The project created about 3 000 work opportunities per reporting period, as well as cleaning up the city's regions.

2. *Tsosoloso*

The Tsosoloso programme was funded through the Neighbourhood Development Partnership Grant, which was successfully applied for in 2006. The programme's implementation began in February 2009. The primary aim of the programme was to create vibrant, quality spaces, focusing on nodes of economic

potential, to act as catalysts for development. The scope includes the following:

- creating community activity centres and focal points (including town centres and urban cores),
- strengthening activity linkages (activity spines and streets),
- transforming transport interchanges into civic termini,
- enhancing the pedestrian environment, and
- enriching the quality of the public environment with public art and 'green structure' (trees).

KEY CHALLENGES

The challenges experienced by the City of Tshwane, which limited the success of its EPWP, included:

- Contractor development programmes in the infrastructure and environment sectors were under-reported or did not report.
- Some departments and regions did not report the work opportunities created.
- The recruitment of people with disabilities proved difficult because of limited projects suitable for placing them, resulting in this marginalised community not being effectively represented within the EPWP.
- Inefficient learnerships/accredited training for beneficiaries. (On-the-job training occurred in projects but was not reported, as it was not accredited.)
- Inconsistent reporting, with departments reporting in some months but not in others.
- Lack of (or no) branding on projects, especially on beneficiaries overall.

EKURHULENI METROPOLITAN MUNICIPALITY

OVERVIEW OF EPWP POLICY AND IMPLEMENTATION

During EPWP Phase I, Ekurhuleni Metropolitan Municipality implemented its EPWP as a separate programme within the municipality without a clearly defined institutional structure. Support and buy-in from the departments was limited, with EPWP projects mainly being implemented by certain departments (roads, heath and parks). A definite lack of support and commitment was fuelled by the lack of policy guidelines regulating the implementation, coordination and growth of the EPWP.

Therefore, the first three years of EPWP Phase II focused on defining the institutional arrangements governing the municipality's EPWP. Ekurhuleni Metropolitan Municipality set out to expand its EPWP and to facilitate a structured approach for implementing and coordinating EPWP projects across all departments.

For Ekurhuleni Metropolitan Municipality, the distinct differences experienced between EPWP Phase I and the first three years of Phase II included:

- increased interest and buy-in from all departments because of the introduction of the incentive grant,
- formalisation of the municipality's EPWP institutional arrangement and establishment of the EPWP Steering Committee, and
- improved reporting efficiency.

INSTITUTIONAL ARRANGEMENTS

The municipality's EPWP Unit was originally placed under the Special Programmes Department. When this department was dissolved in 2010, the EPWP Unit was relocated to the Department of Economic Development.

To provide strategic support to the municipality's EPWP, a dedicated Steering Committee was established, consisting of champions who report every month to the committee on the progress of EPWP within their department. The municipality also established Sector Coordination Committees, to facilitate the development of EPWP within the different departments and also to improve communication within and between the sectors and the various departments. The EPWP Steering Committee, along with the sector coordinators, is responsible for implementing and coordinating EPWP projects within each department and across all sectors. Interaction with departments is done through these coordinators and the effectiveness of the EPWP depends entirely on the effectiveness of the coordinator.

Figure 15 illustrates the institutional arrangement within the municipality.

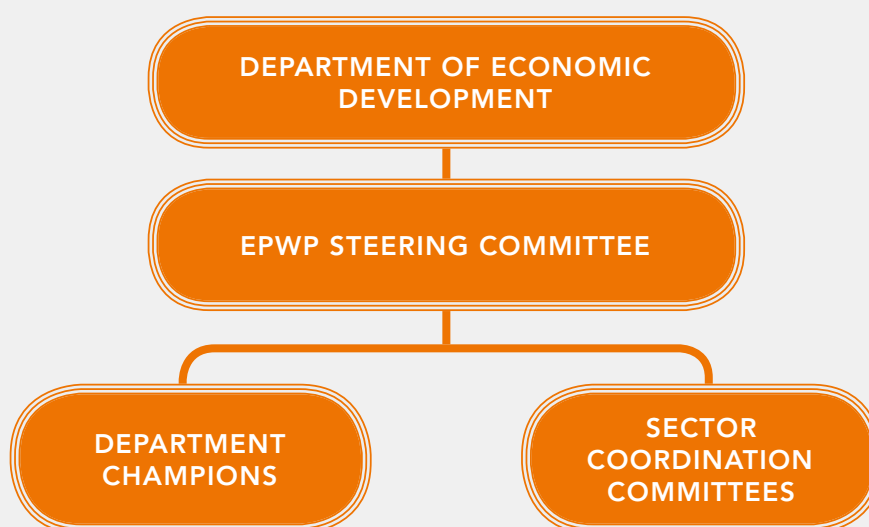


Figure 15: Institutional arrangement – Ekurhuleni Metropolitan Municipality



EPWP PROJECTS 2009/10 TO 2011/12

Ekurhuleni Metropolitan Municipality implemented EPWP projects in the infrastructure, environmental and culture, and social sectors. The municipality was unable to achieve the EPWP targets set by the national EPWP Department or set by the municipality itself. This could be attributed to the fact that monitoring of projects was problematic during the three year reporting period, therefore yielding inconclusive results.

Table 13 indicates the progress of the Municipality's EPWP across these sectors during the three years.

	2009/10	2010/11	2011/12	TOTAL
Number of Projects	44	77	73	194
Expenditure	R740,494,440	R527,658,402	R153,875,218	R1,422,028,060
Work Opportunities Created	7 138	3 020	5 254	15 412
Person Years of Training	0	1.68	0	1.68
Wages Paid	R83,125,689	R15,644,071	R28,207,747	R126,977,507
% Youth	56%	51%	50%	
% Women	0%	31%	38%	
% Disabled	0.001%	0.003%	0.001%	

Table 13 Ekurhuleni Metropolitan Municipality EPWP progress (2009/10–2011/12)

As Table 13 shows, Ekurhuleni Metropolitan Municipality created a cumulative total of 15 412 work opportunities over the three years. The work opportunities created were achieved through implementing 194 EPWP projects, and a total of R126 million was paid in wages.

CORNERSTONE PROJECTS AND SUCCESSES

Ekurhuleni Metropolitan Municipality achieved significant success in the following projects during the three year reporting period:

1. *Vuk'uphile Learnership Programme*

The most successful project implemented under the municipality's EPWP was the Vuk'uphile Learnership Programme, which employed selected beneficiaries and provided them with the necessary skills, training and practical construction-related experience. During Vuk'uphile Phase I, twenty contractors and twenty supervisors were trained.

KEY CHALLENGES

The challenges experienced by Ekurhuleni Metropolitan Municipality, which limited the success of its EPWP, included:

- delays in the approval of the EPWP Policy;
- lack of buy-in from departments, which delayed the programme's implementation;
- EPWP targets not being part of the Head of Departments score cards; and
- the programme never forming part of discussions in top management meetings;



ETHEKWINI MUNICIPALITY

OVERVIEW OF EPWP POLICY AND IMPLEMENTATION

During the first three years of EPWP Phase II, the eThekweni Municipality did not implement any major institutional changes other than capacitating its EPWP office with additional staff as the programme expanded. The municipality continued to maintain focus on entrenching EPWP methodology within its IDP, as well as expanding the service delivery model of goods and services to ensure shared economic growth.

The eThekweni Municipality's EPWP Policy had been approved since 2007, and so the municipality continued to implement the policy across all sectors and clusters, proactively seeking out new opportunities for EPWP projects within other developments. However, the roll-out of the EPWP Policy across the municipality was slowed down by constant changes within the political environment, due to changing of councillors. Minor changes to the EPWP Policy were made in order to strengthen the structures identified within.

For the eThekweni Municipality, the distinct differences experienced between EPWP Phase I and the first three years of Phase II included:

- Expanded implementation scope, shifting from predominately infrastructure sector projects to cover also the social and environment sectors, which enhanced the benefits to the communities.
- Introduction of the Incentive Grant enabled the municipality to venture into new areas and come

up with innovative projects that were not possible during Phase I.

- Introduction of performance targets in Phase II triggered spin-offs such as the EPWP key performance indicators on city's senior management, increasing the level of accountability and therefore yielding greater success.

INSTITUTIONAL ARRANGEMENTS

eThekweni's EPWP unit is located within the Infrastructure Management and Socio-Economic Development Department, which provides overall co-ordination and administrative support to the programme.

The EPWP organisational structure consists of a task group that is made up of champions for each cluster/sector. The task groups also include representatives from Treasury, Skills Development, Supply Chain Management and Human Resources with a nominated councillor to provide political support to the programme. EPWP task groups manage the co-ordination of the EPWP programme across the municipality and are directly responsible for ensuring an integrated approach in terms of planning, co-ordination, monitoring and reporting of all EPWP-related activities within each cluster. The group meets on a quarterly basis, chaired by the Head of the Infrastructure Management and Socio-Economic Development Department. Figure 16 illustrates the institutional arrangement within the Municipality.

