THE STATE OF THE
EXPANDED PUBLIC WORKS
PROGRAMME IN
SOUTH AFRICAN CITIES

2018-2019
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<th>Description</th>
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</thead>
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<tr>
<td>CBD</td>
<td>Central Business District</td>
</tr>
<tr>
<td>CLO</td>
<td>Community Liaison Officer</td>
</tr>
<tr>
<td>CSPS</td>
<td>Civilian Secretariat for Police Service</td>
</tr>
<tr>
<td>CSW</td>
<td>Cleansing and Solid Waste</td>
</tr>
<tr>
<td>DoRA</td>
<td>Division of Revenue Act</td>
</tr>
<tr>
<td>ECD</td>
<td>Early Childhood Development</td>
</tr>
<tr>
<td>EPWP</td>
<td>Expanded Public Works Programme</td>
</tr>
<tr>
<td>ESRI</td>
<td>Environmental Systems Research Institute</td>
</tr>
<tr>
<td>FTE</td>
<td>Full-Time Equivalent</td>
</tr>
<tr>
<td>GIS</td>
<td>Geographical Information System</td>
</tr>
<tr>
<td>GIZ</td>
<td>Deutsche Gesellschaft für Internationale Zusammenarbeit</td>
</tr>
<tr>
<td>HCBC</td>
<td>Home/Community-Based Care</td>
</tr>
<tr>
<td>IMS</td>
<td>Infrastructure Management &amp; Socio-economic Development</td>
</tr>
<tr>
<td>LIC</td>
<td>Labour-Intensive Construction</td>
</tr>
<tr>
<td>MIS</td>
<td>Management Information System</td>
</tr>
<tr>
<td>MTEF</td>
<td>Medium-Term Expenditure Framework</td>
</tr>
<tr>
<td>NDP</td>
<td>National Development Plan</td>
</tr>
<tr>
<td>DPWI</td>
<td>National Department of Public Works and Infrastructure</td>
</tr>
<tr>
<td>NPO</td>
<td>Non-Profit Organisation</td>
</tr>
<tr>
<td>NSF</td>
<td>National Skills Fund</td>
</tr>
<tr>
<td>PEP</td>
<td>Public Employment Programme</td>
</tr>
<tr>
<td>PEP-IMC</td>
<td>Public Employment Programme Inter-Ministerial Committee</td>
</tr>
<tr>
<td>RABM</td>
<td>Rural Area Based Management</td>
</tr>
<tr>
<td>RG</td>
<td>Reference Group</td>
</tr>
<tr>
<td>SACN</td>
<td>South African Cities Network</td>
</tr>
<tr>
<td>SALGA</td>
<td>South African Local Government Association</td>
</tr>
<tr>
<td>SETA</td>
<td>Sector Education and Training Authority</td>
</tr>
<tr>
<td>StatsSA</td>
<td>Statistics South Africa</td>
</tr>
<tr>
<td>WO</td>
<td>Work Opportunity</td>
</tr>
</tbody>
</table>
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Chief Editor(s)/Project Manager(s):
Ignatius Ariyo (DPWI)
Nomfundo Faith Dlamini (SACN)

Project Management Support Team:
Sadhna Bhana (SACN)
Kopano Ntsoane (SACN)

Report Compiled by:
Faith Muzondo (Urban Research Partners)

Contributors:
Colleen Masango (URP)
Diane Abrahams (URP)

Copy Editing:
Dave Buchanan

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PO Box 32160
2017 Braamfontein
Johannesburg, SOUTH AFRICA

+27(0)11 407 6471
info@sacities.net
www.sacities.net

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“By the expanded definition, unemployment has risen by 8.8% since 2008. Two of those percentage points have occurred in the past two years.”

By the end of July 2019, South Africa’s official unemployment rate had reached a record high of 38.5%, the highest since 2003. According to the expanded definition, this places the number of unemployed South Africans at 10 million individuals. Across all sectors, these figures have been met with alarm and urgent calls for government to take decisive steps to respond to the crisis. The warning signs were highlighted in the National Development Plan, which noted that “South Africa’s problem of unemployment and underemployment has become too big for market-based solutions to solve in the next 10 to 20 years.”

One of the Indlulamithi 2030 Scenarios models a multi-stakeholder approach that is people-centred, and harmoniously engages different levers to enable South Africa to attain its 2030 vision. One anchor for this model is skills development, through enhanced use of TVET colleges and artisanal training. In this scenario, the unemployment rate is projected to reduce to 16%, which would require a 1% reduction every year.

The EPWP will continue to play a vital role in bridging the social gaps, providing skills development and reducing youth unemployment. This 2018-19 State of the EPWP in SA Cities report outlines yet again the significant impact that the nine largest economic centres in the country have contributed to the programme. As we usher in the fourth phase of the EPWP, the attention of the country must be squarely on the millions of households negatively impacted by the joblessness crisis. The EPWP is a strategic tool for local authorities, provinces, sector departments, State-Owned Entities (SOEs) and the private sector to contribute towards getting the economy back on track. The State needs to demonstrate the potential of the programme through expanding the scope of opportunities beyond jobs traditionally associated with EPWP Work Opportunities (WOs), skilling participants with immediately desirable market skills and introducing effective management systems that foster simplified reporting and compliance in line departments.

In the current climate, the importance of the work of the South African Cities Network (SACN) EPWP Reference Group, together with its partner municipalities, cannot be overstated. The cities need to demonstrate clear linkages between the EPWP, city economic strategies and job-creation strategies.
Introduction

About this Report

The South African Cities Network (SACN) Expanded Public Works Programme (EPWP) Reference Group (RG) is a peer-based platform, comprising key city officials responsible for implementing the EPWP in their cities. This collective has continued to meet quarterly over the 2018-19 period, providing a forum in which experiences and knowledge are exchanged. The EPWP RG continues to contribute to enhancing coordination between the cities and other role-players towards facilitating the effective and synergistic implementation of the EPWP. This forum allows for continuous and consistent generation of knowledge and the sharing of information, experiences and lessons learnt, all of which is encapsulated in the annual report. As the SACN continues to facilitate the generation of knowledge and the sharing of information through the EPWP RG, the key objective is to ensure that all stakeholders will continue to value these annual reports and the lessons highlighted therein. The aim is for the knowledge generated to contribute significantly to enhancing job creation in South Africa, through information, reflection and important learnings based on the implementation of the EPWP – widely recognised as a flagship Public Employment Programme (PEP).

The aim of this report is therefore to highlight the progress and implementation of the EPWP by the cities in the 2018-19 year of Phase III of the EPWP. The main body of the report provides an overview of EPWP Phase III targets, the institutional arrangements that are in place, and the continuing challenges faced during implementation. This is followed by individual city reports (Annexure I), where the focus is on progress made, key obstacles faced and successes achieved in implementing the EPWP. The final part of the report, Annexure II, describes some best-practice case studies in selected member cities that have been documented by the RG, in an effort to support shared learning from experience.

Background

Economic decline and joblessness persist in South Africa, and remain of great concern. In 2018 the number of unemployed people in South Africa stood at around 6.6 million\(^1\). Private-sector employment growth has been slowing since 2011\(^6\). Job creation remains stagnant. The unemployment rate declined marginally from an average of 27.5% in 2017 to 27.1% in 2018\(^7\). South Africa's GDP growth forecast for 2019 was revised to 1.5%, from an estimated 1.7% at the time of the 2018 Medium Term Budget Policy Statement.

Over the next three years (2019-2021), general government infrastructure investment is projected at R526 billion\(^7\). Interventions are already under way to improve the efficiency of this pipeline\(^7\). In addition, government will contribute R100 billion to a blended-finance infrastructure fund over the next decade, in the form of new spending, reprioritisation and guarantees. The fund will allow the public and private sectors to work together to finance sustainable social and economic infrastructure projects\(^7\).

Raising the economic growth rate, and achieving inclusive and shared growth, requires a range of short-term interventions and long-term reforms, along with improved capacity to implement them.

In his 2019 State of the Nation Address, President Ramaphosa emphasised that in order to bolster efforts over the next decade to meet the NDP goals and reduce unemployment, the social wage must be strengthened\(^8\). The President also emphasised the need to reduce youth unemployment by creating two million more work opportunities for the youth in the next 10 years. A total of R2.3 billion has been allocated for the EPWP in order to contribute to these goals\(^9\).

The Expanded Public Works Programme, as it begins Phase IV, remains an important government intervention for contributing to reducing unemployment and tackling poverty. During Phase III of the EPWP, the importance of integrating meaningful training and skills development towards developing sustainable livelihoods was recognised.

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\(^1\)http://www.statssa.gov.za/
\(^3\)http://www.sanews.gov.za/south-africa/government-ups-ante-infrastructure
\(^4\)http://www.gov.za/speeches/201906202019

South African Cities Network Annual Report 2018-2019
Given that the nine major metropolitan cities in South Africa (Buffalo City, Ekurhuleni, eThekwini, Johannesburg, Mangaung, Msunduzi, Nelson Mandela Bay, Tshwane and the City of Cape Town) continue to home approximately 41% of South Africa’s population, it is imperative to continue to reflect on and evaluate the performance of these South African cities in creating employment opportunities. This report, therefore, outlines the progress and implementation of the EPWP by SACN-participating cities, and the City of Cape Town, over the 2018-19 financial year – marking the end of Phase III of the EPWP.

Methodology

The methodology applied to develop this report comprised a desktop study and questionnaires. The desktop study involved the review and analysis of relevant documents sourced from the SACN member cities, as well as from the EPWP and SACN websites. Statistical data was obtained from the EPWP Quarterly Reports, and from the Expanded Public Works Programme Reporting System (EPWP RS) used by the EPWP stakeholders to report on EPWP projects. The minutes and discussion noted in the SACN-EPWP RG quarterly meetings over the 2018-19 year were also used as data sources for this report. In addition, all the cities were given an opportunity to provide input to the report through the individual city reports and case studies. A set of questions was prepared and sent to the DPWI to seek further clarity on the data collected.

EPWP Phase III Review

South Africa faces the trilemma of poverty, unemployment and inequality. According to Statistics South Africa (StatsSA), 7.5 million households, representing 28% of the population living in major metropolitan municipalities (23.6 million people), are classified as poor. Although there are many people in the social security system, there are no grants for those who are seeking employment and are willing to work. To overcome some of these challenges, the South African government introduced the EPWP in 2004 as a complementary measure to reduce poverty and curb rising unemployment. Phase III of the programme began in 2014-15, with the objective of providing “work opportunities and income support to poor and unemployed people through labour-intensive delivery of public and community assets and services, thereby contributing to development”. Figure 1 illustrates the progress made through the EPWP over its three phases in terms of the work opportunities created.

<table>
<thead>
<tr>
<th>EPWP Work Opportunities Target</th>
<th>EPWP Work Opportunities Created</th>
</tr>
</thead>
<tbody>
<tr>
<td>PHASE I</td>
<td>PHASE I</td>
</tr>
<tr>
<td>1 million</td>
<td>1.6 million</td>
</tr>
<tr>
<td>PHASE II</td>
<td>PHASE II</td>
</tr>
<tr>
<td>4.5 million</td>
<td>4.0 million</td>
</tr>
<tr>
<td>PHASE III</td>
<td>PHASE III</td>
</tr>
<tr>
<td>6 million</td>
<td>4.5 million</td>
</tr>
</tbody>
</table>

Figure 1: Work opportunities per EPWP Phase

11http://www.parliament.gov.za/
The programme met its target of 1 million work opportunities in the first five years (Phase I), and created over 4 million work opportunities (against a target of 4.5 million) in Phase II. In EPWP phase III, the programme reported over 4.5 million work opportunities against a target of 6 million. The success of the programme prompted an increase in the targets over the 15 years, accounting for a 33% increase between Phase II and Phase III.

The progress made over the last 15 years of the programme and the changes in trend through to Phase III prompted a phase review, which was conducted by the Department of Public Works and Infrastructure (DPWI) supported by the International Labour Organisation (ILO). Table 1 shows a summary of the findings of the review, as presented by the DPWI to the Public Works Portfolio Committee on 5 March 2019.

### Table 1: EPWP Phase III review[12]

<table>
<thead>
<tr>
<th>Thematic area of review</th>
<th>Key findings and recommendations</th>
</tr>
</thead>
</table>
| 1. Targets and target setting | • Targets were unrealistic, and many public bodies did not have the capacity to implement and report on EPWP projects.  
• Targets should also be linked to the Medium-Term Expenditure Framework (MTEF) allocations made to public bodies, and adjusted where budgets are reduced. |
| 2. Funding and incentive grants | • There is limited commitment to using own funding for implementation of the programme, due to lack of legislation.  
• There is a need for the programme to look outside the fiscus for additional funding, and develop a policy to enforce implementation. |
| 3. Institutional arrangements and coordination | • There is insufficient technical and managerial capacity for EPWP implementation among many implementing public bodies’ officials.  
• While the Public Employment Programme Inter-Ministerial Committee (PEP-IMC) has raised the profile of the EPWP, particularly among political leadership, it was found that this structure could have an even more impactful role in the EPWP. |
| 4. Implementation of the EPWP universal principles | • Compliance with the EPWP principles has improved on EPWP-reported projects. The monitoring of the core EPWP principles should be strengthened, to improve compliance with the EPWP guidelines. |
| 5. Training and enterprise development | • Given the large number of EPWP participants, providing all them with training was found not to be feasible, due to limited budget/funding.  
• Partnerships with the private sector should be strengthened for investment, placements and training. |
| 6. Involvement of the private sector | • Even though the EPWP is a public-sector programme, the review recommended that the programme should identify opportunities for increased involvement of or partnerships with the private sector. |

THE REPORT
Institutional Arrangements of the Cities

This section gives an overview of the institutional arrangements and EPWP policies governing the implementation of the EPWP in each of the cities. It also covers amendments implemented during the 2018-19 reporting period in relation to EPWP policies in each city.

Policy Changes And Targets In 2018-19

Each of the cities has an EPWP policy, which provides a framework for the implementation of the programme and is guided by various national policy documents, including the EPWP Ministerial Determination and Cabinet policy position statements. The policy should provide an enabling environment for the successful implementation of EPWP projects, while ensuring adherence to all government directives and legislative requirements. A comprehensive EPWP policy, which has been approved and formally adopted by the city council, is fundamental to the successful implementation and progress of a city’s EPWP initiatives. Over the past fifteen years, the cities have developed, reviewed and amended their individual city policies to align with the functional requirements of each phase; for example, the Phase III reporting guidelines and recruitment guidelines introduced in 2014 and 2018 respectively.

