



**PROGRESS REPORT: EPWP**

*South African Cities Network*

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**1. INTRODUCTION**

Name of Project	SACN 2010 City Legacy Report
Cooperation Authorities	National Department of Public Works (NDPW)
Accountable Officers	Mr. Sithole Mbanga – Chief Executive Officer, SACN
Project Manager	Mr. Phumlani Mbulawa – Programmes Manager, SACN

**2. BACKGROUND**

The SA Cities Network (SACN) was established in 2002 by the South African 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), as an independent Section 21 Company, with the mandate to:

- Promote good governance and management in South African cities;
- Analyze strategic challenges facing South African cities, particularly in the context of global economic integration and national development challenges;
- Collect, collate, analyze, 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.

Towards achieving this mandate, the SACN implements an annual business plan that includes the production and sharing of knowledge, information, trends, frameworks, guidelines etc on the thematic quadrants of productivity, inclusivity, sustainability and good governance.

The SACN EPWP programme and associated reference group was established in collaboration with the Department of Public Works after a study that was conducted, to assess the potential of the nine cities in the network to contribute to the EPWP. It was jointly recognized that SACN members are in a position to lead innovation towards the implementation of the EPWP at the local government level. As such it was decided to establish the SACN EPWP Reference Group.

The reference group consists of the key officials in the cities who are responsible for the implementation of the EPWP in their respective cities. As such the focus of the reference group is very practical, dealing with questions relating to implementation. It allows officials to share experiences, knowledge and innovations with regards to implementing some of the aspects of EPWP.

Over the past seven years since the end of 2004, the SACN has together with the Department of Public Works ensured that the reference group meets regularly. Through this reference group, DPW has been able to engage with all the nine cities simultaneously and also discuss progress and common concerns with regards to the implementation of the EPWP. Furthermore the reference group also provides a forum to discuss and share knowledge and best practices among the cities and between cities and their national counterparts.

### **3. EPWP PHASE 2**

The Expanded Public Works Programme Phase 2 was launched in April 2009 at the University of the Western Cape. The goal of EPWP phase 2 is to create 2 million full time equivalent (FTE) jobs for poor and unemployed people in South Africa so as to contribute to halving unemployment by 2014, through the delivery of public and community services. (This will scale up from 210,000 FTE jobs per year in 2009/10 to 610 000 FTE jobs in 2013/14 This translates to 4,5 million (short and ongoing) work opportunities. The average duration of employments is assumed to be 100 days. This will scale up from 500 000 work opportunities in 2009 to 1,5 million in 2014

Public bodies from all spheres of government (in terms of their normal mandates and budgets) and the Non State sector (supported by government incentives), are expected to deliberately 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 will be implemented in sector specific programmes to enhance service delivery and beneficiary well-being

#### 4. INFRASTRUCTURE SECTOR

The infrastructure sector will be led by the Department of Public Works and will work together with Departments of Transport, Provincial and Local Government, Water Affairs and Forestry, Minerals and Energy and Sports and Recreation.

Most projects are implemented by the provinces and municipalities and this will continue in the second phase of the programme. While all provinces are already contributing to the EPWP, many provincial departments could increase their contribution further and the continued growth of the sector will depend on the degree to which some of the underperforming provinces 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.

At the local government level the focus will also be on:

- Ensuring that those municipalities that already exceeding their targets based on their MIG allocations keep performing and are able to continue growing their EPWP programmes through accessing the wage incentive
- Ensuring that those municipalities already implementing the EPWP, but not yet meeting their targets based on their MIG allocations improve their performance so that they can meet the minimum requirements to access the wage incentive
- Ensuring that those municipalities not yet implementing and reporting on the EPWP start implementing and reporting as required

It is anticipated that the sector will continue to grow and remain the largest sector of the EPWP because of the large investments and allocations already planned for this sector and the continued scope to increase the labour intensity of the infrastructure spending of government. . While this has proved difficult in the first phase of the programme, it is anticipated that the wage incentive will provide a real boost to the

efforts to increase the labour intensity in the second phase of the programme. The planned output for the five years is the creation of 900 000 full time equivalents of employment.