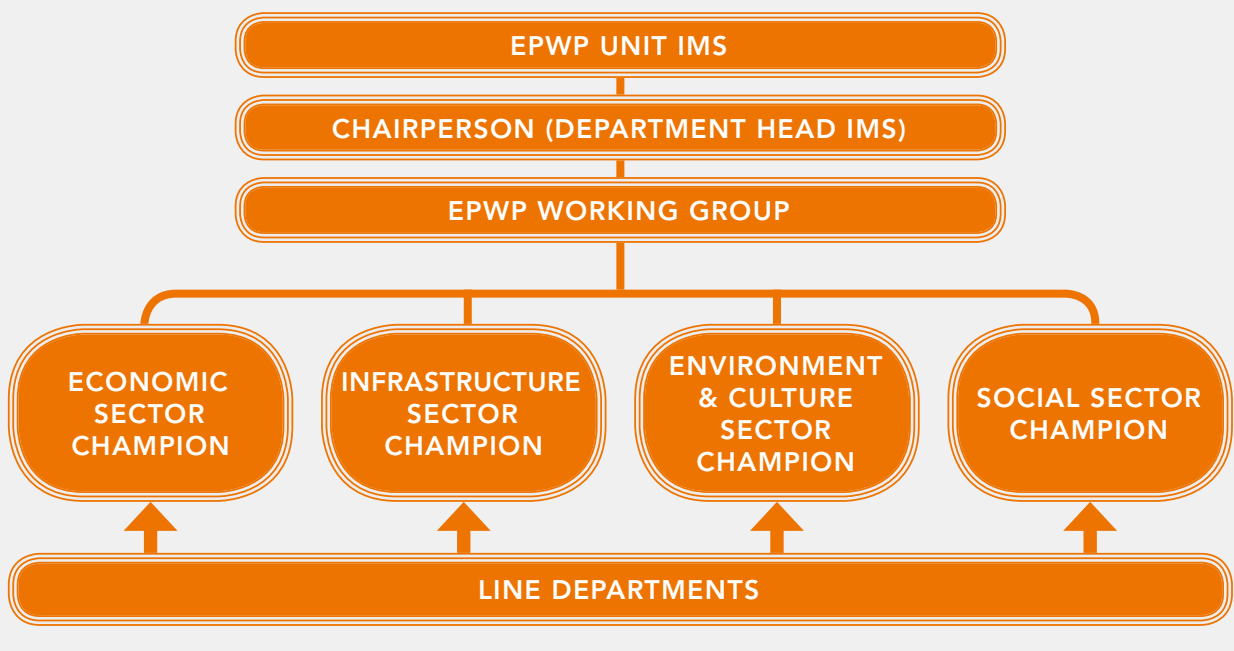


Figure 16: Institutional arrangement – eThekweni Municipality

Note: IMS: Infrastructure Management and Socio-Economic Development Department

EPWP PROJECTS 2009/10 TO 2011/12

eThekweni Municipality implemented EPWP projects in the infrastructure, environment and culture, and social sectors. Table 14 indicates the progress of the municipality's EPWP across all sectors during the three-year reporting period.

	2009/10	2010/11	2011/12	TOTAL
Number of Projects	39	56	125	220
Expenditure	R218,086,426	R155,139,503	R120,697,338	R493,923,267
Work Opportunities Created	26 453	17 228	21 050	64 731
Person Years of Training	14.37	0	2.83	17.2
Wages Paid	R166,432,229	R77495,862	R93,548,580	R337,476,671
% Youth	44%	46%	32%	
% Women	1%	52%	70%	
% Disabled	0%	0%	0.001%	

Table 14: eThekweni Municipality EPWP progress (2009/10–2011/12)

As Table 14 shows, theThekweni Municipality created a cumulative total of over 64 731 work opportunities over the three years. The work opportunities created were achieved through implementing 220 EPWP projects, and over R337 million was paid in wages.

eThekweni Municipality scaled up the implementation of its EPWP programme by identifying projects from the capital and operating budgets at the beginning of each reporting period. The EPWP Task Group hold monthly monitoring meetings to ensure constant report back on progress from the line departments to the EPWP Unit. Regular meetings assist in the continual monitoring and evaluation of EPWP throughout the municipality and generate a greater level of accountability, thereby improving on the municipality's reporting capabilities.

CORNERSTONE PROJECTS AND SUCCESSES

eThekweni Municipality achieved significant success in the following projects during the three year reporting period:

1. *Agricultural roll-out*

This project aims to address food security in the city by providing infrastructural and agricultural support to small-scale growers, with thousands of jobs being created in the process and, most importantly, sustainable livelihoods. The city has a database of 2 000 of these gardens. Linked to this is a roll-out of rural fish ponds.

2. *Zibambele Roads Maintenance programme*

The Zibambele programme is a low-volume road maintenance programme employing approximately 6 000

of the poorest community members within eThekweni Municipality. The programme is predominantly aimed at female-headed households and provides thousands of female beneficiaries with work opportunities and some income.

3. *Vuk'phile Learnership Programme*

This programme is aimed at capacitating contractors with labour-intensive construction methods. Beneficiaries are given classroom training followed by practical on-site training through a range of programmes.

KEY CHALLENGES

The challenges experienced by eThekweni Municipality, which limited the success of its EPWP, included:

- A constantly changing political environment that negatively affected the functioning of the Task Group and the EPWP as a whole. Since the 2009 elections, the programme does not have a political champion.
- Changes to the DoRA schedules, which affected the municipality's Incentive Grant.
- A daily wage rate of R150 was a contributing factor in the municipality not achieving its targets in 2010/11, as more than six thousand beneficiaries were excluded in the process, due to the fact that the municipality did not have the budget available to meet the wage rate requirements
- Interference from the labour movement, demanding that EPWP workers to be employed permanently.
- Exit strategies were not formulated at the start of projects.

MANGAUNG METROPOLITAN MUNICIPALITY

OVERVIEW OF EPWP POLICY AND IMPLEMENTATION

During the first three years of EPWP Phase II, Mangaung Municipality focused its attention on increasing its EPWP institutional capacity. However, when Mangaung became a metropolitan municipality, the entire municipal structure (including its EPWP institutional arrangements) had to be revised before the proposed increase in EPWP capacity could be approved. As a result, the municipality did not implement any major changes to its EPWP implementation and operational arrangements during the three year reporting period.

Despite minimal progress in the municipality's EPWP implementation and operational structure, a draft EPWP Policy was submitted and is awaiting approval from the Council.

For Mangaung Municipality, the distinct differences

experienced between EPWP Phase I and the first three years of Phase II included:

- implementation of UIF in Phase II,
- inclusion of FTE calculations in Phase II reporting, and
- allocation of the Incentive Grant to municipalities during Phase II.

INSTITUTIONAL ARRANGEMENTS

The municipality's EPWP Unit resides within the Office of the city manager and is the responsibility of the Project Management Unit, headed by a dedicated EPWP Coordinator. It is the responsibility of the EPWP Coordinator to oversee the implementation and coordination of all projects under the EPWP. Figure 17 illustrates the institutional arrangement within the municipality.

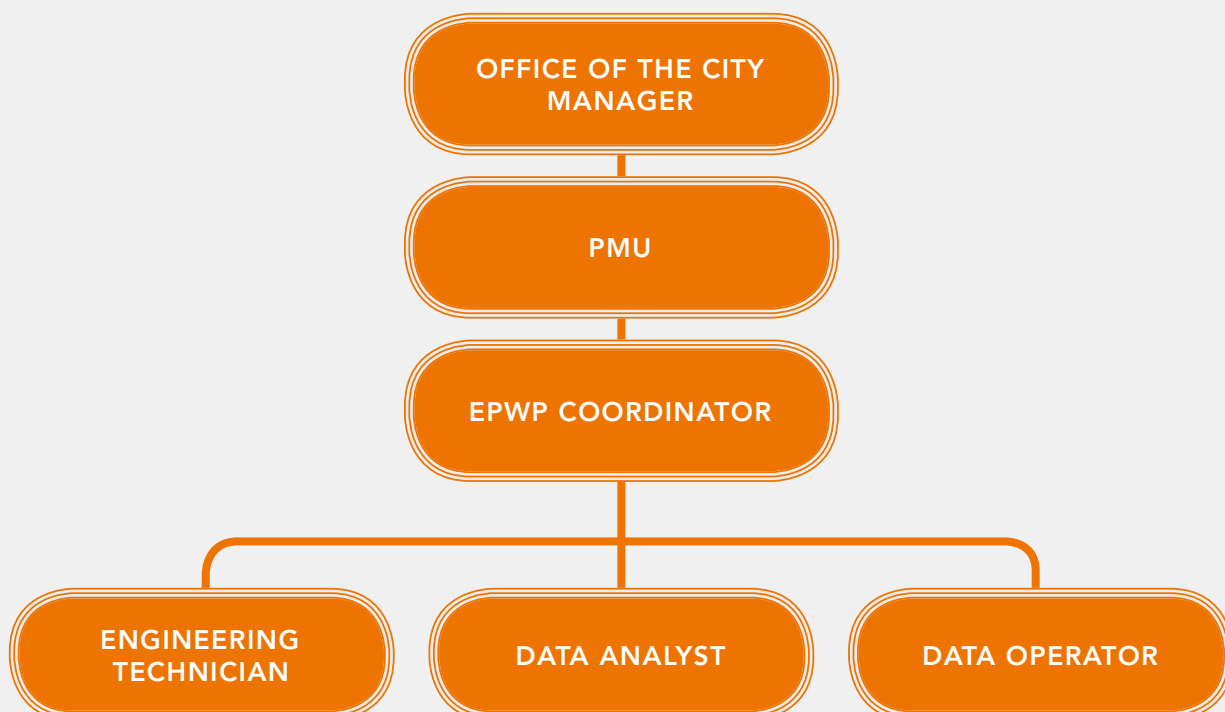


Figure 17: Institutional arrangement – Mangaung Metropolitan Municipality



EPWP PROJECTS 2009/10 TO 2011/12

Mangaung Municipality implemented EPWP projects mainly in the infrastructure and the environment and culture sectors. Although some were implemented within the social sector, the majority of the projects were within the infrastructure sector. Mangaung Municipality liaised with all the various sector departments in order to register all infrastructure projects as EPWP projects. During the execution of these infrastructure projects, the focus was on labour-intensive construction methods so as to increase the number of work opportunities created.