Cities are further guided by the following set of policy objectives, as defined by the DPWI, which seek to:

- Educate all departments and units in the city on how their functions should contribute to the EPWP;
- Establish a delivery strategy in terms of socioeconomic development, poverty alleviation, employment creation, and skills development;
- Ensure development integration across all sectors;
- Engineer the planning, design and implementation of programmes and projects with the city so that they maximise employment opportunities.
- Ensure there are clear mechanisms in place to monitor the implementation of and compliance with the city’s EPWP policy.

However, the Phase III review (see Table 1) has found that coordination of the EPWP in relation to the functions of each department and role may need to improve. The status of the cities’ EPWP policies, specifically in reference to Phase III, is presented in Table 2.

Table 2: Policy status of the SACN-EPWP RG

<table>
<thead>
<tr>
<th>City</th>
<th>Policy Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buffalo City Metropolitan Municipality</td>
<td>• Policy initially adopted in 2013.</td>
</tr>
<tr>
<td></td>
<td>• Phase III EPWP policy review was initiated in July 2018 and approved in November 2018.</td>
</tr>
<tr>
<td></td>
<td>• The city has now drafted the Phase IV policy which was presented to the Mayoral committee in 2018/19.</td>
</tr>
<tr>
<td>City of Johannesburg</td>
<td>• Phase III EPWP policy was approved by Council in July 2015. Amendments to the policy include reporting requirements, and compliance and accountability measures.</td>
</tr>
<tr>
<td></td>
<td>• Wage-rate standardisation has also been added to the policy:</td>
</tr>
<tr>
<td></td>
<td>o From R175 to R235 for the Infrastructure sector.</td>
</tr>
<tr>
<td></td>
<td>o From R150 to R175 for the Social and Environment and Culture sectors.</td>
</tr>
<tr>
<td>City of Tshwane</td>
<td>• Phase III EPWP policy was approved in November 2014.</td>
</tr>
<tr>
<td></td>
<td>• The policy is supported by an EPWP business plan and sector plans.</td>
</tr>
<tr>
<td>City of Ekurhuleni</td>
<td>• Phase III EPWP policy was approved in November 2017.</td>
</tr>
<tr>
<td></td>
<td>• Workshops on the policy were held with councillors, project managers, consultants and contractors.</td>
</tr>
<tr>
<td>City</td>
<td>Policy Status</td>
</tr>
<tr>
<td>------------------------------</td>
<td>-------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>eThekwini Municipality</td>
<td>• The policy was initially approved in 2007.</td>
</tr>
<tr>
<td></td>
<td>• Phase III policy was reviewed and approved in 2015.</td>
</tr>
<tr>
<td></td>
<td>• The city’s Phase IV policy is currently under review, and will incorporate EPWP recruitment guidelines.</td>
</tr>
<tr>
<td>Mangaung Metropolitan Municipality</td>
<td>• The Phase III EPWP policy was endorsed in 2016. The policy has not been implemented.</td>
</tr>
<tr>
<td>Msunduzi Municipality</td>
<td>• Policy was initially approved in September 2013.</td>
</tr>
<tr>
<td></td>
<td>• Phase III EPWP policy was approved in February 2015.</td>
</tr>
<tr>
<td></td>
<td>• Policy has not been implemented.</td>
</tr>
<tr>
<td>Nelson Mandela Bay Municipality</td>
<td>• Phase III policy review was presented to council in September 2017.</td>
</tr>
</tbody>
</table>

**Institutional Arrangements**

There are various levels at which planning, coordination, implementation, management and progress reporting take place. As such, coordination structures are important to ensure the effective implementation of the EPWP for each sector, and for the programme as a whole.

**Overall Coordination of the Programme**

The Minister of Public Works and Infrastructure is the overall champion of the EPWP and provides national policy leadership and direction on the design, framework and implementation of the EPWP. Within the Department of Public Works and Infrastructure (DPWI), the EPWP Branch is responsible for 1) overall coordinating and implementing support, 2) developing funding frameworks, 3) providing technical support to participating public bodies, and 4) monitoring and evaluation.

The DPWI is the coordinator for both the Infrastructure and the Non-State sectors. The Environment and Culture sector is coordinated by the Department of Environmental Affairs (DEA), and the Social Sector is led by the Department of Social Development (DSD). The sector coordinators provide leadership and authority, coordination and direction, advocacy, risk management, and capacity building for their respective sectors.

At the provincial government level, Members of the Executive Council (MECs) for Public Works provide provincial leadership and direction for the Programme. Each province has a dedicated EPWP Unit established within the provincial Departments of Public Works that is instrumental in mobilising other provincial departments, as well as municipalities within the province, to perform in accordance with the objectives of the EPWP.

The Executive Mayor acts as the political champion at municipal level, while the City Manager plays the role of the administrative champion. The Executive Mayor appoints Members of the Mayoral Committee (MMC) to lead the programme in the cities and local municipalities.

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The role of individual implementing departments is to ensure the achievement of the sector objectives and priorities for the EPWP, including:

- Planning, developing and implementing strategies and mechanisms to successfully implement and expand its EPWP programmes/projects.
- Implementing EPWP programmes/projects towards job creation targets and evaluating the impact of these programmes.
- Advising and reporting to executive authorities on all aspects of the EPWP programmes/projects.
- Reporting to the DPWI on the progress of EPWP programmes and projects.

As such, municipalities have a responsibility to build institutional capacity to deliver on the functions stated above. Each of the cities has put structures in place to achieve their programme deliverables. The key goals of the EPWP units within municipalities are to ensure high-level political administrative support for the EPWP, provide clear frameworks for EPWP compliance and technical support, and facilitate all programme narrative, quantitative and financial reports to the EPWP.

### Overview of EPWP Implementation

This section of the report highlights the progress of the eight metropolitan municipalities and Msunduzi Local Municipality (collectively referred to as ‘the cities’) in their implementation of the EPWP during the 2018-19 financial year (from 1 April 2018 to 31 March 2019). Also included in this section is a review of the trends over Phase III of the EPWP against each performance indicator.

This report assesses each city’s progress in terms of their EPWP objectives in relation to these six indicators:

- Number of work opportunities (WOs) created;
- Number of person-days of work created;
- Minimum day-task wage rate;
- Number of person-days of training provided;
- Overall budget and expenditure; and
- Demographic profile of workers.

Participants in the EPWP are targeted through a combination of:

- **Geographic targeting:** The focus is on poor communities and those with high unemployment rates.
- **Community targeting:** Communities select those most in need, based on transparent processes and criteria.
- **Self-targeting:** The EPWP minimum-wage rate is used to ensure that individuals who are already in the formal workforce do not opt for EPWP jobs.

The analysis and figures that follow use data extracted from the DPWI EPWP Quarter 4 Consolidated Report for 2018-19, and previous State of the EPWP in South African Cities annual reports.

### Projects Implemented

During the final year of the EPWP, the cities implemented 1 897 EPWP projects across three sectors, namely Infrastructure, Environment and Culture, and Social. Table 3 shows the types of programmes that were implemented during the year, per sector. The majority were from the Infrastructure Sector. Six of the nine cities (67%) fell below the average number of projects implemented in 2018-19.
eThekwini’s Zibambele project, in the Infrastructure Sector, continues to create the highest number of work opportunities (WOs). Zibambele, which is a maintenance-based programme, also has the second-highest number of full-time equivalents (FTEs). The project with the highest FTEs is the Safety Volunteer Mayoral Programme, which is a community safety programme implemented by eThekwini. The City of Cape Town has spent a considerable proportion of its budget on projects that are not maintenance based, and therefore does not create high FTEs, even though the city has implemented a substantial percentage of projects overall compared to the rest of the cities. Figure 2 shows the number of projects created by each of the cities in 2018-19.

Mangaung has experienced institutional changes that have affected the leadership and implementation of the EPWP over the last three reporting periods. As such, the city has not been able to implement a large number of projects. In 2018-19, the city re-established its EPWP unit, and has increased the number of projects implemented over the last two financial periods (see Figure 3). Msunduzi, by virtue of being a local municipality, generally implements a lower number of projects than the eight metropolitan cities.

The 2017-18 SACN State of the EPWP in South African Cities report showed that the cities had contributed 65% of the projects implemented by the metropolitan and district municipalities in the country (see Figure 3). As further evidence that the cities make a significant contribution to job creation and the economy, the proportion of projects implemented in 2018-19...
increased to 72%. This is largely due to the following factors:

- More than 41% of the population of the country resides in the nine cities.
- The cities receive considerably higher budget allocations, and therefore have the resources and capacity to implement more EPWP projects and create higher WOs.

![Figure 3: Projects implemented by the nine municipalities as a percentage of total EPWP projects in their respective provinces (2018-19)](image-url)

The beginning of Phase III was marked by changes to the EPWP reporting requirements from the DPWI Monitoring and Evaluation unit. To alleviate some of the inherent challenges, the DPWI provided technical support to assist the cities with the transition to the new system. The cities have since put controls in place for the effective reporting of EPWP projects, such as creating dedicated EPWP data-capturer roles and adding reporting requirements to procurement and service-provider contracts. Figure 4 shows the changes in projects reported over Phase III. The number of projects reported by the cities decreased significantly between 2014-15 and 2016-17, owing to the effects of changes in reporting. However, the evidence shows that there has been a positive change in the trend over the last three reporting periods. The City of Cape Town continues to create the highest number of projects year on year, aided by significantly higher budget allocations.

The 2017-18 State of the EPWP in South African Cities report stated that Mangaung had experienced institutional and political leadership changes around 2016-17, which negatively affected the city's performance. The EPWP unit in Mangaung has since been re-established, resulting in a 167% increase in the number of projects implemented and reported between 2017-18 and 2018-19.
Under-reporting has been a recurring issue throughout Phase III of the programme. A review of the EPWP reporting system was undertaken in March 2019, and revealed that issues such as the lack of proper institutional arrangements and a dedicated EPWP coordinating unit have had a significant effect on reporting. Mangaung is a typical example, showing that the existence of a functional, dedicated EPWP structure or unit is essential for the successful implementation of EPWP projects, and for reporting. Another factor that has been highlighted by the review is the delay in the approval and implementation of EPWP policies in the cities.

The number of projects reported forms a baseline that other EPWP reporting and performance indicators may be evaluated against. For example, the number of projects that are reported on the DPWI M&E system will affect the number of WOs that can be captured. Conversely, an inability to report on the number of projects implemented will result in under-reporting of WOs created for that reporting period. As such, each indicator cannot be evaluated in isolation, and must be assessed in conjunction with all other indicators. The next section of the report presents the cities’ performance in relation to the number of EPWP jobs created, and the resultant proportion of full-time equivalents.

Employment created
Each EPWP project employs a given number of participants, with the aim of meeting set targets, which are measured as WOs. The duration of each WO is used as an indication of how sustainable each EPWP job is, captured in the form of FTEs. An FTE is used to measure the contribution of the WOs towards permanent jobs created over one year (1 FTE = 230 person-days of work). The relationship depends on the duration of the WOs – the longer the duration, the higher the FTEs. Table 4 to Table 7 show the national WO and FTE targets for Phase III for all spheres of government and sectors, as set by the DPWI.
### Table 4: Work-opportunity targets for all spheres of government

<table>
<thead>
<tr>
<th></th>
<th>Local</th>
<th>Provincial</th>
<th>National</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-15</td>
<td>278 382</td>
<td>354 924</td>
<td>412 213</td>
<td>1 045 519</td>
</tr>
<tr>
<td>2015-16</td>
<td>310 992</td>
<td>380 172</td>
<td>436 022</td>
<td>1 127 186</td>
</tr>
<tr>
<td>2016-17</td>
<td>347 578</td>
<td>382 869</td>
<td>612 707</td>
<td>1 343 154</td>
</tr>
<tr>
<td>2017-18</td>
<td>395 238</td>
<td>391 252</td>
<td>620 246</td>
<td>1 406 736</td>
</tr>
<tr>
<td>2018-19</td>
<td>428 875</td>
<td>397 778</td>
<td>629 187</td>
<td>1 455 840</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1 761 065</td>
<td>1 906 996</td>
<td>2 710 375</td>
<td>6 378 436</td>
</tr>
</tbody>
</table>

*Source: DPWI 2015-2020 Strategic Plan (2015)*

### Table 5: Work-opportunity targets by sector

<table>
<thead>
<tr>
<th></th>
<th>Local</th>
<th>Environment &amp; Culture</th>
<th>Social</th>
<th>Non-state</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-15</td>
<td>379 156</td>
<td>227 650</td>
<td>202 714</td>
<td>236 000</td>
<td>1 045 519</td>
</tr>
<tr>
<td>2015-16</td>
<td>447 671</td>
<td>229 208</td>
<td>205 307</td>
<td>245 000</td>
<td>1 127 186</td>
</tr>
<tr>
<td>2016-17</td>
<td>488 636</td>
<td>230 550</td>
<td>205 968</td>
<td>418 000</td>
<td>1 343 154</td>
</tr>
<tr>
<td>2017-18</td>
<td>546 067</td>
<td>231 173</td>
<td>210 496</td>
<td>419 000</td>
<td>1 406 736</td>
</tr>
<tr>
<td>2018-19</td>
<td>589 473</td>
<td>232 923</td>
<td>214 444</td>
<td>419 000</td>
<td>1 455 840</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2 451 003</td>
<td>1 151 504</td>
<td>1 038 929</td>
<td>1 737 000</td>
<td>6 378 436</td>
</tr>
</tbody>
</table>

*Source: DPWI 2015-2020 Strategic Plan (2015)*

### Table 6: FTE targets for all spheres of government

<table>
<thead>
<tr>
<th></th>
<th>Local</th>
<th>Provincial</th>
<th>National</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-15</td>
<td>89 162</td>
<td>162 753</td>
<td>169 037</td>
<td>420 951</td>
</tr>
<tr>
<td>2015-16</td>
<td>100 882</td>
<td>171 689</td>
<td>177 891</td>
<td>450 462</td>
</tr>
<tr>
<td>2016-17</td>
<td>113 590</td>
<td>172 114</td>
<td>234 021</td>
<td>519 724</td>
</tr>
<tr>
<td>2017-18</td>
<td>129 912</td>
<td>175 476</td>
<td>268 701</td>
<td>574 089</td>
</tr>
<tr>
<td>2018-19</td>
<td>141 995</td>
<td>178 242</td>
<td>217 609</td>
<td>591 846</td>
</tr>
<tr>
<td>TOTAL</td>
<td>575 541</td>
<td>860 273</td>
<td>1 121 260</td>
<td>2 557 073</td>
</tr>
</tbody>
</table>

*Source: DPWI 2015-2020 Strategic Plan (2015)*
Table 7: FTE targets by sector

<table>
<thead>
<tr>
<th></th>
<th>Local</th>
<th>Environment &amp; Culture</th>
<th>Social</th>
<th>Non-state</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-15</td>
<td>123 638</td>
<td>84 514</td>
<td>112 421</td>
<td>100 379</td>
<td>420 951</td>
</tr>
<tr>
<td>2015-16</td>
<td>146 061</td>
<td>87 441</td>
<td>113 706</td>
<td>103 254</td>
<td>450 462</td>
</tr>
<tr>
<td>2016-17</td>
<td>159 419</td>
<td>89 671</td>
<td>113 119</td>
<td>157 515</td>
<td>519 724</td>
</tr>
<tr>
<td>2017-18</td>
<td>178 147</td>
<td>91 957</td>
<td>114 992</td>
<td>188 993</td>
<td>574 089</td>
</tr>
<tr>
<td>2018-19</td>
<td>191 975</td>
<td>94 301</td>
<td>116 577</td>
<td>188 993</td>
<td>591 846</td>
</tr>
<tr>
<td>TOTAL</td>
<td>799 240</td>
<td>447 884</td>
<td>570 814</td>
<td>739 135</td>
<td>2 557 073</td>
</tr>
</tbody>
</table>


One of the lessons that emerged from the review of EPWP Phase III was that the targets for the phase were very high. Furthermore, others have argued that the targets were not aligned to the capacity of the implementing agents, and therefore the cities were unable to effectively implement EPWP projects. This may have resulted in under-reporting of projects, WOs, FTEs and expenditure over the past 15 years. Consequently, the trend shown in Figure 4, for instance, may also be a reflection of these ambitious targets. This is in addition to other factors such as improper reporting practices by the cities. Therefore the data presented in this report cannot be regarded entirely as underperformance without considering the full context. The 2017-18 State of the EPWP in South African Cities report indicated that none of the cities met their WO targets for the year. Figure 5 presents the figures for 2018-19, to determine if there has been any change.