**Infrastructure 5-year Targets: No. of Work opportunities**

Year	Total	Municipal	Provincial	National
2009-2010	300,000	176,820	121,412	1,768
2010-2011	342,000	201,574	138,410	2,016
2011-2012	440,000	259,335	178,071	2,593
2012-2013	572,000	337,136	231,493	3,371
2013-2014	720,000	424,367	291,390	4,243

**Infrastructure 5-year Targets: No of Full time Equivalents**

Year	Total	Municipal	Provincial	National
2009-2010	108,696	60,548	47,461	687
2010-2011	130,435	72,658	56,953	824
2011-2012	170,435	94,939	74,419	1,077
2012-2013	220,000	122,549	96,061	1,390
2013-2014	273,913	152,581	119,601	1,731

**5. ENVIRONMENTAL & CULTURAL SECTOR**

The environmental and culture sector will continue to grow and will continue to be implemented by national and provincial departments. Allocations to the sector have increased over the MTEF and have included funds to initiate the Working for Energy programme, which is an interdepartmental initiative. The sector will be able to grow faster from 2010 when it will be able to access the wage incentive as well. Growth in the sector will come both from increasing the number of work opportunities and increasing the duration of work opportunities

**Environment and Culture Sector: No. of Work opportunities created**

Year	Total	Municipal	Provincial	National
2009-2010	150,000	3,043	48,657	98,300
2010-2011	156,000	3,165	50,603	102,232
2011-2012	200,000	4,058	64,876	131,067
2012-2013	275,000	5,579	89,204	180,217
2013-2014	375,000	7,608	121,642	245,750

**Environment and Culture Sector 5-year Targets: No of Full time Equivalents created**

Year	Total	Municipal	Provincial	National
2009-2010	32,609	1,103	9,494	22,012
2010-2011	41,739	1,412	12,152	28,175
2011-2012	59,130	2,001	17,215	39,914
2012-2013	81,304	2,751	23,671	54,882
2013-2014	110,870	3,751	32,279	74,839

**6. SOCIAL SECTOR**

The sector will continue in its current format in the first year of the second phase. It will continue on growing the Early Childhood Development and Community and Home Based Care programmes. In order to increase the scale of the sector as desired and planned, a number of key issues had to be resolved and the sector is working on these. These include:

- Standardising the employment framework for the sector which includes employment conditions, wages and progression in the sector once participants have improved their qualifications through the training provided through the EPWP

- Funding mechanisms for growing the sector, in particular how the sector would access the wage incentive or developing proposals for other complementary funding mechanisms.
- Focus areas for expansion, which will rely on the development of implementation plans for some areas of employment creation already identified in previous studies.

### **Social Sector: No. of Work opportunities**

	Total	Municipal	Provincial
2009-2010	80,000	2,744	77,256
2010-2011	96,000	3,293	92,707
2011-2012	132,000	4,527	127,473
2012-2013	187,000	6,414	180,586
2013-2014	255,000	8,746	246,254

### **Social Sector 5-year Targets: No of Full time Equivalent**

	Total	Municipal	Provincial
2009-2010	60,870	270	60,599
2010-2011	67,826	301	67,525
2011-2012	90,435	402	90,033
2012-2013	124,348	552	123,795
2013-2014	169,565	753	168,812

## **7. NON STATE SECTOR**

This proposed new sector will consist of two sets of programmes.

The first set will be *Institutional based programmes* where non-state actors, typically not-for-profit organisations, faith based organisations and community based organisations (CBOs), would develop programmes that could create income for large numbers of individuals through socially constructive activities. The type of initiative would be determined by the non-state actor with the state providing partial funding for specified costs and wages.

The second set will be *Area based programmes* involving local organisations so as to support initiatives that create employment, in ways that build public or community level goods and services. 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. Within this category, an approach called the Community Works Programme is currently being piloted. These pilots are being implemented by the Second Economy Strategy Project (an initiative of the Presidency), together with Department of Social Development and Public Works. This approach aims to provide an employment safety net, by providing regular (rather than full-time) employment to participants, with a predictable number of days of work provided per month.

The programme is structured so that it provides the participants with regular and predictable income through regular but part time work. The pilots are being run in four areas in the country, employ approximately 1000 people in each area on a part time basis. Based on the results of the current pilots, this programme is looking very promising and it is anticipated that it could grow to 180 sites and employ 180 000 people by 2014.

**Non State Sector: No. of Work opportunities**

	Non-State	60%	40%
	Total	Area based	Activity-based
2009-2010	20,000	12000	8000
2010-2011	48,000	28800	19200
2011-2012	96,000	57600	38400
2012-2013	176,000	105600	70400
2013-2014	300,000	180000	120000

**Non State 5-year Targets: No of Full time Equivalents**

	Non-State	60%	40%
	Total	Area based	Activity-based
2009-2010	8,696	5,217	3,478
2010-2011	20,870	12,522	8,348
2011-2012	41,739	25,043	16,696
2012-2013	76,522	45,913	30,609
2013-2014	130,435	78,261	52,174



# ANNEXURE

**Report for the period 1 April – 30 September Financial  
year 2010/11**

(Prepared by the Department of Public works as at November  
2010)