Table 15 indicates the progress of the Municipality's EPWP across these sectors during the three-year reporting period.

	2009/10	2010/11	2011/12	TOTAL
Number of Projects	23	39	45	107
Expenditure	R121,192,322	R485,283,246	R189,091,139	R795,566,707
Work Opportunities Created	1 082	2 293	2 452	5 827
Person Years of Training	0	0	1.67	1.67
Wages Paid	R6,430,319	R11,416,983	R8,499,120	R26,346,422
% Youth	65%	58%	58%	
% Women	0%	21%	22%	
% Disabled	0%	0.003%	0.005%	

Table 15: Mangaung Metropolitan Municipality EPWP progress (2009/10–2011/12)

As Table 15 shows, Mangaung Municipality created a cumulative total of 5827 work opportunities over the three years. The work opportunities created were achieved through implementing 107 EPWP projects, and over R26 million was paid in wages.

CORNERSTONE PROJECTS AND SUCCESSES

During the three years, Mangaung Municipality achieved significant success in the following projects:

1. *Food for Waste*

The Food for Waste Project is aimed at improving service delivery in the un-serviced areas of Mangaung through promoting waste management services. Waste collected by beneficiaries is exchanged for food parcels, thereby providing the disadvantaged and poverty stricken communities with food security. Food exchange was used as remuneration instead of money in an attempt to limit the opportunity for abuse. The project consequently not only provided food security to the community but also reduced alcohol and substance abuse in these areas while ensuring a reasonable period of employment. The project employed a hundred beneficiaries for a period of twelve months and serviced over 17 000 households. Beneficiar-

ies were equipped with the necessary skills through training and capacity building on waste and general environmental management. Upon their exit from the project, they were encouraged to register as recycling cooperatives. In return, the projects assisted the municipality to address the backlog in waste management services, thereby improving environmental cleanliness among local communities and ensuring a safe and healthy environment for all.

KEY CHALLENGES

For the Mangaung Municipality, the challenges, which limited the success of its EPWP during the three-year reporting period, included:

- a lack of suitable institutional arrangement,
- a lack of EPWP Policy,
- political interference,
- a lack of understanding of the programme, and
- a lack of cooperation from implementers.



MSUNDUZI MUNICIPALITY

OVERVIEW OF EPWP POLICY AND IMPLEMENTATION

During the first three years of EPWP Phase II, Msunduzi Municipality focused on providing a solid foundation to secure the long-term success of its EPWP. The main objective was to establish the operational structure responsible for the overall governance of EPWP within the municipality.

Msunduzi Municipality employed KDBS Consulting to assist during the initial implementation stages of the EPWP. Naidu Consulting assisted the Municipality with the drafting and development of an EPWP policy, which was submitted to the Council. The EPWP Policy will serve as a vehicle to facilitate and regulate the implementation and coordination of EPWP within the municipality. KDBS was also responsible for establishing the institutional arrangement that would govern EPWP. As such, a dedicated EPWP Unit was established within the Community Services Business Unit.

For Msunduzi Municipality, the distinct differences experienced between EPWP Phase I and the first three years of Phase II included:

- increased emphasis on job creation for the unemployed, and the disadvantaged communities,
- increased level of public involvement/participation,

- improved service delivery to communities through the implementation of EPWP projects, and
- raised awareness on environmental cleanliness.

INSTITUTIONAL ARRANGEMENTS

Under the guidance of KDBS Consulting, Msunduzi Municipality rearranged the operational structure of its EPWP Unit. Responsibility for the municipality's EPWP was removed from the Project Management Unit and assigned to the Community Services Business Unit. Although the EPWP Unit was housed within the Community Services Business Unit, the EPWP functions were managed by both the Community Services Business Unit and the Infrastructure Services Business Unit.

A dedicated EPWP Steering Committee, chaired by the Municipal Manager, was appointed to coordinate EPWP Projects within the municipality. The EPWP Steering Committee, together with the support of EPWP representatives appointed within each department and business unit, was responsible for the strategic direction and coordination within the municipality. Figure 18 illustrates the institutional arrangement for Msunduzi Municipality.

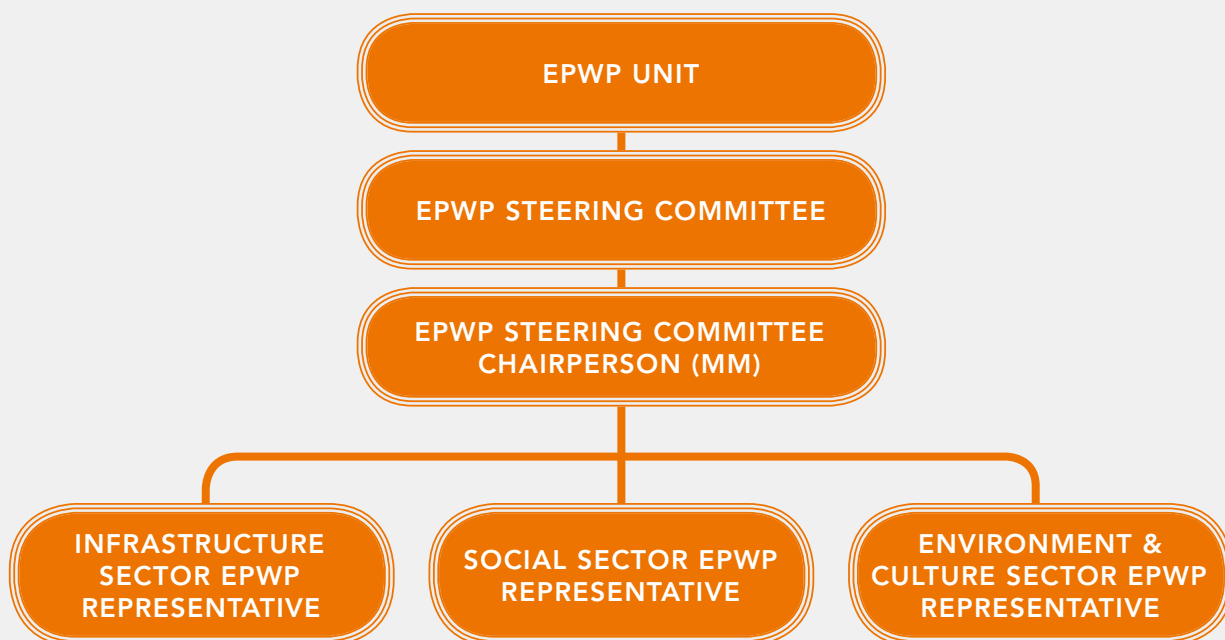


Figure 18: Institutional arrangement – Msunduzi Municipality

KDBS Consulting trained all relevant staff members on effective reporting procedures, in accordance with the reporting format, developed by the Performance Management Unit, for reporting work opportunities created.

EPWP PROJECTS 2009/10 TO 2011/12

Msunduzi Municipality implemented EPWP projects in the infrastructure, environmental and culture, and social sectors. During the three-year reporting period the majority of EPWP projects implemented were in the infrastructure and environment and culture sectors. Emphasis was placed on employing labour-intensive construction methods when implementing infrastructure-related projects so as to maximise the work opportunities created.

Table 16 indicates the progress of the Municipality's EPWP across these sectors during the three years.

	2009/10	2010/11	2011/12	TOTAL
Number of Projects	2	0	1	3
Expenditure	R321,195	R0	R5,543,840	R5,865,035
Work Opportunities Created	87	0	517	604
Person Years of Training	0	0	0	0
Wages Paid	R321,195	R0	R5,384,610	R5,705,805
% Youth	74%	0%	55%	1.29
% Women	48%	0%	60%	
% Disabled	0%	0%	0%	

Table 16: Msunduzi Municipality EPWP progress (2009/10–2011/12)

As Table 16 shows, Msunduzi Municipality created a cumulative total of 604 work opportunities during this reporting period. The work opportunities created were achieved through implementing 3 EPWP projects, and over R5-million was paid in wages.

CORNERSTONE PROJECTS AND SUCCESSES

Msunduzi Municipality achieved significant success in the following projects during the three-year reporting period:

1. Grass Cutting

In this project, selected beneficiaries were put into teams and were tasked with cutting grass of verges on the main arterial routes and entrances to the Msunduzi. The project produced positive results in terms of job creation, improving service delivery as well as the overall appearance of municipal areas.

2. Clearing Gutters

The aim of the project is to ensure that gutters on municipal buildings were cleared (using spades to remove accumulated silt and weeds), thereby easing water flow during rainy seasons. The project has experienced great success in terms of job creation as well as effective maintenance of municipal infrastructure.

3. Litter picking

This project allocated teams to certain strategic points within the municipality to pick up litter and sweep the streets.

KEY CHALLENGES FACED

The challenges experienced by Msunduzi Municipality, which limited the success of its EPWP, included:

- EPWP beneficiaries wanted to be considered for permanent employment.
- EPWP beneficiaries refused to wear EPWP-branded safety clothing.
- EPWP beneficiaries demanded wages that are in line with municipal workers.
- Beneficiaries insisting on extensions of their contracts.
- Conflicts arose regarding payment on public holidays.



NELSON MANDELA BAY METROPOLITAN MUNICIPALITY

OVERVIEW OF EPWP POLICY AND IMPLEMENTATION

Nelson Mandela Bay Municipality's EPWP Policy was approved and implemented in October 2010. During the first three years of EPWP Phase II, the municipality promoted the consideration of labour-intensive methods when designing projects. The aim of this objective was maximum job creation when implementing new projects, so as to provide work opportunities for the unemployed.