Figure 5: Work-opportunity targets vs work opportunities achieved (2018-19)
Msunduzi and the City of Cape Town reported completing over 80% of their WO targets for the year. Mangaung, on the other hand, reported only a 10% achievement of its targets. These figures can be attributed to various factors, such as Mangaung’s recently-overcome administrative challenges mentioned previously. This has had a negative impact on the city’s institutional capacity to implement the EPWP as a whole. Over the years, the City of Cape Town has had the highest WO targets, and has consistently achieved the highest number of WOs. The city’s targets may be a reflection on its performance over the previous phases, suggesting that it has the appropriate institutional capacity and capability to achieve the targets set. Msunduzi, as a local municipality rather than a metro, has had lower targets than the other eight cities, because of its capacity. That considered, the city reported achieving 84% of its WO targets in 2018/19. It may be that the SACN EPWP Reference Group engagements have afforded Msunduzi the opportunity to engage with the metropolitan municipalities, taking advantage of the strategies and initiatives of the collective group.

As depicted in Figure 6, Mangaung has improved its performance or reporting since the re-establishment of the EPWP unit, while eThekwini’s performance – (in percentage terms) the highest last year – has declined. Although eThekwini has experienced a decline in WO performance, the city implemented 47% more projects in 2018-19 than in the previous year. It may be that eThekwini is more focused on projects (such as Zibambele) that are more maintenance-based, and therefore may not create as many WOs, but may create higher FTEs. The Zibambele programme accounted for 34% of the WOs that eThekwini implemented over the financial period.

Buffalo City’s performance has remained consistent over the past two years, which may be an indication of consistent strategy, processes and procedures in the city. The nine cities collectively reported 51% of the 2017-18 WO targets achieved, which increased to 53% in 2018-19. However, this 2% increase is only a small change, and may be further evidence of the inappropriately forecasted performance reflected in the targets for Phase III.

The previous SACN report (2017-18) pointed out that the cities have been showing an increase in the number of WOs created since the implementation of institutional and capacity changes, and the support provided by the DPWI, to counter the impact of the reporting changes. In order to support this hypothesis, the cities’ performance should follow the same trend in 2018/19. This was indeed the case (see Figure 7), indicating that the strategies and improvements in reporting have lessened challenges such as under-reporting and the reporting of non-compliant projects.
One of the main principles of the EPWP is that the programme should create temporary employment in order to give unskilled, unemployed and marginalised South Africans the skills they require to enter the formal job market. However, implementing departments are still required to maximise the duration of WOs in the form of FTEs. One of the issues is that this key characteristic of the EPWP has often been misunderstood; and the longer participants are kept in the programme, the more they demand permanent employment. To further assist with this challenge, the programme has been exempted from the formal definition of permanent employment as per the Labour Relations Act 66 of 1995, which defines ‘permanent work’ as ‘a period of employment exceeding three months’. The cities have the challenge of ensuring that these principles are effectively communicated to and understood by participants, implementing agents and contractors alike. Other challenges that the cities have faced throughout Phase III of the EPWP are discussed in a later section of this report, along with some of the solutions that have since been implemented or suggested.

Figure 8 and Figure 9 illustrate the performance of member cities with regard to FTEs, while Figure 10 depicts the number of FTEs achieved per WO.
The previous SACN report indicated that the cities achieved less than 50% of their FTE targets in 2017/18. As evidenced by Figure 8, the 2018-19 figures tell the same story, with the cities collectively creating 41% of the FTEs that were initially targeted. Also, as per its performance in the last financial year, eThekwini has met and exceeded its FTE targets for 2018-19, lifting the group average. As indicated earlier, this is attributed to 6 637 (38%) of the WOs created in the city being the maintenance-based Zibambele project, which has longer-duration employment. This has been highlighted as one of the innovative ways that cities can increase their FTEs.
In general, the cities’ performance in relation to FTEs has fluctuated over the duration of Phase III. However, there has been an increase in general performance since solutions were put in place to improve reporting after 2015-16. The top three projects in terms of number of FTEs created are the Safety Volunteers Project, Zibambele, and the Ablution Block Maintenance Programme, all from eThekwini, which are ongoing/maintenance-focused projects. These three projects collectively created 60% of the WOs reported by the city in 2018-19. eThekwini has focused its efforts on ensuring that the projects that employ the most people also do so for greater durations. In this way, the city can increase its impact in terms of the social protection aspect of the EPWP.

Using the same analysis, the three projects with the highest FTEs in the City of Cape Town accounted for only 11% of the city’s WOs, thus resulting in lower FTEs in total. The focus in the City of Cape Town seems to be on short-term construction projects that cycle their workers regularly. This is not necessarily a shortcoming, since one of the principles of the EPWP concerns labour-intensive construction through the Infrastructure sector. Much like all the other performance indicators, the FTE figures are best evaluated in conjunction with the other criteria. As such, Figure 10 shows the ratio of FTEs to WOs in 2018-19, indicating the number of WOs required to create a single FTE— that is, how many work opportunities it would take to create 230 person-days of work.
The decrease in the total number of FTEs created by the nine cities between 2017-18 and 2018-19 seen in Figure 9 has resulted in an increase in the WO-to-FTE ratio, from 3.2 last year to 4.0 this year. That is, since the number of FTEs has decreased, on average it took four WOs to create one FTE this year, as opposed to the 3.2 reported last year. The City of Johannesburg has created a relatively low number of FTEs as a proportion of the WOs created. The city creates one FTE for every 7.5 WOs. Compare this to eThekwini, where one FTE is created for just under two WOs – it takes eThekwini fewer WOs to create the equivalent of 230 person-days of employment. eThekwini’s projects – high-performing, in terms of WOs reported – have longer durations, as they involve maintenance or ongoing types of work.

Training
The DPWI Phase III Training Framework (2015) states that “all public bodies must ensure that some of their project budget is ring-fenced to support EPWP training. This is to offset the limited funding, often sourced from external funders. The training budget must be included in the respective municipal policies, as well as in the sector plans.” Additionally, training has been highlighted as an important aspect of the National Development Plan (NDP) 2030. Training also allows the cities the opportunity for skills development, to enable participants to enter into formal employment – a possible exit strategy.

However, the cities have not been performing well in this regard, throughout Phase III. In fact, the previous SACN State of the EPWP in South African Cities report showed that the cities are not allocating enough of their budgets to training, pointing out that the cities collectively spent only 7% of their total allocation in 2017-18. This spending could have been increased by allocating part of the EPWP line budget to training programmes, thereby boosting performance in both training and expenditure. The training figures for 2018-19 are presented in Figure 11.
The City of Cape Town continues to report the highest proportion of training days compared to the other eight cities. The city has achieved this through implementing projects that are 95 to 100% training focused, such as the Youth (skills) Development Programme. However, these projects account for only 4% of the WOs created by the city. As such, there may be scope for an increase in training numbers through the targeting of projects that have high WO numbers, such as the construction projects that the city implements. This may also help alleviate the skills shortage challenge in the country’s construction industry.

In 2018-19, only three of the nine cities reported training days: the City of Cape Town, Ekurhuleni, and eThekwini. There has been no change with regard to training for Mangaung, who reported no training days in 2017-18 or 2018-19. Buffalo City, the City of Johannesburg, Msunduzi, Tshwane and Nelson Mandela Bay all reported reduction of training days to zero in the last two financial periods to 2018-19.

Table 8 shows the trend in terms of the cities’ performance against training over Phase III of the EPWP. To calculate person-days of training, the number of people trained is multiplied by the number of days of training. Person-years of training are calculated as person-days of training divided by 365 days. Therefore a low number of training days results in a number of training years that is closer to zero. Nelson Mandela Bay is an example.

Table 8: Five-year trend in person-years of training reported by the cities (2014/15-2018/19)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Buffalo City Metropolitan Municipality</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>City of Cape Town</td>
<td>0</td>
<td>0</td>
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<td>36</td>
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<td>City of Johannesburg</td>
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<td>City of Tshwane</td>
<td>461</td>
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<td>4</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>City of Ekurhuleni</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>eThekwini Municipality</td>
<td>0.5</td>
<td>1</td>
<td>6</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Mangaung Metropolitan Municipality</td>
<td>259.2</td>
<td>0</td>
<td>0</td>
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</tr>
<tr>
<td>Msunduzi Municipality</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Nelson Mandela Bay Municipality</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td>80</td>
<td>3.3</td>
<td>1.1</td>
<td>5</td>
<td>4.8</td>
</tr>
</tbody>
</table>
Training figures have dropped drastically since 2014-15, and have remained relatively constant over the past two reporting periods. The City of Cape Town started reporting on training in 2017-18, which shows a change in strategy to improve performance over the last two years. On the other hand, Nelson Mandela Bay has not reported any training in Phase III, while Mangaung last reported training figures in 2014-15. Overall, the cities require innovative strategies to create and implement sustainable training initiatives in order to meet all the requirements of the EPWP holistically.

eThekwini and Ekurhuleni have been consistent in the number of person-years of training reported over the last two financial periods. In 2018/19, Ekurhuleni reported training through projects such as the EPWP – Water Stewards Project, which also provides artisanal training, while eThekwini reported training through Housing and Community Parks projects.

It may be useful for the SACN member cities to consider projects such as the Youth Development Programmes implemented by the City of Cape Town. It should be noted, however, that these programmes did not necessarily generate high FTEs – especially in comparison with eThekwini, where a large number of FTEs have been generated through maintenance-based projects such as Zibambele. As described above, eThekwini allocated part of its budget for 2018-19 to this training-focused project in order to improve training performance and to optimise skills transfer. Another recommendation is for the cities to partner with higher education and accreditation institutions, to implement training programmes that give participants qualifications and skills that can be used in the broader economy. Such programmes can also be used as a strategy to reduce the high youth unemployment rate in South Africa.

Statistics show that South Africa currently has a shortage of approximately 400 000 artisans. In addition, the NDP has indicated that more than 300 000 qualified artisans a year are required to meet the current labour demand. There is therefore scope for the absorption of such artisans, should they be trained. This is an opportunity for the EPWP to utilise allocated budgets – in the Infrastructure sector, for instance – to:

- alleviate this skills shortage challenge;
- contribute to skills development, especially among the youth;
- develop sustainable exit strategies that give participants a better chance of entering the formal job market;
- improve on training performance; and
- increase performance against expenditure (reduce underspending).

The next section of the report focuses on the financial data for 2018/19, providing evidence of how project budgets are utilised by the cities and what proportion of the expenditure has been allocated to training.

**Expenditure on EPWP (Including Professional Fees)**

The cities are allocated EPWP budgets year on year for the implementation of the programme. In addition to infrastructure spend, budget is also allocated for professional fees, wages and training. The budgets and expenditure (including professional fees) for the nine cities are presented in Table 9. The table ranks the budget allocation per city and the total expenditure at the end of the 2018-19 financial year, which allows for a comparison of the nine cities in terms of budget and expenditure. It must be noted that the figures for budget and expenditure are dependent on the accuracy of what was reported on the EPWP Reporting System.

The rankings of the cities in terms of expenditure are generally consistent with their budget rankings. For instance, Buffalo City was allocated the fifth-highest budget (in Rand value), and has spent the fifth-highest amount. Mangaung had the lowest budget and the lowest expenditure for 2018-19. This may be attributed to the institutional and administrative challenges experienced by the city over the last few reporting periods, which have had an effect on the performance, and as a result, on allocated budgets. The expenditure reported may also be a reflection of the city’s implementation capacity.

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Table 9: Allocated project budget and expenditure, including professional fees (2018-19)

<table>
<thead>
<tr>
<th>City</th>
<th>Budget</th>
<th>Rank (Budget)</th>
<th>Expenditure</th>
<th>Rank (Expenditure)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buffalo City Metropolitan Municipality</td>
<td>R802 993 882</td>
<td>5</td>
<td>R64 608 730</td>
<td>5</td>
</tr>
<tr>
<td>City of Cape Town</td>
<td>R8 161 618 717</td>
<td>1</td>
<td>R227 334 634</td>
<td>2</td>
</tr>
<tr>
<td>City of Johannesburg</td>
<td>R2 448 688 930</td>
<td>3</td>
<td>R90 665 832</td>
<td>4</td>
</tr>
<tr>
<td>City of Tshwane</td>
<td>R519 840 530</td>
<td>8</td>
<td>R44 390 655</td>
<td>7</td>
</tr>
<tr>
<td>City of Ekurhuleni</td>
<td>R1 198 818 316</td>
<td>4</td>
<td>R220 836 139</td>
<td>3</td>
</tr>
<tr>
<td>eThekwini Municipality</td>
<td>R2 932 945 737</td>
<td>2</td>
<td>R383 118 355</td>
<td>1</td>
</tr>
<tr>
<td>Mangaung Metropolitan Municipality</td>
<td>R17 694 000</td>
<td>9</td>
<td>R5 638 228</td>
<td>9</td>
</tr>
<tr>
<td>Msunduzi Municipality</td>
<td>R572 411 250</td>
<td>7</td>
<td>R15 697 724</td>
<td>8</td>
</tr>
<tr>
<td>Nelson Mandela Bay Municipality</td>
<td>R751 836 306</td>
<td>6</td>
<td>R60 634 734</td>
<td>6</td>
</tr>
<tr>
<td>Average</td>
<td>R1 934 094 185</td>
<td></td>
<td>R123 658 337</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>R17 406 847 668</td>
<td></td>
<td>R1 112 925 031</td>
<td></td>
</tr>
</tbody>
</table>

Since the City of Cape Town reported the highest expenditure and training days, it was expected that a large proportion of the city’s budget would be spent on training projects. However, that was not the case; training projects account for 0.4% of the budget and 4% of the expenditure for the city in 2018-19. There is room for cities to do more to improve expenditure through training and increase the impact of the EPWP – the effective implementation and enforcement of the EPWP Training Framework is even more necessary to achieve this. It would seem that the bulk of the City of Cape Town’s budget is spent on creating WOs – this includes expenditure on professional fees and other incidentals. Just under 40% of the city’s expenditure is on the top ten projects, in terms of the number of WOs created and FTEs generated. However, the wages paid on these ten Social and Environment and Culture projects only accounted for 1% of their collective expenditure. Therefore the spending for the ten projects was on other project incidentals, such as professional fees, equipment, service providers and other factors required to implement EPWP projects successfully.