This approach allowed EPWP project managers to report accurately on the number of jobs created per project implemented under the policy and assisted managers in their scorecards. Furthermore, the EPWP policy set out to generate a greater level of accountability towards the implementation of EPWP projects, especially at senior management level. Executive directors within each department were assigned annual targets.

Nelson Mandela Bay Municipality expanded on from the achievements experienced during Phase I, which had provided the foundation for the rollout of sector-specific programmes, in particular those aimed at youth and women. The municipality was able to strengthen its EPWP implementation by allocating specific targets for each one of the sectors as per the approved EPWP Policy. This allowed the municipality to take a proactive stance in addressing unemployment through the implementation of its EPWP Policy.

The strong emphasis on achieving set targets led to a noticeable improvement in monitoring, evaluation and reporting. These improvements were reinforced

with the incorporation of EPWP requirement into the municipality's procurement processes.

For Nelson Mandela Bay Municipality, the distinct differences experienced between EPWP Phase I and the first three years of Phase II included:

- approval and implementation of the municipality's EPWP Policy,
- improved monitoring and evaluation methods,
- improved reporting procedures, and
- emphasis on labour-intensive construction methods.

INSTITUTIONAL ARRANGEMENTS

In 2009/10, the Nelson Mandela Bay Municipality established a dedicated EPWP office under the Special Programmes Directorate, within the office of the Executive Mayor. The EPWP office provides overall organisation and strategic guidance to EPWP within the municipality. Two coordinators report directly to the EPWP Manager, who is responsible for the overall EPWP within the municipality.

During the three-year reporting period, Nelson Mandela Bay Municipality focused on implementing EPWP-related projects across all sectors. Each sector was represented by one of the EPWP coordinators responsible for monitoring and evaluating EPWP projects within the sector. Figure 19 illustrates the institutional arrangement within the Nelson Mandela Bay Municipality.

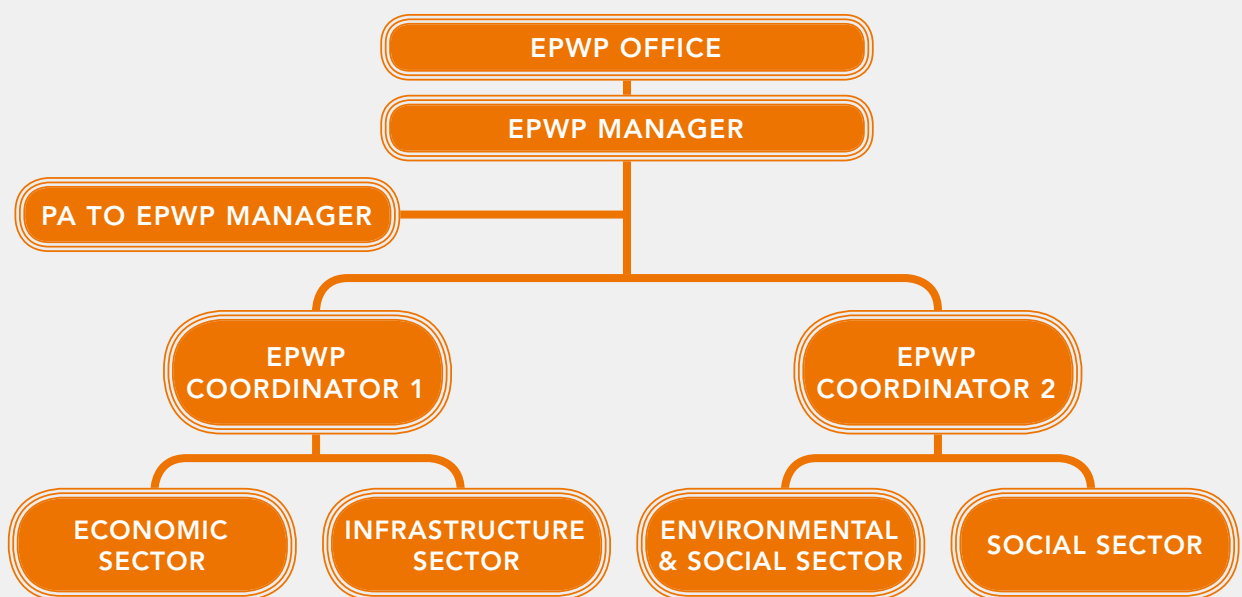


Figure 19: Institutional arrangement – Nelson Mandela Bay



EPWP PROJECTS 2009/10 TO 2011/12

Nelson Mandela Bay Municipality implemented EPWP projects in the infrastructure, environment and culture, and social sectors. Table 17 indicates the progress of the Municipality's EPWP across all sectors during the 2009/10, 2010/11 and 2011/12 reporting period.

	2009/10	2010/11	2011/12	TOTAL
Number of Projects	81	88	133	302
Expenditure	R424,409,542	R152,768,954	R220,768,056	R797,946,552
Work Opportunities Created	3 905	9 459	11 043	24 407
Person Years of Training	0	0	0	0
Wages Paid	R25,350,333	R25,124,393	R41,789,596	R92,264,322
% Youth	48%	45%	46%	
% Women	16%	53%	42%	
% Disabled	0.001%	0.001%	0%	

Table 17: Nelson Mandela Bay Metropolitan Municipality EPWP progress (2009/10–2011/12)

As Table 17 shows, Nelson Mandela Bay Municipality created a cumulative total of 24 407 work opportunities over the three years. The work opportunities created were achieved through implementing 302 EPWP projects, and over R92-million was paid in wages.

CORNERSTONE PROJECTS AND SUCCESSES

The municipality achieved significant success in the following project during the three year reporting period:

1. Nelson Mandela Bay Community Cooperatives

The Community Cooperatives Programme include community based cooperatives, conventional contract and management contractor models predominately aimed at waste management within the city through the appointment of contractors.

In 2009 the Nelson Mandela Bay Municipality was shortlisted for the Kamoso Awards for a social sector project and, in 2010, won a Kamoso Award for Best Cooperative Programme within the environment and culture sector.

2. Vuk'phile Learnership Programme

The Vuk'phile Learnership programme provided beneficiaries with the necessary theoretical as well as practical training, in various fields of construction, for them to graduate into fully fledged construction contractors. Twenty learner contractors graduated in Nelson Mandela Bay Municipal Vuk'phile Learnership

Programme during the 2009/10 to 2011/12 period. Some of the graduates managed to get tenders in the municipality's Housing Development Programme and construction of pavements.

KEY CHALLENGES

The challenges experienced by Nelson Mandela Bay Municipality, which limited the success of its EPWP, included:

- Lack of EPWP champions due to political changes within the institution.
- Institutional challenges and unavailability of a full-time city manager to enforce EPWP.
- The positioning of EPWP sub directorate did not promote effective management and promotion of EPWP initiatives within the municipality, the institutional arrangement therefore needed to be addressed.
- Limited number of projects with viable EPWP components, difficulty in identifying EPWP opportunities.
- Under-reporting because of the lack of buy-in from the project managers within the various departments within which EPWP projects were implemented.







ANNEXURE B: CASE STUDIES



CITY OF JOHANNESBURG

PIKITUP – WASTE COLLECTION AND CLEANING CAMPAIGNS

INTRODUCTION

The generation of large volumes of solid waste has become an inevitable consequence of lifestyles and daily living. However, the nature (quantity and quality) of this waste stream can vary and is largely dependent upon the manner in which waste production is managed by both the municipality and the public.

The increasing practices of littering, dumping and burning of solid waste by households and industries in South Africa has led to the finding that municipal solid waste is being irresponsibly managed. In this regard, it becomes necessary to investigate the attitudes and behaviour of individuals and households toward solid waste practices, which further include mitigating measures such as reduction, reuse and recycling for the generation of solid waste.

The management of domestic waste in South Africa currently faces many real challenges. In terms of the South African Constitution (Act No. 108 of 1996), waste management service delivery is a local government function. The current status of waste management in South Africa is therefore an indication of how well municipalities are performing this function.

Recent initiatives aimed at identifying the challenges experienced by municipalities, found four broad themes of obstacles to effective waste management: financial management, equipment management, labour (human resource) management and institutional behaviour (i.e. management and planning). These challenges are often symptoms of a number of underlying and inter-related root causes that need to be addressed first. Many of these basic causes are also often outside of the mandate or control of local government and, as such, require close cooperation between local, provincial and national government.

However, across South Africa it is evident that several municipalities are able to overcome these challenges and provide sustainable waste management services through good practice. Best practice is often the enemy of good practice. Best practice is a technique, method or process that is believed to be more effective or superior at delivering a particular outcome than any other known approach. In developing countries, best practice options are often high technology solutions imported from developed countries that are often not sustainable over the long-term. However, good practice typically arises from those people who have an intimate understanding of the problems, work with the challenges

daily and, through often simple approaches, find successful, innovative and sustainable solutions.

The intention of this case study is to highlight such good practice initiatives which have resulted in real improvements to the way that waste is managed in communities around the City of Johannesburg.

In so doing, it is hoped that other municipalities may learn from this approach and identify simple and innovative solutions to help solve some of the waste management problems in the short-term, as a first step towards implementing best practice waste management approaches.

WHY PRIVATISE WASTE COLLECTION SERVICES?

The collection of household refuse – or the lack thereof – is one of the most powerful visual indicators of inequality in South Africa. Although the situation has improved somewhat, urban suburbs are still kept immaculately clean with regular door-to-door refuse collection and teams of street sweepers, while most townships, informal settlement areas and rural communities do not have adequate or proximate refuse depots and consequently solid waste is either dumped in open spaces or in unsealed communal refuse skips. Street cleaning is often non-existent and, where it is available, workers are often unable to cope with the volume of uncollected waste. As a visual indicator of change, solid waste management acts as a daily reminder to millions of poor South Africans that their health, safety, and living environments have changed very little over the years.