The rankings in Table 9, along with the budgets and expenditure in Rand value, should not be evaluated in isolation without considering budget and expenditure in percentage terms (see Figure 12). This would allow for a more representative view of financial performance. For example, the City of Cape Town may appear to be utilising its budget (in Rand value) effectively, compared to the other cities; however, that expenditure represents only 3% of the city’s total budget for 2018-19.
Mangaung has had the most significant improvement in financial performance between 2017-18 and 2018-19 – increasing spending from 0.2% to 32%. This can be attributed to the city’s improvements made to establish and increase institutional capacity for the success of the programme. The other cities have not experienced significant changes in their financial performance, culminating in an average of 11% this year, up from 7% last year.

The cities’ expenditure has fluctuated over the past five years, as we see in Figure 13. The City of Johannesburg reported significantly higher spending in 2016-17; however, projects, WOs and FTEs over the same period do not reflect the same peak in the trend. Although the city spent a higher proportion of its budget, that was not reflected by the numbers of WOs, FTEs, and projects implemented.
The figures reported for the other performance measures indicate that Mangaung’s performance will begin to normalise and improve as the programme begins Phase IV. If this is the case, the city’s expenditure should also increase going into the next phase.

**EPWP Integrated Grant**

“...The EPWP Integrated Grant (IG) is a conditional grant allocated to eligible public bodies to expand job creation efforts in specific focus areas, where labour-intensive delivery methods can be maximised. It is referred to as ‘integrated’ as it allows the grant to be used for EPWP purposes across more than one sector.”

As one of its key characteristics, the EPWP IG aims to fund labour-intensive projects. It re-focuses the element of performance in terms of creating a minimum number of FTEs with existing budget allocations, and achieving a minimum labour intensity. The IG is allocated as follows:

- **The EPWP Grant is designed to provide additional funds to those public bodies creating more work using their available budgets.**
- **The size of the grant allocation, to provincial departments in particular, is partly determined by the labour intensity of their EPWP programmes/projects in the previous financial year.**
- **In general, the planning process for the grant requires public bodies to identify projects that have a labour intensity above a certain minimum (10% for the Infrastructure Sector; 35% for the Environment and Culture Sector; and 35% for the Social Sector) to be funded from the grant. This is then reviewed by the National Department of Public Works for further input into project design. This process was adopted to directly influence the labour intensity of EPWP programmes/projects – not just in terms of the level of wages, but more importantly in terms of the magnitude of work created.**
- **The Technical Support Programme developed by the National Department of Public Works deploys dedicated, focused technical support to public bodies; these technical support teams are equipped with a set of tools and guidelines for planning labour-intensive construction and delivery.”

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Figure 14 shows the IG allocations of the cities over the duration of Phase III of the EPWP. It can be seen that eThekwini's IG grant allocations have increased consistently over the last five years. This can be attributed to the city being able to create large numbers of FTEs over the years through maintenance-based projects such as the Zibambele programme.

Figure 15 shows the IG spending of the nine cities in 2018-19 as a percentage of the allocation from the DPWI. One of the emerging themes across the members of the SACN-EPWP RG over Phase III has been that cities are heavily reliant on the IG for the implementation of projects rather than on line budgets. This is also evident in that on average, the cities have spent 95% of their IG allocations, but only 11% of their total budgets including professional fees.

It is important that cities utilise their budgets to create longer-duration WOs in the form of FTEs. This may require innovative solutions to the design and implementation of EPWP projects across the cities. One such solution is the implementation of longer-term programmes such as road maintenance projects, which create a high number of WOs and a high proportion of FTEs per WO created.
Figure 15: EPWP Integrated Grant spending as a percentage of allocation (2018-19)

**Total wages paid out to EPWP employees**

One of the governing principles of the EPWP is social protection; it seeks to provide an income for the poor in the form of wages, while providing training and work experience. The total wage figure paid to EPWP employees by each of the nine cities in 2018-19 is shown in Figure 16. Total wages paid per city are calculated as the product of the number of WOs and the wage rate per EPWP employee. As such, an increase in the wage rate will result in an increase in total wages paid out; similarly with an increase in the number of WOs. Conversely, a decrease in either number of WOs or the wage rate, depending on the extent, could result in either a decrease in or no change to total wages paid. On average, the total wages paid decreased from R100 714 in 2017-18 to R90 065 in 2018-19. Interestingly, however, the number of WOs reported has increased by 8% over the past two years, and the wage rate has increased by 7% (see Figure 18). The only remaining variable that could account for the 11% decrease in total wages, therefore, is the 1% decrease in expenditure between 2017-18 and 2018-19. This has also resulted in a decrease in cost per WO over the same period (see Figure 19).

Figure 16: Total wages paid out (2018-19)
In 2018-19, similarly to the previous financial year, eThekwini paid the highest wages. The minimum daily wage rate in the city (see Figure 18) and the number of projects implemented increased; while the number of WOs decreased slightly, resulting in an increase in the total wages paid out in 2018-19. The institutional improvements made in Mangaung have resulted in an 81% increase in total wages paid (see Figure 17), as the city begins to grow the number of WOs created and projects implemented, and improves financial performance.

![Figure 17: Percentage increase in total wages paid out (2017/18-2018/19)](image)

**Average minimum daily wage rates per EPWP participant**

The decrease in total wages paid out by the City of Johannesburg and the City of Tshwane can be observed in the decrease in expenditure, as indicated in Figure 13 above. The City of Tshwane’s minimum daily wage rate has also decreased, from R172.21 in 2017-18 to R161.97 in 2018-19 (see Figure 18).

In 2017 Mr Stanley Henderson, the Deputy Director General for EPWP (DPWI), announced that the minimum wage for EPWP participants would increase from R83.59 to R88.00 per day, effective 1 November 2017. However, each city sets its wage rate at its own discretion; therefore wage rates will differ from city to city. They may also differ between projects within the same city. But whatever the circumstances, a wage rate cannot be lower than R88.00 per day. The daily wage rate trend for each of the nine cities over Phase III is illustrated in Figure 18. On average, the minimum daily wage rate paid per EPWP participant for Phase III has increased consistently every year. The cities have made allowances for economic factors such as inflation and the increased cost of living from one year to the next. Since part of the EPWP meeting the NDP objectives is to contribute to poverty alleviation through job creation, higher wage rates would imply a greater impact on meeting this goal. This is more evidence that the EPWP continues to have a positive impact on the livelihoods of the participants.

As evidenced in Figure 16, eThekwini paid out the highest wages in Rand value; this is consistent with Figure 18, which shows that the city has the highest minimum wage rate of the nine cities. However, total expenditure for the city has not increased between 2017-18 and 2018-19, largely due to the decrease in WOs created over the past two years.
In order to evaluate the cities’ effectiveness at utilising project budgets to create EPWP jobs, the cost per WO is evaluated (presented in Figure 19, for the duration of Phase III). Cost per WO is calculated as total expenditure for each year over total number of WOs created that year. It is essentially a measure of the cost of all activities and elements required to create one EPWP work opportunity, and not necessarily only the cost of wages paid. The measure also includes aspects such as professional fees required to implement EPWP projects. Consequently, expenditure is a function of the type of project, the type of professional services required, the number and nature of the service providers, and the total number of WOs created.

As such, an increase in number of WOs may result in a decrease in cost per WO, provided the total expenditure remains relatively constant. Thus, an increase in expenditure without a significant increase in WOs may result in higher costs per WO. This may be an indication that the cities are not utilising their budgets effectively to create WOs. An increase in the cost per WO may also be caused by factors such as inflation, which results in increased cost of living, and consequently, higher wage rates, professional fees, materials costs and other incidentals.

On average, over the past three reporting periods, the cities have increased the number of WOs and decreased expenditure. This may be an indication that the cities have learned over past reporting periods and phases to utilise allocations more effectively to create WOs. However, this may have resulted in the underspending seen in Figure 12 and Figure 13. In order to find a balance, it is recommended that the surplus allocations be used to implement accredited training programmes, which remain a challenge.
Figure 19: Cost per work opportunity (2014/15-2018/19)

For the City of Johannesburg, the peak in the trend in 2016-17 echoes the spike in expenditure in Figure 13 above. Since the number of WOs did not increase drastically in that year, but expenditure did, cost per work opportunity also peaked – meaning that the city spent considerably more in Rand value to create each work opportunity. It should be noted, however, that the cost per work opportunity accounts for all cost-related elements involved in creating EPWP jobs, and not solely the cost of wages paid out to participants. Therefore, this peak in 2016-17 should not be regarded as a peak in the minimum wage rate.

Demographics of employment

The cities are also evaluated against their ability to meet employment targets in relation to demographic indicators. The Phase III targets were to generate employment in the following proportions:
It should be noted that these percentages cannot be summed in order to reflect the total number of participants. This is because a participant may be both woman and youth; or both youth and PWD; or both woman and PWD; or fall into all three categories. The definition of PWDs is based on the United Nations (UN) definition, which states that a PWD is "any person unable to ensure by himself or herself, wholly or partly, the necessities of a normal individual and/or social life, as a result of a deficiency, either congenital or not, in his or her physical or mental capabilities." Therefore, participants are expected to declare their disabilities in order for them to be reported.

The SACN EPWP RG has indicated that this reliance on self-declaration has been one of the challenges leading to under-reporting of PWDs. It has been reported by the member cities that participants are often reluctant to declare their disabilities; thus the numbers in Figure 20 and Table 11 do not necessarily reflect the reality of project demographics in the cities. Another issue that has been raised by the cities is that PWDs are at times addressed in politically incorrect terms; which may not only leave them feeling offended, but also discourage them from participating in the EPWP or declaring their disabilities. Therefore, though it may appear the nine cities are underperforming in this regard, the reality may be a lack of collected or reported data. It was also found that there are cases of PWDs being denied EPWP opportunities on the basis that they receive social grants. The wider conversation around this is whether or not those who receive social grants qualify as EPWP participants. This is an issue that should be addressed by the DPWI in the recruitment guidelines. Figure 20 shows the demographic distribution of the EPWP beneficiaries across the nine cities, as reported in the 2018-19 financial year.

Similarly to the last financial period, on average the cities were unable to meet their targets for PWDs in 2018-19. However, there were projects in this period that met and exceeded the PWD targets; the top ten are listed in Table 10.
Table 10: Top ten projects meeting PWD targets (2018-19)

<table>
<thead>
<tr>
<th>Public Body</th>
<th>Project Name</th>
<th>Sector Name</th>
<th>Programme Name</th>
<th>Sub-Programme</th>
<th>%PWDs</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Cape Town</td>
<td>13th Avenue, Kensington to Dapper Street</td>
<td>Environment and Culture</td>
<td>Sustainable Energy</td>
<td>Working for Energy</td>
<td>100%</td>
</tr>
<tr>
<td>City of Johannesburg</td>
<td>Disabled persons and children</td>
<td>Social</td>
<td>Expansion (NEW) Programme</td>
<td>Youth Development</td>
<td>88%</td>
</tr>
<tr>
<td>Nelson Mandela Bay Municipality</td>
<td>Bush Cleaning</td>
<td>Environment and Culture</td>
<td>Waste Management</td>
<td>Urban Renewal – Cleaning of Public OpenSpaces</td>
<td>77%</td>
</tr>
<tr>
<td>City of Johannesburg</td>
<td>Persons With Disability Project</td>
<td>Social</td>
<td>Expansion (NEW) Programme</td>
<td>Community-based services</td>
<td>71%</td>
</tr>
<tr>
<td>eThekwini Municipality</td>
<td>Zizamele Electrical – Disconnect Reconnect</td>
<td>Infrastructure</td>
<td>Municipal Infrastructure</td>
<td>Housing</td>
<td>50%</td>
</tr>
<tr>
<td>City of Cape Town</td>
<td>Livelihood Development Programme for PWDs</td>
<td>Social</td>
<td>Home Community-Based Care Programme (HCBC)</td>
<td>Community-based services</td>
<td>30%</td>
</tr>
<tr>
<td>City of Ekurhuleni</td>
<td>Katlehong Stadium</td>
<td>Infrastructure</td>
<td>Contractor Development</td>
<td>Vuk’uphile</td>
<td>25%</td>
</tr>
<tr>
<td>City of Cape Town</td>
<td>Geo-Information project</td>
<td>Infrastructure</td>
<td>Municipal Infrastructure</td>
<td>Buildings</td>
<td>25%</td>
</tr>
<tr>
<td>City of Ekurhuleni</td>
<td>Hospital View Park Tembisa</td>
<td>Environment and Culture</td>
<td>Parks and Beautification</td>
<td>Community parks</td>
<td>25%</td>
</tr>
<tr>
<td>City of Johannesburg</td>
<td>Lutz Substation</td>
<td>Infrastructure</td>
<td>Municipal Infrastructure</td>
<td>Housing</td>
<td>17%</td>
</tr>
</tbody>
</table>

Some of the projects listed were specifically designed to focus on PWDs; for example, the Working with Energy project from the City of Cape Town, and the PWD Youth Development and Community-Based Services projects from the City of Johannesburg. It would seem that EPWP jobs do not naturally lend themselves to accommodating PWDs, especially in the Infrastructure sector, and therefore cities must make a deliberate effort to design and implement projects specifically targeting PWDs. This may require innovative thinking and specialised targeting strategies.