Municipal governments in South Africa have been turning increasingly to commercialisation (i.e., privatisation, outsourcing and corporatisation) as a way of addressing this refuse collection backlog. Why this has happened, and how successful it has been at addressing the problem, is the subject of this case study.

To understand what makes privatisation such a bitter pill for municipalities to swallow requires understanding the history of municipal solid waste. Municipalities always have considered solid waste a utility. Therefore, most municipalities have provided waste services to their residents. However, in recent years, municipal solid waste departments have been faced with minimal

operating budgets, escalating operating costs, rising cost-of-replacement capital expenses and skyrocketing exposure to environmental liability. All of these factors make privatisation an attractive option.

Some positive initiatives in the privatisation and management of waste collection include the microenterprise refuse collection programme in Khayelitsha, Cape Town, known as the Billy Hattingh scheme, as well as the corporatised refuse collection service in Johannesburg called 'Pikitup'. Although very different in their institutional make-up and size, these two initiatives are both driven by the same commercialisation impulse that is reshaping the waste management sector throughout South Africa.

PIKITUP – SERVING YOU, SAVING OUR ENVIRONMENT

Johannesburg's transformation into a world-class city began with presenting a clean and hygienic environment to all city residents and visitors. In this regard, the city's official waste management service provider, Pikitup Johannesburg (Pty) Ltd, had a crucial role to play.

Founded in January 2001, with the City of Johannesburg as its sole shareholder, Pikitup took its place in a society recovering from the mistakes of the past but energised by hope for the future. It was an era of comprehensive change at all levels of national and local government, and not least in the waste management sector. Traditionally, South Africa had followed an 'end of pipe' waste management philosophy that resulted in a small percentage of waste being recycled, with the remaining bulk of the waste stream being disposed of at landfill sites. With urban real estate at a premium, and the natural resource base under growing pressure, a new national waste management strategy was needed and formulated.

As the biggest waste management company in Africa, Pikitup not only operates entirely within the strict new legal and environmental regulations but has also formulated and started implementing its own sustainable integrated waste management strategy to turn Johannesburg into one of the cleanest cities in the world.

Current world best practice standards dictate that only 10% of the waste stream should end up in landfills. The broad goal of Pikitup's strategy is to support the national vision of 'zero waste to landfills by 2022'. While it is a practically unattainable goal — some waste will always have to be disposed of at landfills — it nevertheless remains an ideal and focused goal.

Even a cursory glance at the numbers reveals the enormity of the challenge facing Pikitup. The 1625 square kilometre area of the City of Johannesburg is home to 3.8 million people and around 787 000 dwellings. The city generates a total of 1.6 million tons of waste per annum. Apart from collecting and disposing of the domestic refuse generated by the city residents, Pikitup



JOHANNESBURG AT A GLANCE.....

For many years the councils that now make up Johannesburg had contracts with private companies (called third-party contractors) to deliver some of their waste management services. But in 2001 Johannesburg took a much bigger step on the privatisation path. It turned its entire waste management department into a private company, called 'Pikitup'.

Pikitup has 11 waste management depots, five landfill sites and one incinerator. Altogether it employs 3513 people. Pikitup continues to use many different contractors to provide services and has done this, partly, to promote BEE among small businesses.

Pikitup and the third-party contractors are not the only organisations providing waste management services in Johannesburg. In the townships, long-term volunteer groups and workers employed by poverty alleviation projects help to clean the streets. In the formerly white suburbs and central business district, workers are employed by city improvement districts do the same job.



also offers commercial services to some 17 000 businesses in the city and litter picks and sweeps approximately 9000 kilometres of streets within Joburg's eleven regions.

Pikitup's present services are restricted to the geographical area of the City of Johannesburg and is well equipped to meet the city's waste collection and disposal demands. The company has over 3000 employees operating from 11 depots, with its fleet of around 500 vehicles constantly shuttling between customers, its four landfill sites, incinerator and 42 garden refuse sites across the city. Pikitup has modernised and improved waste collection systems by constantly upgrading its fleet and has delivered 472 000 new 240 litre wheeled bins in the phased replacement of the old refuse bag system. Yet the challenge lies not just in the mere act of collecting and disposing of the city's waste, but also in how this is accomplished.

Recycling is the key to achieving the twin goals of minimising the waste going to landfills and extracting maximum value from the waste stream. Pikitup works with recycling companies to launch and support recycling initiatives, particularly at community level.

Pikitup's support has been vital in the establishment of five community-run recycling buy-back centres located across the city, and more centres are planned for the future. Pikitup is actively involved in recycling research, and is investigating recycling joint ventures with international partners. The company supports recycling and processing of green garden waste into soil-enhancing compost, via the recent establishment of its pilot composting plant at the Panorama site in Roodepoort.

INSTITUTIONAL ARRANGEMENTS

Pikitup is a municipal entity wholly owned by the City of Johannesburg and mandated to serve and provide waste management services. The city regulates the service delivery that Pikitup provides in terms of financial services and levels of service delivery in the different market segments covered by Pikitup. Even though Pikitup is contracted by the Council to provide waste management services in Johannesburg, it subcontracts a significant proportion of its work to other companies.

There are three main types of public private partnership contracts between Pikitup depots and other private companies. These are:

- truck and driver schemes, in which a company provides the depot with a vehicle, a driver, and sometimes an operator;
- contracts with labour brokers, who provide the depots with workers on a daily or monthly basis; and
- contracts that outsource activities like street cleaning and collection services in particular areas of the city.

A range of extra-municipal service providers, which

supplement the services provided by Pikitup and the companies contracted to Pikitup, are also providing municipal waste management services in Johannesburg. These include: city improvement districts in the central business district and several wealthy suburbs; a provincial poverty alleviation project called Zivuseni which deploys workers to the Pikitup depot servicing the township of Soweto; and a number of long-term volunteer programmes co-ordinated by councillors in various townships.

PIKITUP PRODUCTS AND SERVICES

Pikitup provides a wide range of waste management services to approximately 3.7 million people. Annually Pikitup collects and disposes approximately 1.6 million tons of waste, which is in addition to the waste collected and disposed of by private service providers. Pikitup provides two categories of services: Council services and commercial (business) services. The Council services, which the City of Johannesburg has mandated Pikitup to provide exclusively, includes the collection and disposal of domestic, business and putrescible waste, street cleaning, lane flushing, area cleaning, the management of litter bins, the collection of illegally dumped waste, the collection and disposal of animal carcasses found in public places and the operation of garden sites. The commercial services, which Pikitup provides in competition with other private waste management companies, includes the collection and treatment of healthcare risk waste, bulk collection services, the collection and disposal of hazardous waste, composting, recycling activities, providing services for special events and the operation of landfill sites.

Table 18 categorises Pikitup's main product/service offerings:

COUNCIL SERVICES	COMMERCIAL SERVICES
Domestic refuse collection	Health care risk waste
Business refuse collection	Bulk services
Street cleaning	Composting
Lane flushing	Recycling activities
Area cleaning	Special events
Litter bin management	Landfill services
Illegal dumping	Safe disposal
Animal carcasses	
Garden sites	

Table 18: Services offered by Pikitup

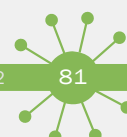


STRATEGIC OBJECTIVES

As a municipal entity, Pikitup, has aligned itself with the city's mayoral priorities, which are displayed below along with Pikitup's response to these priorities:

MAYORAL PRIORITY	PIKITUP RESPONSE IN TERMS OF OUTCOMES
Economic growth and job creation	Focus on community-based projects in informal settlements, illegal dumping and street cleaning. BEE & EPWP compliant procurement.
Health and community development	Programme to clear illegal dumping sites timeously, regular refuse collections and street cleaning.
Housing and services	Roll out of 240l bins in all proclaimed areas.
Safe, clean and green city	Compliance to SHER and address demand-side management.
Well-governed and managed city	Compliance to legislation, regulatory and governance policies.
HIV/Aids	Compliance to the HIV/Aids programmes

In addition to aligning itself with the mayoral priorities, Pikitup had to take into account the city's Growth and Development Strategy (GDS) when developing its strategic agenda.



PERFORMANCE AND ACHIEVEMENTS

The following data displays the performance and achievements by the City of Johannesburg, together with Pikitup with regards to waste collection within the city.

KEY PERFORMANCE INDICATOR	2009/10	2010/11	
		TARGET	ACTUAL
Number of hostels enjoying cleaning services	18 hostels were enjoying cleaning services in 2009/10.	The target remains unaltered at 18 for 2010/11	21
Weekly refuse collection rates in formal areas	A 95% collection rate was achieved, on average, in the 2009/10 financial year	The target remains the same as that set in the 2009/10 financial year at 98% %	99%
Refuse collection rounds to be completed on time to comply with legislation	The average refuse completion time was 15h39 in 2009/10	The target is the same as in the 2009/10 financial year i.e. between 15h30 and 16h00	15h55
Ensure 100% fleet availability	100% fleet availability was reported in the 2009/10 financial year	100% must be sustained in the 2010/11 financial year	100%
Eradicate and rehabilitate illegal dumping sites	132 illegal dumping sites were eradicated in the 2009/10 financial year	61–70% of 200 sites eradicated, which amounts to a total of 140 for 2010/11	15 923 cleared
Sustain 24/7 inner city cleanliness (level 4)	Level 4 cleanliness achieved in all four inner city quadrants in 2009/10	Level 4 must be sustained in the inner city	Level 4
Improve street cleaning to level 4 in targeted areas	Level 4 cleanliness reported in the 2009/10 financial year	Although it is desirable to sustain level 4, reduced budgets will result in cleanliness levels of between 2 and 3 in targeted areas.	Between Level 2 and 3
Number of informal settlements enjoying cleanliness levels between 1 and 2	119 informal settlements were enjoying cleaning services at the end of the 2009/10 financial year	The target for 2010/11 is 119 so that cleaning of the existing settlements is sustained	119
Reduce waste to landfills in line with Polokwane Declaration	115 575, which represented a 7.71% diversion	The target for the 2010/11 financial year is between 7% and 10% diversion	119 518 Tonnes (7.79%)
Sustain clean audit	A clean audit was achieved in the 2009/10 financial year for 2008/09.	The target for 2010/11 is 45.	83
Number of temp jobs created in targeted areas on EPWP	2,034 were reported in 2009/10	The target for 2010/11 is between 85% and 89%	74%
Number of employee disabling injuries reported	52 incidents were reported in the 2009/10 financial year	A target of between 60% and 70% has been set for the 2010/11 financial year	68%
Total number of customer complaints resolved within 7 days	64% Query resolution rate was reported in the 2009/10 financial year.	A target of 75% has been set for the 2010/2011 financial year	70.25%
Procurement spent on BEE as a percentage of total procurement	100% compliance was achieved against a targeted 90%	A target of 25% has been set for the 2010/2011 financial year	28%

IMPACTS OF THE WASTE COLLECTION STRATEGY

- **Visible physical impact:** the serviced areas are clean and healthy, and have an improved economic footing through the increased circulation of capital. In addition, environmental awareness is being created through the educational programmes that will ultimately secure improved standards of living for the communities.
- **Waste management services** are being extended to include some people living in 168,000 households (both formal and informal), on an effective and fast track basis.
- **Job creation:** the service provider provides employment for approximately 3000 people drawn from the communities they service, with a total estimated wage bill approximately R20 million per month. This ensures that revenue is ploughed back into the communities themselves, which are often highly impoverished.
- **Sustainability:** this waste collection model provides a strategy that transcends resource constraints and the underdeveloped character of large urban residential areas by developing partnerships and sharing human and financial resources. Given that the project provides services in a cost-effective manner, it can be sustained through the normal service delivery mechanisms.

EVALUATION OF THE EFFECTIVENESS OF PRIVATISING WASTE COLLECTION

As a strategy, has the City of Johannesburg's use of Pikitup, as a waste management utility, been a success? The City of Johannesburg is certainly impressed, stating that more tons of refuse per day are collected along with a more formalised door-to-door service and street sweeping for all serviced areas.

The third party sub-contractors have been provided with skills and resources, which in turn has created more jobs as a result of Pikitup's waste collection strategy.

Pikitup has ensured that targets for on street cleaning for the inner and outer city have been met and that cleaning of informal settlements has been sustained at a level 4 cleanliness.

Illegal dumping has been reduced and the appearance of the city has been improved. The waste management utility company, in partnership with the city, has carried out cleaning campaigns which were aimed at eliminating illegal dumping hotspots and promoting a Clean City vision for a litter-free Johannesburg.

The utility company has made great strides in improving communication and the quality of interac-

tion with the city's citizens. This has been facilitated through campaigns on recycling and environmental awareness to ensure the sustainability of the vision of a clean city.

A generation ago, the business of waste collection was straightforward – it was simply collected, transported and disposed of. Pikitup though, through its business model, has reinvented the nature of waste management collection for the city.

CRITIQUE OF THE WASTE COLLECTION STRATEGY

Based on the evaluation of the effectiveness of Pikitup as a waste management utility, the following critique is applicable:

- The establishment of Pikitup has stripped the municipality of the institutional memory that was in place with workers in terms of cleansing needs and challenges of the city.
- Illegal dumping continues to be a problem despite the measures put in place by the utility company.
- The restructuring that resulted from the formation of Pikitup has brought about a devaluing of workers' power, remuneration, knowledge and organised strength.
- The restructuring of the city's waste management does not sufficiently address social inequalities, promote an environmentally sensitive service or link ecological standards to employment creation and workers' skills.

KEY LESSONS LEARNT

- Commercialising service delivery is not necessarily more expensive than traditional approaches and can, in fact, be considerably cheaper.
- High standards of service and infrastructure can be maintained through sustainable approaches to waste management. In this case, adopting the privatisation strategy has enabled services to be provided to areas that would probably not have received services if conventional methods of municipal service delivery had been used.
- Numerous, less quantifiable benefits of adopting this waste management strategy include the improved skills levels and associated confidence of workers, greater community commitment, and increased civic pride, all of which have long-term financial and other benefits for the municipality.



CONTRACTOR DEVELOPMENT LEARNING AND IMPLEMENTATIONS

INTRODUCTION

In June 2003, South Africa's GDS agreed to foster 'smart partnerships', in all spheres of the economy that were aimed at creating work and fighting poverty. One of the results of that agreement was to implement an EPWP aimed at creating work opportunities and improving skills levels of historically disadvantaged people.

The South African government's mandate to create decent jobs, build a growing economy, promote education and skills development, stimulate rural development and building cohesive and sustainable communities could to an extent be addressed using labour-intensive methods of construction. McCutcheon and Taylor Parkins (2003), highlight that small contractor development provides the opportunity to build infrastructure and achieve a critical socioeconomic objective: employment.

The EPWP was launched in April 2004 to promote economic growth and create sustainable development. The urgent need to address spiralling unemployment levels and the expected positive outcomes in education, skills development and social well-being of the populace made the programme especially pertinent.

As a way of training and equipping prospective contractors with the requisite skills and technical expertise, the government launched 'contractor development' programmes within the EPWP. As the name suggests, the programme provides a period of learning, practical training and mentorship, at the end of which the contractor is supposed to leave as a self-sustaining contracting entity.

Since the EPWP created a platform for small business in construction, proper and sound strategies needed to be implemented in the programme. The government sought empowerment and employment of the formerly marginalised groups but at the same time needed to ensure the realisation of better quality infrastructure and service delivery. In light of the above the EPWP Vuk'uphile Contractor Learnership Programme was launched.

In 2006 the national DPW, in coordination with the CETA, initiated the Vuk'uphile labour intensive and supervisor learnership programme, formerly known as the EPWP Emerging Contractor Learnership. The programme seeks to develop capacity among emerging contractors to execute labour-intensive projects carried out in the EPWP. The programme is linked to the contractor grading system of the Construction Industry

Development Board (CIDB), thereby encouraging and supporting continuous development of small contractors into medium sized entities. EPWP (2006)

Previous programmes, such as Gundo Lashu in Limpopo, had shown that, to be successful, labour-intensive projects must be underlined by sound skills, experience and knowledge. This gave impetus for the national DPW to implement the Vuk'uphile learnership programme within such a framework. Participants within the programme are expected to complete the levels of training as set out in the EPWP guidelines. The learner contractors should be in a position to bid and execute labour intensive work under the EPWP.

The key to the formulation of the EPWP was the creation of guidelines and frameworks crafted on international best practice to facilitate the continued growth of the programme. This case study is in line with the Monitoring and Evaluation framework of the EPWP which specifies the need for cross-sectional as well as longitudinal studies to evaluate programmes, EPWP (2005). The identified need for continuous checking to ensure programme balance is important as it informs programmatic intervention on subsequent phases. The study will aim to offer an independent evaluation of the EPWP Vuk'uphile learnership in eThekweni.



THE ETHEKWINI VUK'UPHILE PROGRAMME

The eThekweni Municipality was one of the public bodies that participated in the implementation of the Vuk'uphile Programme. The eThekweni Vuk'uphile Programme or Vuk'uphile EPWP Construction Learnership was a two-year learnership aimed at developing sustainable emerging contractors that were needed to address the basic service delivery challenges facing the municipality. The name Vuk'uphile, or 'Wake up and live', is an injunction that urges young South Africans to take decisive action in improving their personal prospects by acquiring skills and knowledge

The eThekweni Municipality's Project Management Unit (PMU) launched the learnership programme was

launched. Each contractor was trained to NQF Level 2 and each supervisor to NQF Level 4 in labour-intensive construction principles. A total of 24 construction companies were formed during the process of the programme implementation. Of these 19 are still in existence (the owners of the other five companies passed away). The contractors behind these companies were provided with classroom training on how to run their business, and support staff was trained as supervisors in labour-intensive construction methods.

PROGRAMME OBJECTIVES

The aim of the programme was to develop the businesses of entrepreneurs in the construction sector. It sought to build emerging contractor capacity to execute the increasing amount of labour-intensive works under the EPWP, with the goal of creating sustainable contractors who are able to compete in the open market once they exit the programme. The programme objectives were the following:

- To provide a contracting entity that was able to sustain itself in the open market after the two or three year learnership.
- To provide contractors who have experience in labour intensive construction technology.
- To provide contractors who are able to operate locally and wider.
- To create sustainable contractors who are able to compete in the open market once they complete the programme.
- By the end of the learnership, to have contractors who will be able to tender for, build and maintain low-volume roads, storm-water, drains, and pipe-line and sidewalks using labour-intensive methods.

Contrary to the specification criteria under the EPWP contractor learnership programme, the eThekweni Vuk'uphile did not target only employed or skilled people but also unskilled and previously unemployed learners. The programme objectives are oriented towards poverty alleviation, job creation and developing sustainable skills within communities through EPWP training programmes by accredited training providers. People with disabilities were also targeted, but none applied.

LEARNERSHIP RECRUITMENT AND TRAINING

The eThekweni Metropolitan Municipality partnered with other stakeholders such as the CETA, the provincial DPW, mentors and consultants. Representatives of all the programme stakeholders formed part of the project management unit, consisting of line departments' project managers, project technicians, consultants and mentors. However, contractors perceived the

permanent staff complement within the programme as inadequate and the part time staff (consultants and mentors) as adequate. The geographic constraints on the dedicated staff complement also hampered effective support for contracting entities.