In the first quarter of 2019, StatsSA reported that 55.2% of youth aged between 15 and 24 years were unemployed, making them the most vulnerable in the South African workforce. At the 2019 Youth Day commemoration ceremony in Polokwane, President Cyril Ramaphosa described the youth unemployment challenge in South Africa as a “shame on our country’s conscience”. It is therefore the duty of the government and the cities to put systems, strategies, processes and policies in place to combat youth unemployment and meet the WO targets aimed at this demographic. Table 11 shows the cities’ performance against demographic targets for the duration of Phase III of the EPWP.

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20http://www.statsa.gov.za/?p=12121#targetText=The%20youth%20aged%2015%E2%80%9324,1st%20quarter%20of%202019.
Table 11: Demographics of EPWP beneficiaries (2014/15-2018/19)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% Youth</td>
<td>% Women</td>
<td>% PWDs</td>
<td>% Youth</td>
<td>% Women</td>
</tr>
<tr>
<td>Buffalo City Metropolitan Municipality</td>
<td>47%</td>
<td>38%</td>
<td>0%</td>
<td>40%</td>
<td>47%</td>
</tr>
<tr>
<td>City of Cape Town</td>
<td>59%</td>
<td>47%</td>
<td>0%</td>
<td>57%</td>
<td>59%</td>
</tr>
<tr>
<td>City of Johannesburg</td>
<td>60%</td>
<td>29%</td>
<td>0%</td>
<td>63%</td>
<td>43%</td>
</tr>
<tr>
<td>City of Tshwane</td>
<td>71%</td>
<td>55%</td>
<td>0%</td>
<td>52%</td>
<td>55%</td>
</tr>
<tr>
<td>City of Ekurhuleni</td>
<td>62%</td>
<td>54%</td>
<td>0%</td>
<td>59%</td>
<td>61%</td>
</tr>
<tr>
<td>eThekwini Municipality</td>
<td>37%</td>
<td>62%</td>
<td>0%</td>
<td>28%</td>
<td>69%</td>
</tr>
<tr>
<td>Mangaung Metropolitan Municipality</td>
<td>61%</td>
<td>45%</td>
<td>0%</td>
<td>54%</td>
<td>44%</td>
</tr>
<tr>
<td>Msunduzi Municipality</td>
<td>58%</td>
<td>54%</td>
<td>0%</td>
<td>49%</td>
<td>61%</td>
</tr>
<tr>
<td>Nelson Mandela Bay Municipality</td>
<td>53%</td>
<td>46%</td>
<td>0%</td>
<td>50%</td>
<td>38%</td>
</tr>
</tbody>
</table>

The cities implemented a number of Youth Development programmes in 2018-19, in a bid to meet youth employment targets. However, on a cumulative basis, only four of the nine cities created at least 55% WOs for the youth. Similarly, five out of the nine cities either met or exceeded their targets in terms of WOs for women. This was typically done through projects that are similar to those that were used to create high rates of youth employment; that is, Youth Development and data-capturing projects. Some of the Youth Development Programmes that created a high number of WOs were:

- Cape Innovation and Technology Pilot Youth Initiative
- ICT Technical Skills Training
- BPeSA WV Pilot Youth Project
- CR Water Crisis Project
- Community Cultural Development Programme
- Cultural Planning Programme
- ECD Audit: Registration and Compliance
- EPWP Fleet Operations
- EPWP Private Hire
- EPWP Revenue Admin Students
- LIS Admin Student project
- LIS Assignment Assistance
- Mayoral Youth Skills Development Programme Samora
- SCM EPWP Assistants
- Skills Programme for Students Learners and Youth
- Transversal Youth Development Database Project
- Disabled Persons and Children
- EPWP Co-ops Training
EPWP Sector Analysis for the Cities

This section of the report focuses on the sectors in which the nine cities are implementing EPWP projects. The predominant sector is Infrastructure, but the cities are also implementing projects in the Environment and Culture and Social sectors.

Figure 21 shows the WOs reported by each of the nine cities in the Infrastructure, Environment and Culture, and Social sectors.

The cities generally implement a majority of projects in the Infrastructure sector, through strategies such as LIC methods, and maintenance-based initiatives such as the Zibambele programme implemented by eThekwini. However, in 2018-19, similarly to the previous year, the City of Cape Town created most of its WOs through initiatives such as the parks and waste projects in the Environment and Culture Sector. Buffalo City, Msunduzi, Mangaung and the City of Tshwane have also created higher numbers of WOs through the Environment and Culture sector. Through the significantly higher number of WOs created in these projects, the collective average for the nine cities has resulted in the Environment and Culture sector reporting the highest average number of WOs.

Infrastructure Sector

The Infrastructure sector is led by the DPWI, which collaborates with the Departments of Transport, Cooperative Governance, Water Affairs and Sanitation, Human Settlements, Mineral Resources, and Energy.

The provinces and municipalities implement most of the Infrastructure projects. While all provinces and 99% of municipalities are already contributing to the EPWP, many provincial departments and municipalities should consider increasing their contribution. The continued growth of the sector will depend on the extent to which some of the underperforming provinces and municipalities can increase their performance, by implementing more labour-intensive projects. The establishment of dedicated labour-intensive maintenance programmes that have the potential to provide regular employment to large numbers of people, especially in rural areas, will also assist in this regard.
The key EPWP infrastructure programmes include:

- **Vuk’uphile Learnership Programme**: This programme trains individuals in labour-intensive methods of construction, to become contractors at National Qualifications Framework (NQF) level 2, and supervisors at NQF level 4;
- **National Youth Service Programme**: This is a year-long skills training and development intervention that aims to provide unemployed youth with technical skills, life skills, access to practical work experience, and mentoring;
- **Large Projects**: These are projects with a minimum budget of R30 million, aimed at ensuring the delivery of large-budget projects based on EPWP principles and meaningful development of emerging contractors; and
- **Provincial Roads Programme**: This programme provides assistance to provincial roads departments, to help them implement labour-intensive projects and programmes. The assistance is provided in partnership with the national Department of Transport and focuses on rural access roads.

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 (LIC) methods to provide WOs for local unemployed people;
- providing training and skills development to local unemployed people; and
- building cost-effective, quality assets.

**Figure 22** shows the WO targets for the 2018-19 financial year against the number of WOs that were reported by each city in the Infrastructure sector.

Consistent with overall performance against WO targets in 2018-19, the cities did not meet their targets for the Infrastructure sector. As illustrated in **Table 23**, analysis over the duration of Phase III shows that the cities’ performance began to drop in 2014-15. This can be attributed to the changes in the reporting requirements, as alluded to in the previous SACN *State of the EPWP in South African Cities* annual report. It has also been suggested that the targets for Phase III were set too high, and did not take into consideration the capacity of the cities to meet those targets. There have been slight improvements in performance since 2015-16, following institutional changes by the cities aimed at improving reporting, and the technical support provided by the DPWI.
Environmental and Cultural Sector

The Environment and Culture sector builds South Africa’s natural and cultural heritage; and in doing so, dynamically uses heritage to create both medium- and long-term work and social benefits, while at the same time responding to climate-change challenges.

The key aim of the sector is to deliver programmes that create WOs, and to link people in the marginalised ‘second economy’ with opportunities and resources that will enable their participation in the developed ‘first economy’, through generating useful outputs and positive outcomes in the areas of environment, heritage (including tourism development) and biodiversity.

The objectives of the sector are:

• to create jobs and provide training, and through these jobs, facilitate long-term employment;
• to link marginalised people with opportunities and resources, to enable their participation in the developed ‘mainstream economy’;
• to integrate sustainable rural development and urban renewal;
• to create land-based livelihoods;
• to promote community-based natural resource management;
• to develop natural resources and cultural heritage;
• to rehabilitate natural resources and protect biodiversity; and
• to promote tourism.

The nine cities seem to be performing better in the Environment and Culture sector (see Figure 24). In the last financial year, six of the nine cities achieved and exceeded their WO targets. There has been an improvement this year, with eight of the nine cities exceeding their targets for 2018-19.
From Figure 25, it is clear that on average, the performance of the cities had started to improve following the sharp decline in 2015-16. The data also shows that the City of Cape Town has consistently reported the highest number of WOs, especially in the Environment and Culture sector, throughout Phase III.
Social Sector

A key focus of the Social sector is to equip pre-school teachers and support staff with adequate training, so that they can pass on their knowledge to benefit the country’s children in the long term. The social cluster comprises the Departments of Social Development, Education, and Health. Much of the work of these three departments relies on the input of volunteers and civil society organisations, and is suitable for the development of the EPWP.

Figure 26 shows the WO performance of the nine cities in the Social sector for the 2018-19 financial year. In 2017-18, Mangaung had not reported any WOs in the Social sector; but this changed in 2018-19, after the re-establishment of the EPWP unit in South Africa. The city reported 88 WOs in the Social sector, accounting for 29% of the Social sector WO targets. The City of Cape Town achieved a high number of WOs, through projects such as the Community-based Service Programmes.
While a number of programmes present a range of opportunities for work creation, the following programmes are flagship programmes for the Social sector:

- **Early childhood development (ECD):** The main purpose of early childhood development is to protect children's rights. The ultimate goal is to improve young children's capacity to develop and learn. ECD interventions include educating and supporting parents, delivering services to children, developing the capabilities of caregivers and teachers, and using mass communication to enhance parents' and caregivers' knowledge and practices.

- **Home/community-based care (HCBC):** This entails the provision of comprehensive services, including health and social services, by formal and informal caregivers in the HCBC support programmes. It is prioritised as a cost-effective response substitute for a significant portion of AIDS-related hospital care. The programme aims to facilitate the laying of a foundation for launching the Community Health and Development Worker Programme, by equipping unemployed individuals with foundation skills and experience.

- **School nutrition programme:** Community members are employed as food handlers to provide food to children from needy families, thereby addressing malnutrition.

- **Community crime prevention:** Community members are encouraged, by employing volunteers in EPWP projects, to help 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. The objective is to promote good health, self-realisation, community development, and social cohesion.

- **Kha Ri Gude (Tshivenda for 'let us learn'):** This is a mass literacy campaign aimed at adults who missed out on schooling and who cannot read or write, inviting them to join literacy classes provided across the country.
Figure 27 shows the impact of the reporting system changes on the WOs created in the Social sector in Phase III of the EPWP, which is similar to the trend observed in the other two sectors. It is evident that the political changes in Mangaung had an adverse effect on the city; however, its performance has improved over the past two reporting periods. Msunduzi’s performance over the past five years can be attributed to the size and capacity of the municipality when compared to the other eight cities, which have reached metropolitan status. However, unlike other local municipalities, Msunduzi has benefited from the knowledge-sharing platform it shares with the metros, in the form of the SACN EPWP Reference Group.

Although the Infrastructure, Environment and Culture, and Social sectors are strategically targeted sectors, Phase IV of the programme may need to consider the trends and themes that South Africa is moving towards in terms of employment creation, technology and emerging industries. Examples include Information and Communications Technology (ICT), manufacturing, and e-commerce. These are some of the sectors where innovative strategies are required in order to maximise EPWP jobs and widen the reach of the programme.
The year 2018/19 marked the final year of EPWP Phase III. The cities faced varied challenges throughout the phase; these have given rise to some important lessons and innovative solutions. Table 12 presents some of the key challenges that were prevalent (and shared by many of the cities) throughout Phase III.

It is hoped that these recommendations and lessons learned may be utilised by the cities as they enter Phase IV of the programme. The challenges and solutions can be used as drivers of policy, strategy, and process conversations, to achieve better outcomes over the next five-year period.

Table 12: Challenges faced by the SACN-EPWP RG in Phase III

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Proposed Solution</th>
</tr>
</thead>
</table>
| Under-reporting/reporting on non-compliant data due to changes to reporting requirements | • DPWI has provided technical support to the cities to assist with appropriate data capturing and reporting.  
• The cities have employed dedicated EPWP data capturers to boost institutional capacity.  
• Reporting requirements have been included in contract documents with service providers to reduce under-reporting.  
• EPWP targets have been added to Head of Department scorecards, which has led to increased accountability.  
• Adding EPWP performance monitoring and reporting as part of the cities’ executive management meeting agendas, to improve accountability and buy-in. |
| Significantly low performance in relation to training                      | • Adherence to DPWI Recruitment Guidelines, and aligning policies to cater for the Guidelines, in order to develop appropriate targeting methods for PWDs.  
• Establishment of city-specific recruitment guidelines to create a database of workers.  
• Forming partnerships with other organisations who deal with PWDs to assist with identifying and targeting appropriate participants. |
| Workers demanding permanent jobs                                           | • Ensuring that the conditions of the EPWP (short-to medium-term nature of jobs) are understood by all parties (participants, implementing agents and political leaders) at the outset.  
• Providing accredited training for transferable skills and development, to allow participants the ability to enter the formal job market.  
• Utilising the wage rate for self-selection, to ensure that participants who enter the programme are not leaving formal employment for EPWP jobs. |

As highlighted in the Indlulamithi 2030 Scenarios, the shortage of artisans constitutes a significant skills gap in the South African labour market. However, only three of the top twenty projects in terms of number of WOs created were artisan based. These were the Zibambele Programme and the Ablution Maintenance Project, from eThekwini, and the Janitorial Services Project, from the City of Cape Town. It could therefore be said that the types of projects implemented by the cities are not aligned to some of the country's core issues. In addition to eThekwini and the City of Cape Town, other cities in the SACN-EPWP RG are taking positive steps towards the development of artisanal skills. One such example is the EPWP Water Stewards project implemented by Ekurhuleni in 2018-19. This programme focused on developing plumbing skills, while maintaining the city’s water resources and preserving this precious commodity.
Lessons Learned

The review of Phase III of the EPWP has revealed that the targets set for the phase were relatively high, and may not have taken into account the capacity of the implementing departments to meet those targets. Consequently, Phase IV of the programme has revised the targets, setting an overall national target of a minimum of 5 million work opportunities over the next five years – highlighted in above, along with other lessons that emerged from the Phase III review.

Over the past five years the cities have faced a number of challenges; however, they have also implemented innovative solutions to combat such issues. For example, the City of Tshwane implemented a recruitment strategy using a lottery system that allows for workers’ data to be stored and utilised from project to project as a targeting system. In order to deal with issues such as under-reporting, the cities have built up their institutional capacity by creating and filling permanent EPWP data capturer roles. Many of the cities have since made reporting requirements and targets part of their executive leadership key performance indicators, in order to encourage reporting and foster accountability.

The collapse of Mangaung’s institutional structure earlier in Phase III was a key indicator of the importance of an established, dedicated EPWP structure in each city, with trained officials who understand the programme and its underlying principles and policies. This along with political championship is required for the effective implementation of the EPWP, in order to ensure the success of the programme and to meet targets.