Entry into Vuk'uphile was by means of a call in the general media. The emphasis of this advertisement was not focused on work experience, legislative requirements (CIDB registration), skills levels and enterprise development potential.

Screening and evaluation of contractors for access to the programme involved interviews and examinations to select the successful contractors by eThekweni Municipality. Contracts were awarded to participants within the programme on a negotiated tender basis. The programme aimed to provide contractors with sufficient work opportunities, but contracts have highlighted the issue of sustainability of work as a major constraint.

The Vuk'uphile Programme provided access to training aimed at providing contractors with NQF Level 2 qualifications, with a Level 3 qualification and their supervisors with NQF Level 4 qualifications. Mentors evaluated the contractors and provided the programme with monthly progress reports.

Contractors exited the programme after achieving a maximum number of up-grades and/or after achieving a targeted growth in turnover.

ACHIEVEMENTS

The programme had some significant successes, as illustrated by the following achievements:

- 97 of 105 projects were completed in time, to specification and quality within budget, thus ensuring profitability for the contractor.
- Only 5 of 102 projects posted losses, while in most cases performance and profitability exceeded expectations.
- Municipal infrastructure assets worth nearly R70 million were constructed by the learner contracting companies.
- R19 million was paid out in wages to nearly 3000 workers, most of them among the city's most marginalised individuals.
- A total value of R8 million in construction vehicles and plant were purchased largely through asset finance.
- Working capital of over R30 million was borrowed from, and repaid to, ABSA with zero bad debt.

The programme not only provided a boost to the city's construction capacity but also resulted in significant professional growth of the contractors and their supervisors. These contracting companies are now in a position to tender for projects requiring a CIDB grading of 2-4 CE. There has been many lessons learned that position the city well for future developmental programmes especially in terms of the next Vuk'uphile intake.



As part of a sustainable exit strategy, the PMU evaluated the various independent assessments done of the contracting entities to enable exiting them into appropriate major infrastructure projects or programmes where they would receive further mentorship in areas of weakness such as financial management, contract administration.

- Final assessments per contractor were performed and gaps identified.
- Ten contractors were exited into the SEDA/eThekweni Incubator programme with projects allocated.
- Four contractors were exited into the Large Contract Project (R500-million project), where the managing contractor provided in-house mentorship.
- The remaining contractors were exited into specially packaged water and sanitation and housing development projects, which would have the benefit of the following:
 - NURCHA would provide bridging finance – the PMU negotiated this on behalf of the city.
 - Also within the scope of these projects TUSK provided onsite/classroom mentorship and training.
- The PMU established procedures for the ongoing monitoring of the contractors upon completion of the learnership programme to ensure their sustainability and participation in the city's capital delivery and asset management plans. This was being developed in conjunction with line departments and Supply Chain Management.

LESSONS LEARNT AND RECOMMENDATIONS

The implementation of the eThekweni Vuk'uphile Learnership Programme had a positive impact on developing the emerging contractors in the eThekweni Municipality and enhancing job opportunities for those previously unemployed. It contributed to the South African economy by, first, increasing the number of skilled workers in the labour market pool and, in particular, increasing the skills of previously unemployed learners. Secondly, it supplied skilled workers for the infrastructure sector and enabled the contractors with skills to become self-employed through SMME creation.

This case study serves to indicate the key lessons learnt in implementing a programme of this nature. Although the implementation of the EPWP-Contractor Learnerships is complex, because it involves multiple actors at multiple levels, this study indicates that good work was done by the eThekweni EPWP team.

Recommendations, based on the major lessons learnt and problems experienced in the programme, are made for each component of the learnership implementation.

Recruitment and selection

Selection of the learners for the Programme requires some refinement. The learners recruited did not all have the same level of educational qualification and experience in construction. This created a problem for the training facilitators, as they were obliged to teach at the pace of the slowest learners.

From the lessons learnt it can be recommended that:

- For a more successful implementation of the learnership, the training providers should be involved in the selection process.
- Learner contractors who have demonstrated skills, commitment, social capital and know where to access markets should be approached to participate in the programme.
- The selection process should include criteria that will reduce the number of learners trying to get into the programme solely for the monthly stipend.

Involvement of key stakeholders at the planning stage

Involving the stakeholders in learnership design is important for the building of partnerships, ownership and commitment needed for effective implementation of the eThekweni Vuk'uphile. The importance of the main stakeholders implementing the workplace training should not be underestimated until the programme is in progress. The role of the community councillor, for example, is crucial for obtaining community buy-in, as people tend to support initiatives that they have been involved in creating. People involved in a learnership programme can make it succeed or fail. Their full participation is fundamental. Thus, opportunities for participation need to be created for the implementing partners and primary stakeholders from all organisations. People lose motivation if they are not invited to participate or conditions are not created for their meaningful participation. Therefore, any implementing organisation should:

- Involve all relevant stakeholders in the participatory process of the learnership programme design.
- Find champions at various levels to drive the programme implementation. The 'champions' would work together and assist in breaking down lack of communication between the various stakeholders.
- Clarify stakeholder roles and accountabilities, as stated in the guidelines for the implementation of the contractor learnership programme.
- Ensure that the programme gets commitment and buy-in from all role players and stakeholders during the whole process of the implementation.
- Ensure closer relationships between training providers and mentors, in order to avoid the contradicting messages between theory and practice in the workplaces.

Identifying projects prior to learnership implementation

Based on the success of the eThekweni Vuk'uphile Learnership Programme, an important lesson to be learnt about how managing EPWP learnerships is that contracts should be 'signed and sealed' before a learnership commence. On the basis of this, it can be recommended that:

- An agreement should be signed with the employer before the learner is placed. The agreement must state the commitment of the employer to identify a workplace or project for the learner.
- A contract should be signed between a contracting company and the employer during the classroom sessions of the project training.
- Regular visits to the training centres and the work sites to determine the extent of learnership delivery and adherence to the agreement should be facilitated.

Designing and implementing a monitoring and evaluation framework

Adequate systems and procedures for learnership monitoring and evaluation need to be developed. Although quarterly reports from the PMU were submitted, based on monitoring and evaluation data, a framework must be designed and implemented to effectively monitor the programme.

Problems occur on a daily basis in any projects and are not the same as failures. In fact, mistakes can help in avoiding failure if they are used for learning purposes. In the context of this case study, the implementation of a monitoring and evaluation framework would:

- enable problems to be dealt with, as they arise, at an early stage,
- monitor each learner's progress,
- record the learners achievements against the learning outcomes,
- check whether each stakeholder is playing their role appropriately, and
- ensure the accountability of stakeholders.

It is therefore recommended that:

- Monitoring should be an integrated part of the contractor development programme.
- Overall monitoring of the general progress should be enabled.
- Monitoring of the training providers and workplaces should be facilitated.
- Individual learners should be monitored.
- The implementing authority should conduct a questionnaire-based monitoring and evaluation process.



COMMUNITY COOPERATIVES

INTRODUCTION

The government has identified that establishing community-based cooperatives is a practical and viable means to assist in the alleviation of poverty. A number of community based domestic waste collection models are currently being implemented in South Africa. These models include community-based cooperatives, conventional contract and management contractor models. The models generally foster the government's strategy of Black Economic Empowerment (BEE) through the pro-actively developing emerging contractors and providing business management, administrative and technical support programmes.

This case study reports on the Nelson Mandela Bay Metropolitan Municipality (NMBMM) and the use of cooperatives in its solid waste management programme.

The historic economic marginalisation of the majority of the region's population, the impact of the more recent worldwide economic meltdown, and the ongoing urban migration has compounded the pressure on the NMBMM to tackle the challenge of eradicating poverty. In seeking innovative and appropriate solutions to deal with the high unemployment levels within a number of Nelson Mandela Bay communities, the municipality aligned its programmes to ensure the creation of decent jobs, infrastructure and socioeconomic development, as well as environmental management.

The municipality's Integrated Development Plan (IDP) and budget are being used as key tools for promoting labour-intensive approaches and establishing cooperatives as appropriate business models for job creation and poverty eradication.

In 2011, the municipality won an award under the EPWP Environment and Culture Sector from the national DPW for the best emerging contractor and for the best cooperative development for its ward-based cleansing programmes.

While cooperatives currently focus on waste management, the intention of the municipality is to build

on this success and to extend the contracting of cooperative to other areas of activity.

The aim of this case study is to showcase the effectiveness of the model used by the municipality, so that the information can be used to assist other municipalities and authorities in South Africa in making informed decisions on the application of similar models within their respective areas.

DOMESTIC WASTE COLLECTION PROGRAMME

Background

The NMBMM decided to use community-based cooperatives to provide waste collection services within certain areas. Prior to inviting tenders for the provision of the services, the municipality's Economic Development Unit and the Department of Trade and Industry assisted local communities form and establish and formalised cooperatives in compliance with the Cooperatives Act. Tenders were thereafter invited and awarded to legally compliant cooperatives on the basis of a competitive bidding process. NMBMM also supported the cooperatives through training and a mentorship programme.

Since the programme began in 2005, nine community cooperatives with a total of 256 active members have been established. Two of these cooperatives also employ an additional 40 people on a frequent basis from within their respective communities. A total of 296 employment opportunities have thus been created.

Extent of the Programme

The programme is located in nine residential areas within the city's area of jurisdiction. The economic profile of the areas serviced by the cooperatives ranges from low-income and densely settled informal settlements to higher income, lower density, formal built settlement areas. The extent of the areas serviced under the programme is as follows:

COOPERATIVE NAME	CONTRACT AREA	HOUSING UNITS	NO. OF COOPERATIVE MEMBERS
Sodlasonke	Gqebera	7329	30
Cocisizwe	Soweto-on-sea	5059	62
Eyabafazi	Matthew Goniwe	1719	20
Ncedolwethu	Seaview	687	11
Ncedolwethu	Blue Horizon	213	
Kuphilwaphi	Joe Slovo	4492	59
Masiphuhle	Kuyga	2180	18
MK	Missionvale	5000	19
Ntinga	Motherwell	3955	37

Collection System

As contracted service providers, the cooperatives were required to collect domestic waste on a weekly basis in the formal and informal areas within their respective designated areas. Each contract area was divided into five sub-areas, and each contracted cooperative had a suitable vehicle for collecting and transporting the waste. The service providers generally used four-ton wire-caged trucks for the service. Some of the smaller cooperatives also used one-ton light-duty vehicles, as the contracts did not stipulate what vehicles should be used. The vehicles utilised by the cooperatives therefore varied depending on need and available finance. Back-up vehicles were available for hire by the contractors in the event of a mechanical break-down or similar problems.

The street cleaning schedule aligned with the waste collection schedule. Teams of litter pickers cleared each area on the scheduled days and placed the litter in plastic bags on the street verges for collection by the collection team. Collection teams loaded the bags of waste placed on the street verges by residents into the collection vehicles. In situations where vehicular access was restricted due to high settlement densities in some informal settlements, waste was collected door-to-door and manually carried to the collection points.

An elected team leader, who was also a member of the cooperative board, supervised the work. The team leader was responsible for contract implementation and was contactable at all times. The team leader also participated in the collection of waste. The active cooperative members and also any ad-hoc employees were required to wear identifiable overalls to assist the inspectorate in confirming that work was being undertaken in the designated areas on any particular day. NMBMM supplied the uniformed protective clothing.

The model adopted by the city is considered to be both appropriate and efficient for the following reasons:-

- It achieves parity of service in that all residents of the municipality receive the same level of service, regardless of the socioeconomic status of their respective community.
- It has achieved very high levels of community cleanliness.
- It deals adequately with the quantity of waste being generated, with virtually all waste generated in the areas assigned to the contractors now entering the solid waste management stream.
- It provides a comprehensive cleaning service that deals with both household waste and the collection of litter and illegally dumped rubbish.
- It is regularly and frequently scheduled, which ensures both efficient and predictable services. Being scheduled, it enables efficient inspections and supervision.
- It is labour intensive and cost effective.

PROGRAMME PLANNING

The programme was implemented under the following planning framework:-

- Parity of service: all households, whether residing in formal built environments or in informal settlements, should receive a similar service throughout the NMBMM area,
- Community consultation: the local community should be consulted with regard to the planned programme.
- Cooperative based service: preference should be given to locally formed cooperatives, and the city should assist with forming and establishing the cooperatives
- Cost effective servicing: the programme should be planned and implemented in a manner that ensures a cost-effective service that would deal effectively with the quantity of waste being generated and that would achieve high levels of cleanliness.

SUPPORT SYSTEMS

A formal support structure was implemented as part of the programme and the specific support services provided to the cooperative included:

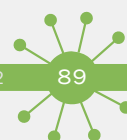
- training and skills development,
- business planning support – support was limited to basic administration which included financial management, and
- operational support through training and mentoring.

EMPLOYMENT OF LABOUR

Generally the members of the cooperatives directly participated as labourers. Only two of the nine cooperatives employed additional labourers who were usually employed on a two-month rotational basis. The members of the cooperative elected a team leader from within their ranks to supervise the work. Members from the community who would normally experience difficulty in finding employment (e.g. ex-convicts) were sometimes approached and offered employment on the programme.

SKILLS DEVELOPMENT

Members of the cooperatives were facilitated with both accredited and non-accredited training by the Department of Labour (DOL) and the city. DOL assisted the city by appointing a contractor (Vision 4 Consulting) to provide members of the cooperative with the SETA accredited training of NQF levels 3 and 4. The training consisted of basic business skills and life skills. In addition, the city provided training workshops to members of the cooperatives but this training was not SETA accredited. The training provided by the municipality addressed the following:



- Waste management: refuse collection and disposal, complaint system (reporting and response) and an overview of the NMBMM's Integrated Waste Management Plan.
- Public relations: dealing with the public, conflict resolution and promoting good relations.
- Health and safety: use of personnel protective equipment, first-aid training, safe working practices and unsafe conditions.
- Environmental education: destructive waste management practices and cooperative as informal educators.
- Monitoring and evaluation: discipline and operational efficiency (working methods and planning).

Regular scheduled meetings between the city and the service providers were held to discuss performance, operational issues and planning. Such meetings served as a platform for the establishment of a relationship between the members of the cooperatives and the municipal officers and, indirectly, through exposure to the various issues served as a training vehicle to the members of the cooperatives.

EFFECTIVENESS OF THE PROGRAMME

Unit cost

The unit cost of contracting the cooperatives varied from R16.83 to R33.91 (incl. VAT) per household per month for the provision of a comprehensive service. The average cost per household amounted to R23.77 per month. These costs compared favourably against the costs associated with the municipality's conventional solid waste collection services which ranged between R20 per household per month in the informal settlement areas and R25 per household per month for formally built settlement areas.

Level of cleanliness

The programme achieved high levels of cleanliness that were on a par with the formal and established suburbs within the city that enjoy conventional waste removal services provided by the city's Solid Waste Management Department. It is important to note that representatives from the cooperatives have expressed their concern about illegal dumping and awareness campaigns were initiated by certain cooperatives in an attempt to try to stem the practice of illegal dumping.

Community development

Although the programme does not directly address community development, indirectly there have been substantial and significant improvements in this regard since the inception of the programme. Living standards and employment levels have improved along with skills levels within the community. In addition,

awareness has been created within the communities about the beneficial effects of sound waste management practices. Furthermore, the contractors employed under the programme have developed to the extent that they have successfully tendered for other work outside of the waste collection programmes within their communities. The fact that awareness campaigns were initiated further demonstrates how the cooperatives were involved with community development.

Poverty alleviation and job creation

This was achieved largely through job creation at the community level, which in turn resulted in increased expenditure within the community. A total of nine cooperative were formed with a total of 256 members. In addition to the permanent employment created by the cooperatives, approximately 40 people are employed on a rotational basis by two of the cooperatives.

Programme integrity and sustainability

The programme complies with all relevant legislative requirements, with the exception of Section 78 of the Municipal Systems Act (Act 32 of 2000). The programme has been running at its current scale successfully since 2005, which confirms its sustainability.

KEY FACTORS

The following are considered to be the key factors that have contributed to the success of the programme:

- Training/mentorship of the service providers on an on-going basis.
- Cost effective service delivery.
- A real empowerment/development model.
- Performance monitoring and penalisation of poor performance.
- Maximisation of job opportunities through the utilisation of labour intensive methods.
- A commitment to the programme by all stakeholders.
- Remuneration of cooperative members is through profit sharing, promoting ownership of the cooperative by its members.
- Employment of community members by the cooperatives.
- Guaranteed income to the cooperatives through the contract with the city.
- An 'open door' policy with the cooperatives, promoting communication.

LESSONS LEARNT AND RECOMMENDATIONS

This case study highlights the community-based cooperative model that NMBMM implemented effectively

for ward-based waste collection. The model implemented is successful and cost effective and allows for the creation of employment opportunities.

The city provides ongoing support, training and mentorship to the cooperative, to ensure the sustainability of the cooperatives. While the city is responsible for the overall management of the programme, including the administration of the cooperatives' contracts, the cooperatives (with support from the city through a mentorship programme) are responsible for their own business administration and supervision.

The recommendations provided are based on the major lessons learnt and problems experienced on the programme.

Cooperative establishment and viability of enterprise

For a cooperative to be sustainable, the chosen business enterprise must be viable. However, achieving business viability is a complex challenge, most especially in the context of a cooperative structure. Most cooperative enterprises are started with an oversupply of labour. This arises as a result of the social goals that many cooperatives hope to achieve in response to unemployment and the demand for job creation. The Nelson Mandela Bay Cooperative Development Centre achieves this objective through its assistance of cooperatives and undertaking to provide capacity-building sessions along with business development services.

From the lessons learnt, it can be recommended that exhaustive assistance be provided to communities with regards to the establishment of cooperatives which are compliant with the Cooperatives Act.

Business management

The management of an enterprise involves a complex range of skills, and there are groups of cooperatives who are able to tackle these complexities and succeed as a group enterprise. However, many unemployed people facing the challenge of self-employment have little or no prior work experience, let alone business management experience and financial literacy. Based on these issues, it is recommended that:

- business planning and management support is provided to the cooperatives, and
- basic organisational and resource structures are discussed with the cooperatives to establish leadership/management hierarchies.

Technical and operational support

Bridging the gap, between the current reality of most cooperatives, and the kind of productive and sustainable cooperatives which function in an efficient and democratic manner, takes high levels of facilitation. Raising the platform of financial and business skills in cooperatives is a necessary condition for participatory decision-making which requires significant skills input. If management skills are lacking within the cooperative, then ensuring the design and operations of effective systems for procurement, production, record-

keeping and all the other functions of management requires extensive technical assistance. The support provided by city to the nine cooperative is evidence of the effective support structure required to facilitate the sustainable functioning of community cooperative.

It can therefore be recommended that:

- Training and mentoring should be an integrated part of the cooperative development model.
- Sustained support over time and monitoring of the effectiveness of the mentoring are provided.
- Good communication channels are facilitated to promote communication.



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