Training remains a key challenge in the cities – one that has not necessarily yielded impactful, evidenced solutions. The strategies implemented by the City of Cape Town, for instance, could be used to improve training performance. The city allocates part of its budget to projects that are solely training focused. These projects also target the youth, in order to transfer useful skills. This strategy – coupled with the recommendation to partner with higher education institutes and accreditation organisations – will ensure that the training targets the needs of the country’s job market (e.g. the shortage of skilled artisans), and gives participants transferable skills that they can use beyond the EPWP. In this way, cities will have achieved skills development, youth employment, effective exit strategies, and improved budget-to-expenditure performance.

“Over the past five years the cities have faced a number of challenges; however, they have also implemented innovative solutions to combat such issues.”
Overview of the EPWP in the city
Buffalo City Metropolitan Municipality (BCMM) began implementing the Expanded Public Works Programme in the 2013-14 financial year. At that time the EPWP was located in the Executive Support Services Directorate. The directorate drove and steered programme implementation, including the crafting and development of the BCMM’s first EPWP Policy. In 2018-19 the municipality implemented projects in the Municipal Services, Engineering Services, Human Settlement Services, Economic Development Agencies and Development Planning directorates.

Policy and implementation
Buffalo City Metropolitan Municipal Council adopted the Phase III EPWP Policy in 2013, through a Council Resolution. The policy has been used as a legal framework to guide and regulate the implementation of the EPWP. The municipality has also drafted policy to be aligned with Phase IV, which has been presented to the Mayoral Committee and the EPWP Steering Committee.

Institutional arrangements
The institutional structure currently in operation in the city (see Figure 28) was adopted in the 2013-14 financial year, with the following objective:

To have each directorate make a systematic effort to target the unskilled and unemployed and develop a plan to utilise their budgets to draw significant numbers of the unemployed into productive work, in such a way that workers are given an opportunity to gain life and job-specific skills while they work to increase their chances of getting out of the pool of marginalised, unemployed people.

The Executive Mayor provides political leadership for the EPWP, and is responsible for appointing three Members of the Mayoral Committee (MMCs) to champion and lead the programme within the BCMM. The MMCs are responsible for ensuring that the EPWP is entrenched within the city’s IDP and key policies and programmes. The city’s EPWP Unit falls under the office of the City Manager, and reports directly to the City Manager through the General Manager of Operations.
Figure 28: Buffalo City Metropolitan Municipality institutional arrangements

Table 14: Buffalo City Metropolitan Municipality 2018-19 integrated grant

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total grant allocation</td>
<td>R4.05 million</td>
</tr>
<tr>
<td>Total grant funding received</td>
<td>R4.05 million</td>
</tr>
<tr>
<td>Cumulative spending (2018-19)</td>
<td>R4.05 million</td>
</tr>
<tr>
<td>Balance</td>
<td>R0</td>
</tr>
<tr>
<td>% spending (of allocation)</td>
<td>100%</td>
</tr>
<tr>
<td>% spending (of transfer)</td>
<td>100%</td>
</tr>
</tbody>
</table>
Progress
In 2018-19, the municipality implemented 52 EPWP projects in the Infrastructure, Environment and Culture, and Social sectors, creating 2,600 WOs and 994 FTEs (Table 15).

<table>
<thead>
<tr>
<th>Table 15: Buffalo City Metropolitan Municipality EPWP progress (2018-19)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of projects implemented</td>
</tr>
<tr>
<td>Number of WOs created</td>
</tr>
<tr>
<td>Number of FTEs</td>
</tr>
<tr>
<td>Expenditure (R)</td>
</tr>
<tr>
<td>Wages (R)</td>
</tr>
</tbody>
</table>

Flagship Projects and Success

Administrators and Data Capturers
The project consists of eighteen participants who provide both technical and administrative support to all EPWP projects implemented by the BCMM. This project has ensured that all EPWP projects, as well as the work opportunities, are registered and reported on the DPWI-EPWP Reporting System.

Duncan Village Revitalisation Programme
A novel and unique programme that targets in-school and out-of-school youth. The programme has not only created work opportunities for unemployed youth, but has provided much-needed support to schools in areas such as curriculum support and sports coaching.

Ginsberg Cleaning & Beautification
The project provided support to both the Solid Waste and the Parks and Cemeteries departments. The services provided through the programme were expedient during the festive season, the preparations for the ANC’s 8 January celebrations and the Easter weekend. It improved the look and feel of King William's Town and Bhisho.

Challenges
The coordination and implementation of the EPWP in Buffalo City Metropolitan Municipality have not been without their challenges. The following are just some of the major challenges experienced in 2018-19:

- The EPWP Unit has not been properly staffed, and its capacity to coordinate, monitor and report is thus compromised.
- The unit remains an unfunded mandate, despite the existence of an EPWP Institutional Arrangement Framework and Protocol Agreement signed by the Minister of Public Works and endorsed by the Executive Mayor through a council resolution.
- Councillor interference in the recruitment of participants.
- Participants refusing to enter into new contracts, with the expectation that they would be absorbed by BCMM.
- The failure of Ward Councillors to rotate participants drawn from their wards.
- Participants who develop a sense of entitlement to EPWP vacancies, and attempt to force their continued participation through nefarious means.
- Some directorates do not have data capturers and refuse the support offered by the EPWP Unit, which has led to under-reporting or non-reporting of WOs.
- Some projects are declared EPWP projects, but are not registered and reported in the EPWP reporting system.
- Some directorates depend solely on the EPWP IG, instead of setting aside part of their budget for EPWP projects. The EPWP is perceived as an add-on and an unfunded mandate by some of the city’s executive leadership.
- Contractors are reluctant to comply with the Ministerial Determination with regard to payment of Occupational Health and Safety (OHS), Unemployment Insurance Fund (UIF), Compensation on Disease and Injury (COIDA), and the minimum wage.
Lessons Learned

- The BCMM is currently undergoing an institutional review process that aims to enhance back-to-back accountability. This will also ensure that the EPWP Unit is strengthened within the office of the City Manager.
- The mid-term Budget Review process has been identified as a strategic platform to initiate the process of proper funding-arrangement setting for the EPWP.
- There is a planned Councillors Workshop on the recently published EPWP Recruitment Guidelines, which will provide a scientific basis to streamline and better manage recruitment processes.
- The administrators and data capturers project is to be implemented fully as a support mechanism to all EPWP projects in BCMM.

The Buffalo City Metropolitan Municipality
Institutional Structure Objective

To have each directorate make a systematic effort to target the unskilled and unemployed and develop a plan to utilise their budgets to draw significant numbers of the unemployed into productive work, in such a way that workers are given an opportunity to gain life and job-specific skills while they work to increase their chances of getting out of the pool of marginalised, unemployed people.
JOHANNESBURG
Overview of the EPWP in the city
The decision taken by the City of Johannesburg (CoJ) to have EPWP as a standing agenda item in important decision-making forums, such as Technical Clusters, Sub-Mayoral Clusters and EMT, has yielded and continues to yield positive results, where there is political buy-in. A Member of Mayoral Committee (MMC) EPWP workshop was held in July 2019 as an EPWP reorientation drive, and to enforce political buy-in. Administratively, all Heads of Departments and Municipal-Owned Entities (Depts/MoEs) have committed and are showing accountability in implementation and in meeting EPWP targets, which are incorporated into business plans as well as performance scorecards.

Policy And Implementation
The CoJ EPWP Phase III Policy Framework was approved by Council in July 2015, in line with EPWP Phase III strategies.

Key changes in Phase III EPWP Policy:
- Reconfirmation of the City’s EPWP slogan, ‘Every project an EPWP project’;
- Emphasis on EPWP reporting requirements;
- Institutional arrangements, ensuring that everyone plays a role in the implementation of the EPWP.

Institutional Arrangements
The EPWP Advisory and Coordination Office is strategically housed at the Department of Economic Development, which is a driver of economic growth. Figure 29 shows the city’s overall EPWP coordination structure.
Figure 29: City of Johannesburg institutional arrangements

Figure 30 shows the CoJ’s dedicated EPWP Unit arrangement.

Figure 30: City of Johannesburg EPWP Unit structure
The Integrated Grant allocation contributes less than one percent of the City’s annual capex and opex budgets. The City has fair and transparent grant disbursement processes and criteria. One of the challenges experienced by the city in 2018-19 was the delay in the implementation of IG-funded projects. As a result, the DPWI temporarily withheld the second tranche of the IG allocation which delayed the implementation of IG projects; however, the city was able to increase performance during the year and received the full IG allocation for 2018-19.

Table 16 shows the city’s performance regarding the EPWP IG for the 2018-19 financial year.

Table 16: City of Johannesburg budget allocation (2018-19)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total grant allocation</td>
<td>R34.74 million</td>
</tr>
<tr>
<td>Total grant funding received</td>
<td>R34.74 million</td>
</tr>
<tr>
<td>Cumulative spending (2018/19)</td>
<td>R34.10 million</td>
</tr>
<tr>
<td>Balance</td>
<td>R0.64 million</td>
</tr>
<tr>
<td>% spending (of allocation)</td>
<td>98%</td>
</tr>
<tr>
<td>% spending (of transfer)</td>
<td>98%</td>
</tr>
</tbody>
</table>

**Budget Allocations**

**Integrated Grant**

R34.74 million

Received in grant funding

98% SPENT

**Progress**

The City always adheres to EPWP legislation. Implementing departments and municipal entities are encouraged to engage participants for not more than 24 months, to avoid creating the expectation of permanent absorption, especially in the Social and Environment and Culture sectors.

The City implemented 330 EPWP projects in 2018-19, resulting in 16 761 WOs and 2 243 FTEs.

Table 17: City of Johannesburg EPWP progress (2018/19)

| Number of projects implemented | 330 |
| Number of WOs created          | 16 761 |
| Number of FTEs                 | 2 243 |
| Expenditure (R)                | R90.67 million |
| Wages (R)                      | R90.67 million |

**Flagship Projects and Success**

*Johannesburg Water Vuk’uphile Learner Contractors Programme*

The Johannesburg Water Vuk’uphile Learner Contractors Programme is an infrastructure project that entails the replacement of water pipes at Greenside, Emmarentia, in region B. The programme is implemented in line with the DPWI requirements, and has been focused on and is consistent with ensuring compliance. The programme is implemented by Johannesburg Water, which is an entity of the City of Johannesburg. The value of the project is R27 million, and the programme has accommodated 24 Learner Contractors; 164 work opportunities have been created, with a daily EPWP rate of R160 for each participant.
Table 18: City of Johannesburg challenges and interventions (2018-19)

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Intervention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under/non-reporting in other Depts/MoEs</td>
<td>An ‘Instructions note EPWP Compliance’.</td>
</tr>
<tr>
<td>Not all Depts/MoEs have dedicated EPWP Champions</td>
<td>Dedicated EPWP Champions appointed in decision-making positions</td>
</tr>
<tr>
<td>EPWP requirements not incorporated into pro-forma tender documents</td>
<td>One-on-one reorientation workshops with all Depts/MoEs</td>
</tr>
</tbody>
</table>
| Lack of awareness of EPWP implementation, reporting and compliance        | • Monitoring and tracking of capex projects implementation  
• Issuing of letters to non-performing Depts/MoEs on a quarterly basis  
• Developing Standard Operating Procedures (SOPs), to enforce timely reporting and compliance |
| Accountability, i.e. EPWP targets not incorporated by Heads of Depts/MoEs or personnel responsible for project management | 2019-20 EPWP targets incorporated into HOD, CEO, MD, Project Manager and EPWP Champion scorecards, as well as business plans. |

Lessons Learned

While reporting is essential, continuous EPWP reorientation, re-education and/or induction processes are necessary to recalibrate and therefore bolster and encourage timeous reporting and compliance, as well as political buy-in. The City has also noted that the incorporation of EPWP reporting requirements into tender documents ensures that reporting is not compromised, all the way from project level. This means withholding payment from or imposing a penalty on a contractor/service provider for failing to submit an EPWP portfolio of evidence. Finally, EPWP targets are to be incorporated into Dept/MoE business plans, and into scorecards for HoDs, MDs, CEOs, and officials responsible for project management.

City of Jo’burg EPWP Projects Implemented 330

Wages Paid R90.67m

The City of Johannesburg implemented 330 EPWP projects in 2018-19, resulting in 16 761 WOs created, 2 243 FTEs, and paid a total of R90.67 million in wages over that period.
TSHWANE
Overview of the EPWP in the city
The persistently high rate of unemployment in South Africa is one of the most pressing socio-economic challenges facing the government, and similarly the City of Tshwane. To respond to these challenges, the City adopted economic growth and job creation into its five strategic pillars:

- Pillar 1: A City that facilitates economic growth and job creation
- Pillar 2: A City that cares for residents and promotes inclusivity
- Pillar 3: A City that delivers excellent services and protects the environment
- Pillar 4: A City that keeps residents safe
- Pillar 5: A City that is open, honest and responsive

The EPWP division is housed in the Community & Social Development Department. The division is responsible for the coordination of the EPWP in the City, which includes setting targets for all City departments.

The City’s targets for the 2018/19 financial year were shared between City Departments as follows:

<table>
<thead>
<tr>
<th>Office</th>
<th>WO Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Manager and Executive Mayor’s Offices</td>
<td>850</td>
</tr>
<tr>
<td>Chief Operational Officer’s Cluster</td>
<td>22,730</td>
</tr>
<tr>
<td>Governance Support Officer’s Cluster</td>
<td>1,420</td>
</tr>
</tbody>
</table>
**Policy And Implementation**

The City is currently reviewing its EPWP policy, to align with Phase IV and City EPWP recruitment guidelines. Among other objectives, the policy will provide background with regard to national and provincial perspectives on the EPWP, coordination within the City, an overview of EPWP sectors, national and City job-creation targets, and reporting requirements. The revision will take into consideration identified gaps and challenges that appear to hinder job creation, which includes clarifying roles and responsibilities with regard to reporting and accountability for audits.

**Institutional Arrangements**

Figure 31 reflects the EPWP’s position at macro structure level, with the Executive Mayor being the political champion and City Manager being the administrative champion. The EPWP division is housed in the Community and Social Development Services Department, where it reports to the Head of the Department through its Divisional Head. The Head of Department reports directly to the Chief Operations Officer, who reports to the City Manager.

Figure 31: City of Tshwane higher-level institutional arrangements

**Figure 32** shows the operational structure for the EPWP division. The EPWP Steering Committee was established to ease EPWP coordination in the City. The committee comprises representatives (named ‘EPWP champions’) from each Department or Region. The champions report their EPWP performance to the division monthly, through the EPWP specialists.

Specialists are assigned to different departments according to department mandate and relevant EPWP sector. The division is expecting the appointment of seven Regional Coordinators, who will assist the departments to track source documents and facilitate reporting.
The EPWP is a national programme, and its implementation is governed by national legislation and guidelines. To support national legislation, the city developed EPWP Policy and Recruitment guidelines. The Acts that refer to the EPWP are:

- No R347: Basic Conditions of Employment Act, 1997 Ministerial Determination: Expanded Public Works Programmes;
- No. 42060: National Minimum Wage Act, 2018

These pieces of legislation are very clear on the definition of EPWP and what it aims to achieve. Given this legislation and the strictly-defined contracts of employment, the City is still experiencing challenges with EPWP employment conditions, associated mainly with duration of employment and stipend amount. When contracts come to an end, the City experiences protests, as participants claim permanent employment; which leads to the City spending more resources on labour issues.
Most of the projects in the City of Tshwane were created in the Environment and Culture sector, with 114% performance according to the set targets in the sector. The table below shows the projects and WOs created per sector by the city in the 2018/19 financial year.

<table>
<thead>
<tr>
<th>Work Opportunities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector</td>
<td>Target</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>1 916</td>
</tr>
<tr>
<td>Environment &amp; Culture</td>
<td>4 362</td>
</tr>
<tr>
<td>Social</td>
<td>879</td>
</tr>
</tbody>
</table>

Number of work opportunities reported and found to be non-compliant: 7 500.

Flagship Projects and Success

*EPWP Database of Jobseekers*

The City’s initiative to develop a database of jobseekers provided a fair opportunity for residents to participate in EPWP projects. The database was developed in 2017, following the approval of recruitment guidelines by the Council. The guidelines were approved on 28 September 2017. The database has registered 120 683 jobseekers. Participants are recruited randomly from the database in a fair and transparent manner. A total of 3 000 participants were recruited from the database initially, starting work from January 2018. To date, about 20 500 have been recruited from the database, and 13 000 signed contracts with different departments for different projects.

Lessons were learned during the implementation of the database, including the following:

- The recruitment did not include as many people as anticipated; some wards did not have sufficient participants for selection.
- The selection was ward-based, which posed challenges in the case of geographically-spread wards; resulting in some people close to projects not participating in those projects, as the lottery system sometimes selected people from the correct ward, but who lived far from a particular project.
- Some participants registered in regions and wards not their own; when selected, some rejected the offer, due to the distance they would have had to travel.
- Some participants were not reachable on the contact numbers they had registered.
- Most participants rejected the offer because of the disparity between the type of work to be performed, their qualifications and the wage rate offered. This affected the implementation of the project as well as job creation.

These challenges called for a second round of database registration, to:

- Increase the capacity of the database, especially in wards where capacity had been depleted by the lotteries;
- Correct participant information that had been captured incorrectly, e.g. cell phone and ID numbers;
- Respond promptly to departmental requests for participants.
Registration began on 12 August 2019, and is ongoing. It took place at 78 identified sites across the City's seven regions. From 12 September 2019 the sites were closed, and continuity and sustainability of database registration were taken over by the City's Customer Care Centres. By 12 September 2019 the database had registered 147,000 jobseekers.

**Challenges**
- Low spending on capex affected job creation, especially in the Infrastructure sector.
- Departments are of the opinion that their targets are too high, and continue to increase annually regardless of their unsatisfactory performance.

**Lessons Learned**
The city continues to draw from and highlight the lessons learned from the previous financial year, which were:

- Incorporating EPWP targets on senior management scorecards creates more awareness about EPWP;
- Champions play an important role in ensuring that there is EPWP performance in the City, especially if they are also project managers.
- Providing performance feedback on a quarterly basis to departments and regions creates more awareness of the EPWP, and an obligation to meet targets.

The City of Tshwane implemented 94 EPWP projects in 2018/19, resulting in 7,286 WOs created, 1,571 FTEs, and paid a total of R37.59 million in wages over that period.
EKURHULENI
Overview of the EPWP in the city
With the national unemployment rate at close to 30% in this financial year, the City of Ekurhuleni is no exception to the trend of high unemployment. The City is putting its efforts into opening up opportunities to create jobs for its communities; the EPWP is one such opportunity. Both the political and the administrative bodies within the City are working on contributing, by providing short-term employment while executing the City’s capex and opex programmes. The programme is implemented in all departments, where possible.

Youth employment is still the City’s main concern; and there are initiatives to reduce unemployment in that regard, including partnerships with the private sector. For the 2018-19 financial year, the City provided short-term work opportunities to 7 008 individuals, of which 4 327 (61.7%) were youth between the ages of 18 and 35.

The City has also put effort into ensuring that some of the policy requirements that have not been implemented as they should have been are now adhered to, including those of the EPWP steering committee.

Policy and Implementation
The city of Ekurhuleni has drafted a policy to guide the implementation of the programme during the implementation of Phase IV. The policy requires alignment with the national policy before it can be submitted to the council for approval.

Over the previous phases, the national implementation guidelines were used without zooming into individual public-body processes and needs. To reduce unnecessary misinterpretation, the City is in the process of drafting its own Standard Operating Procedures (SOPs), which will include recruitment processes, reporting processes, target setting, etc. These will be approved by the council, together with the policy.

Institutional Arrangements
There has not been much change in the institutional arrangements, except that the City Manager has strengthened the EPWP steering committee as follows:

- The committee is chaired by a representative from the City Manager’s office;
- All committee members are Divisional Head level and appointed by the City Manager.

Due to delays in filling posts, data capturers and data collectors were employed through the EPWP Incentive Grant, and are based in all departments throughout the City. This assists in ensuring that submitted data is compliant with reporting requirements before it is brought to the EPWP office for capturing. Figure 33 shows the finalised structure for the implementation of the programme. Vacant posts will be filled as funding becomes available.
Figure 33: City of Ekurhuleni higher-level institutional arrangements

Figure 34 shows the city’s EPWP Unit structure, which is currently under review and is yet to be finalised.
Table 21: City of Ekurhuleni budget allocation (2018-19)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Total grant allocation</td>
<td>R25.05 million</td>
</tr>
<tr>
<td>Total grant funding received</td>
<td>R25.05 million</td>
</tr>
<tr>
<td>Cumulative spending (2018-19)</td>
<td>R25.05 million</td>
</tr>
<tr>
<td>Balance</td>
<td>R0</td>
</tr>
<tr>
<td>% spending (of allocation)</td>
<td>100%</td>
</tr>
<tr>
<td>% spending (of transfer)</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 22: City of Ekurhuleni EPWP progress (2018-19)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of projects implemented</td>
<td>180</td>
</tr>
<tr>
<td>Number of WOs created</td>
<td>7,008</td>
</tr>
<tr>
<td>Number of FTEs</td>
<td>2,131</td>
</tr>
<tr>
<td>Expenditure (R)</td>
<td>R220.84 million</td>
</tr>
<tr>
<td>Wages (R)</td>
<td>R72.69 million</td>
</tr>
</tbody>
</table>

Flagship Projects and Success

Economic Development Infrastructure Maintenance

Most of the Economic Development infrastructure in the townships has not been maintained as it should be, and hence is declining in value. Some of the services were not operational. Participants in the Economic Development Infrastructure Maintenance Programme have therefore been made responsible for checking the operations every day and reporting on any malfunctioning services, such as leaking taps, blocked sewer lines, etc.

In addition, the informal trading areas are usually unbearably dirty, and not appealing to customers. EPWP participants were therefore tasked with ensuring the overall cleanliness of these centres and reducing the health hazards that could result from the waste generated by the informal traders.
Challenges
In 2018-19, challenges to the implementation of the EPWP included:

- Underperformance in the City, due not to non-implementation of the programme but to under-reporting and non-compliance with reporting requirements;
- Termination of more long-term projects, due to participant demands for full-time employment;
- Contractors not subject to enforcement of compliance with reporting requirements, so non-compliant reports are received from time to time. In certain instances, where the contractor has left the site, there is no way to get the missing information.

Lessons Learned

- A strong steering committee is required to take the programme to a higher level of performance.
- In order to achieve targets, long-term programmes are required.
- Good data management is required from the collection point up to capturing, to ensure that no data is lost in the system.
Overview of the EPWP in the city
eThekwini Municipality continues to be committed to implementing the EPWP. Most units in the City adhere to EPWP principles, which has produced 10,214 Full-Time Equivalents and 20,508 Work Opportunities. The City also participates in Vuk’uphile, a learnership and contractor-development programme that utilises EPWP principles. Supply Chain Management has been consulted to align all units to EPWP principles to enhance their results. The induction of management with regard to EPWP continues, and more managers in the City are now aware of the need to report on EPWP projects.

Policy and Implementation
The previously-approved eThekwini EPWP policy has been effectively implemented, and is being aligned to EPWP Phase III. eThekwini Municipality took due care in compiling its EPWP policy, for the purpose of achieving the following objectives:

• To achieve the necessary alignment of Cluster and Unit functions with EPWP, to ensure effective implementation.
• To establish eThekwini’s EPWP as an approved socio-economic development and poverty-alleviation programme, with sustainable exit strategies that maximise SMME development, employment creation and skills development.
• To entrench EPWP methodology within the Integrated Development Plan, a methodology that expands the current service delivery of goods and services to ensure shared economic growth.
• To ensure developmental integration across all sectors, and re-engineer how to plan, design, and implement projects or programmes within the existing Municipal operational and capital budgets, so as to maximise greater employment opportunities per unit of expenditure.

The city has implemented the EPWP across the Infrastructure, Environment and Culture, and Social sectors. There are six Integrated Grant projects implemented across these three sectors. Reporting project duration varies between two weeks and 12 months, with some projects extending into multiple years.
Flagship Projects and Success

No changes have been made to the EPWP institutional arrangements over the last three financial periods (see Figure 35). The Mayor is the political champion for the programme in the city while the City Manager acts as the administrative champion.

Figure 35: eThekwini Municipality higher-level institutional arrangements

The EPWP unit structure was approved in 2018-19 (see Figure 36). Re-structuring within the department continued during the year, which resulted in vacant positions. These adversely influenced the coordination and success of the EPWP in the municipality. However, a Deputy Head of the EPWP was appointed. No other positions have been filled, due to budget and administrative challenges.
**Budget Allocations**
A significant portion of EPWP spending emanated from the city council budget, maximising the Work Opportunity output. EPWP spending covered the Infrastructure, Environment and Culture, and Social sectors.
Flagship Projects and Success

Urban Management Zone (UMZ)

This is a multi-faceted programme designed to support assets, create urban infrastructure, ensure operational and maintenance resources so assets are properly maintained, and build an environment that is well managed. The objectives of the projects were to:

- Improve quality of life overall for all stakeholders, thus contributing to the city's investment quality and creating employment;
- Uplift and sustain the area identified as the urban management zone, i.e. the greater CBD area;
- Provide a clean and safe environment;
- Contribute to sustainable urban management, through facilitating the integration and management of municipal services;
- Ensure that assets are maintained, especially in respect of capital upgrades and new investment into infrastructure in the area;
- Determine the 'gap' between existing levels of service provided/achieved by the ETM Line Departments and the desired levels of service;
- In association with the line departments, develop extensions to existing service levels, taking into account the specific requirements of the UMZ, i.e. which service levels need to be improved, amended or supplemented by a third party.

Progress

Table 24 shows eThekwini’s EPWP performance for the 2018-19 financial year. eThekwini owes its high number of FTEs to maintenance-based projects such as the Zibambele Programme. These projects allow the city to create longer-duration WOs.

<table>
<thead>
<tr>
<th>Table 24: eThekwini Municipality EPWP progress (2018-19)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of projects implemented</td>
</tr>
<tr>
<td>Number of WOs created</td>
</tr>
<tr>
<td>Number of FTEs</td>
</tr>
<tr>
<td>Expenditure (R)</td>
</tr>
<tr>
<td>Wages (R)</td>
</tr>
</tbody>
</table>

Table 23: eThekwini Municipality budget allocation (2018-19)

<table>
<thead>
<tr>
<th>Total grant allocation</th>
<th>R75.33 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total grant funding received</td>
<td>R75.33 million</td>
</tr>
<tr>
<td>Cumulative spending (2018/19)</td>
<td>R75.33 million</td>
</tr>
<tr>
<td>Balance</td>
<td>R0</td>
</tr>
<tr>
<td>% spending (of allocation)</td>
<td>100%</td>
</tr>
<tr>
<td>% spending (of transfer)</td>
<td>100%</td>
</tr>
</tbody>
</table>
**Challenges**

Key challenges experienced were:

- The newly implemented ERS continues to present major challenges (additional mandatory compliance requirements, Work Opportunities rejected, down time);
- Incomplete data received from line management;
- Late implementation of projects due to poor planning and delays in procurement processes;
- Participants continue to expect permanent employment;
- Non-compliant contractors are not supplying participant data for implemented projects;
- Under-reporting from line departments, due to project managers not buying into the EPWP;
- Training person-days not being reported;
- Total project cost not being reported monthly;
- Outputs not being reported monthly;
- Inability to meet employment demographics, especially in identifying and engaging persons with disabilities;
- Critical need for funding intervention to support the EPWP within eThekwini Metro;
- Institutionalisation of the EPWP in order to provide strategic focus and coordination.

**Lessons Learned**

- EPWP reporting requirements should be incorporated into SCM contract documents, which will take care of branding and submission of beneficiary data;
- Reporting of training days should be compulsory;
- Data-capture rejections that impact on the accuracy of reported statistics must be followed up;
- Induction of EPWP Practitioners must occur;
- Recruitment challenges have been addressed through the pending implementation of the Recruitment Strategy Guidelines, once approved by DPWI;
- The communication process must be enhanced by educating line department managers on aligning their programmes with job-creation initiatives, and including them in their annual operational plans;
- Institutional arrangements must be in place in order to provide strategic focus and coordination of the EPWP;
- Reporting must be timeous and accurate, for early intervention when there are deviations from plan and they can be adequately addressed;
- Exit strategies must be defined, especially for contractors;
- Project managers must be encouraged to provide for the EPWP in their Municipal budgets, especially for training and Personal Protective Equipment (PPE).

The eThekwini Municipality implemented 266 EPWP projects in 2018-19, resulting in 18 211 WOs created, 9 910 FTEs, and paid a total of R326.89 million in wages over that period.
Overview of the EPWP in the city
Mangaung Metropolitan Municipality is still experiencing a challenge with EPWP implementation and performance, because of inadequate institutional arrangements in the city. Mangaung does not have a dedicated EPWP coordinating structure to ensure optimum EPWP implementation. The EPWP unit in the city was left without capacity, which affected the overall coordination of the EPWP and adversely impacted the city’s execution of the programme. Even though Mangaung has experienced significant institutional challenges, some changes have since been made. The Office of the City Manager is now responsible for the coordination of the EPWP. The City has also established the EPWP Directorate Champions Committee. Establishing a dedicated EPWP unit and coordinating structure will improve the City’s ability to effectively implement the programme and ensure accountability.

Policy and Implementation
The City’s EPWP policy was endorsed in 2016, although policy revisions must be made to align with and meet the requirements of Phase IV. Furthermore, limited implementation of the EPWP policy poses a threat to effectively managing the EPWP.

Institutional Arrangements
Coordinating structures are important to ensure the effective implementation of the EPWP for each sector, and for the programme. As such, municipalities have the responsibility to ensure that institutional capacity is built and strengthened to effectively carry out overall coordination functions. In Mangaung, the Executive Mayor acts as the political champion within the EPWP institutional structures, while the City Manager is the administrative champion. Mangaung’s EPWP coordination is split, with the management of the Incentive Grant remaining in the Executive Mayor’s office while the other leg of the programme is institutionally located in the City Manager’s office, although there is no dedicated EPWP structure.

The institutional arrangements are according to the approved EPWP policy review. The operationalisation of the institutional structure has not taken effect yet.
Political Champion: The Executive Mayor
In line with the EPWP Institutional Arrangement Framework and Protocol Agreement signed by the Minister of Public Works and Infrastructure and the Executive Mayor, the Executive Mayor provides leadership and direction on the implementation of the EPWP in the Municipality.

Administrative Champion: The City Manager (CM)
The City Manager is the administrative champion of the EPWP. The CM ensures that all the HODs have the EPWP as an item in their performance contracts/agreements. The CM ensures that the EPWP is incorporated in the development plan of the Municipality, and also ensures that each directorate incorporates the EPWP FTE targets into their project plans. The CM further ensures effective coordination and the monitoring and implementation of the EPWP within the municipality, as well as mobilising directorates within the municipality to meet their EPWP targets. Mangaung does not have a structure specific to the EPWP.

The following directorates were identified as potential contributors to EPWP work opportunities:

- Social Services
- Engineering Services
- Fleet & Waste Management
- Human Settlement and Housing
- Corporate Services
- Office of the Executive Mayor – Mayoral Projects
- Planning
- Economic Development and Rural Development
- Centlec
**Flagship Projects and Success**

**Zibambele Poverty Alleviation Project**

The pilot Zibambele Programme started in April 2014. The programme targets destitute women-headed households, employing them to provide essential road maintenance and other labour-intensive activities. Households – rather than individuals – are contracted, to facilitate the continuity of employment for the household, not the individual. The work carried out by contractors includes cleaning of the road surface, and cleaning of drains, channels and verges.

**Vuk’uphile Learnership Programme**

This programme is a contractor-development programme aimed at developing emerging contractors into fully-fledged contractors able to execute labour-intensive projects. Under the programme, Mangaung appoints learnership contractors and supervisors who work on sanitation, road and storm-water projects.

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**Budget Allocations (Integrated Grant)**

**R2.42 million**

Received in grant funding

**100% SPENT**

<table>
<thead>
<tr>
<th>Total grant allocation</th>
<th>R2.42 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total grant funding received</td>
<td>R2.42 million</td>
</tr>
<tr>
<td>Cumulative spending (2018/19)</td>
<td>R2.42 million</td>
</tr>
<tr>
<td>Balance</td>
<td>R0</td>
</tr>
<tr>
<td>% spending (of allocation)</td>
<td>100%</td>
</tr>
<tr>
<td>% spending (of transfer)</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Progress**

EPWP participants working on projects in Mangaung are encouraged to be employed under the conditions of employment as stipulated in the Ministerial Determination and Code of Good Practice for the EPWP. The Municipality will make an effort to ensure that its projects comply fully with all labour legislation, such as the Unemployment Insurance Fund Act (Act No.63 of 2001), the Compensation for Injuries and Diseases Act (COIDA), and the Occupational Health and Safety Act (Act No.130 of 1993).

The institutional challenges faced by Mangaung Metropolitan Municipality have had a great impact on the City’s performance in 2018/19 (Table 26).

**Table 26: Mangaung Metropolitan Municipality EPWP progress (2018-19)**

| Number of projects implemented | 16 |
| Number of WOs created | 960 |
| Number of FTEs | 164 |
| Expenditure (R) | R5.64 million |
| Wages (R) | R5.16 million |

**Table 25: Mangaung Metropolitan Municipality budget allocation (2018-19)**

| Total grant allocation | R2.42 million |
| Total grant funding received | R2.42 million |
| Cumulative spending (2018/19) | R2.42 million |
| Balance | R0 |
| % spending (of allocation) | 100% |
| % spending (of transfer) | 100% |
**Lessons Learned**

The EPWP institutional arrangement is critical, and key to the successful implementation of the EPWP in the City. Another recommendation was to ensure that data collection requirements and other EPWP conditions are included in contract documentation, such as tender documents. This is to ensure that implementing agents and contractors are aware of all the requirements from the outset.

**Challenges**

- Reporting to EPWP, and submission of quality data (data collection);
- EPWP-RS challenges (non-compliant documentation);
- The operationalisation of the EPWP Policy;
- EPWP compliance, from some project implementers;
- The absence of an EPWP structure;
- Lack of proper institutional arrangement;
- Lack of understanding of the EPWP.

Mangaung Metropolitan Municipality implemented 16 EPWP projects in 2018-19, resulting in 960 WOs created, 164 FTEs, and paid a total of R5.16 million in wages over that period.
MSUNDUZI
Overview of the EPWP in the city
Msunduzi Municipality's EPWP unit is housed in the Community Services Department, and has been in effect since November 2014. The business unit comprises an acting Manager supported by four Administrative Assistants.

Policy and Implementation
The city's EPWP policy was initially adopted in September 2013. Further amendments were made in February 2015, to ensure that the policy was aligned with Phase III of the EPWP along with its targets. The Phase III policy remained current in the 2018-19 financial year.

Since 2018-19 marked the final year of Phase III, Msunduzi submitted the EPWP Phase IV policy to the SMC in September 2019. The policy was amended to take into account the Auditor General's recommendations, and focuses on:

- Adherence to the conditions of the EPWP Ministerial Determination;
- Payment of wages equal to or above the EPWP minimum wage, or applicable to sectorial minimum wage;
- Selection of workers based on the EPWP recruitment guidelines;
- Ensuring minimum labour intensity appropriate for the relevant sector or subsector, and replicating best practices;
- Work done in the EPWP to provide or enhance public goods and community services.

Institutional Arrangements
The EPWP office in Msunduzi falls under the Community Services Department, with the Mayor acting as the political champion. The administrative champion for the programme is the Manager for Parks, Sports and Recreation. This structure is illustrated in Figure 38.
Figure 38: Msunduzi Municipality EPWP institutional arrangements
Msunduzi Municipality implemented 37 EPWP projects in 2018-19, resulting in a total of 2,497 WOs and 431 FTEs (see Table 28).

### Table 28: Msunduzi Municipality EPWP progress (2018-19)

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of projects implemented</td>
<td>37</td>
</tr>
<tr>
<td>Number of WOs created</td>
<td>2,497</td>
</tr>
<tr>
<td>Number of FTEs</td>
<td>431</td>
</tr>
<tr>
<td>Expenditure (R)</td>
<td>R15.70 million</td>
</tr>
<tr>
<td>Wages (R)</td>
<td>R14.71 million</td>
</tr>
</tbody>
</table>

### Flagship Projects and Success

**Ward-based integrated maintenance and city beautification**

This programme has employed 20 participants per ward in all 39 municipal wards (a total of 780 WOs) on one-year contracts. Each ward has its own maintenance crew, who attend to challenges facing the wards.

### Challenges

- Labour unions are putting pressure on the Municipality to absorb EPWP beneficiaries into permanent positions.
- Most projects that are EPWP compliant have not been reported on.
- The Municipality’s EPWP Steering Committee is non-functional.
- The Municipality lacks strategies to access additional grant funding sources for increasing work opportunities.

### Lessons Learned

- Technical capacity must be improved for labour-intensive operations.
- Labour intensity must be improved by increasing the available internal funding.
Overview of the EPWP in the city
In November 2017, the Mayor of Nelson Mandela Bay stated that “the government is serious about improving the lives of those residents who struggle to access opportunities. By promoting skills transfer and creating a database of job seekers, we are also improving the chances of access to permanent opportunities”. The city is thus committed to implementing the EPWP in order to achieve this objective and contribute to the reduction of unemployment in the city and in the country. To this end, Nelson Mandela Bay established an EPWP office in 2009/10, with its unit currently located in the city’s Economic Development Department.

Policy and Implementation
Nelson Mandela Bay’s Phase III EPWP policy was presented to Council for review in September 2017. The city adheres strictly to the EPWP policy to ensure fairness for all, so that if any irregularities exist, they are immediately identified and resolved.

Institutional Arrangements
Figure 39 shows the institutional arrangements for Nelson Mandela Bay, which remain unchanged from the previous financial year.
Progress
The municipality implemented 207 EPWP projects in 2018-19, which resulted in the creation of 14,227 work opportunities and a total of R52.36 million in wages paid out to participants (see Table 30).

### Table 30: Nelson Mandela Bay Municipality EPWP progress (2018-19)

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of projects implemented</td>
<td>207</td>
</tr>
<tr>
<td>Number of WOs created</td>
<td>14,227</td>
</tr>
<tr>
<td>Number of FTEs</td>
<td>1,173</td>
</tr>
<tr>
<td>Expenditure (R)</td>
<td>R60.63 million</td>
</tr>
<tr>
<td>Wages (R)</td>
<td>R52.36 million</td>
</tr>
</tbody>
</table>
Flagship Projects and Success

**Maintenance of Settlers Park**

The Nelson Mandela Bay Municipality hired more than 80 EPWP workers to maintain Settlers Park, which is known as the city's green lung and is rich in bird and animal life. Part of their job will be to eradicate invasive alien plants that are a contributing cause of fires in the area. Settlers Park is an important ecotourism attraction. Workers learn invaluable skills, such as being able to identify alien species, that will assist in finding work in other fields.

**Storm-water maintenance project**

More than 220 EPWP workers are employed to unblock and clean drains, canals and catch pits in the Nelson Mandela Bay Municipality. They will also create awareness about illegal dumping in drains and remove overgrown grass from ditches and drains. The project is part of the city's plan to deliver world-class infrastructure.

**Challenges**

The major challenge that the city has been facing is the substandard performance of directorates against EPWP targets. Consequently, in 2017 workshops were arranged between the Department of Public Works, the Metro EDTA unit and various Metro Directorates.

**Lessons Learned**

- Including EPWP targets on executive director scorecards improves performance and accountability.
- Accountability can be improved by having the EPWP report to its own Portfolio Committee.
- Compliance for tender documents would be improved if the EPWP were part of the Supply Chain Management Committees.

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Nelson Mandela Bay Municipality implemented 207 EPWP projects in 2018-19, resulting in 14,227 WOs created, 1,173 FTEs, and paid a total of R52.36 million in wages over that period.
ANNEXURE II
CASE STUDIES
Overview of the Project/Programme
Johannesburg Metrobus identified ‘diesel mechanic’ and ‘auto electrician’ as scarce skills, in line with the sector skills plan and priorities from the Transport Education and Training Authority (TETA). This prompted Johannesburg Metrobus to apply for discretionary grants to contribute to the skills pipeline to develop youth from the City of Johannesburg Metropolitan Municipality in this area, and build the talent pipeline to contribute to the bigger picture of building capacity where required.

The project entails providing learners or apprentices with theoretical, practical and workplace learning, to afford them the opportunity to qualify as artisans in the diesel and auto electrician field. It takes place over three years, which covers phase 1-3, trade test preparation and final assessment, with additional add-on skills such health and safety, working at height, hazardous chemicals, and life-skills training.

The value of the programme is R4 080 000, with both women and youth participating. The project is being reported on the EPWP reporting system. The monthly stipend for the participants is R3 000.

Project/Programme Objectives
The objective is to address the key critical skills shortage as identified by Johannesburg Metrobus and the transport sector, and also to contribute to the Human Resource Development Strategy and to scarce skills at entry level within the entity.

The programme intends to remove the notion that this field is meant for men only; hence there is balance in terms of demographic representation.

Project/Programme Implementation Strategies/Procedures
The project is being implemented over a period of three years, with strategic partners who take on various roles. A blended learning approach will be used in the delivery of the programme, including classroom teaching, workplace learning and mentoring at depot level.

Recruitment Procedures
The candidates are subjected to the recruitment and selection process of the Company. The Department of Labour’s Employment Services of South Africa (ESSA) database is used to source the candidates, as a free public service platform, and the shortlisted candidates must complete assessments. The final list is then recommended for appointment.

The process is transparent and fair, since selection is done through the DoL’s employment services database to avoid human influence.
WOs and FTEs Achieved
Twenty work opportunities were achieved in the 2018-19 financial year, apportioned as follows:

- 16 Diesel Mechanics, and
- 4 Auto Electricians.

The programme ran for the entire municipal financial year (July 2018 until June 2019), and has achieved cumulative full-time equivalents (FTEs) of about 21.91.

Socio-Economic Impact
The programme contributes immensely to community upliftment, combating women and youth unemployment and the skills gap, and poverty alleviation.

Candidates are currently gaining knowledge, skills and experience, to enable future employability and ultimately contribute to inclusive economic growth.
E-Bike Project - City of Tshwane

Overview of the Project/Programme
The e-Bike Project was initiated by the City Research and Innovation division, with the aim of improving municipal transport service delivery. It was implemented as a pilot research project to demonstrate green, low-emission technology, while making it easier for Non-Motorised Transport (NMT) to travel in steep topographical areas, extending the range of cycling, and making cycling more convenient.

Project/Programme Objectives
Project objectives of the project include:

- testing the feasibility of implementing a practical bicycle-sharing scheme to cater for the needs of commuters and students;
- developing the capacity of local authorities to roll out such a scheme as part of their municipal transport service delivery function.

Project/Programme Implementation Strategies/Procedures
The City submitted a research proposal to the Department of Public Service and Administration, for a research project called 'Testing an ICT-Driven e-Bike Project'. A grant was received, and the City partnered with the University of Pretoria (UP) for the implementation of the project. Two ICT technologies were integral to the management of this bike-share project: internet/smartphone applications (apps), and GPS tracking to gather information on bicycle usage and user preferences for research purposes.

The project started with 20 bicycles (10 e-bikes and 10 unassisted bicycles). LC de Villiers Sport Ground Park (Hatfield) was identified as the best location for the project, and an office was established, in the form of a kiosk. The site was selected because it allows easy access, links to existing security personnel, and has CCTV cameras linked to the City's control centre as well as proper street lighting; and also because it was close to UP and the Gautrain and Areyeng bus stations.
Recruitment Procedures
Participants were selected following the City’s approved recruitment guidelines. The division submitted a request for participants (RFP) through the EPWP division, and the selection was made randomly from the established database of job seekers.

WOs and FTEs Achieved
The project created only 6 Work Opportunities for a duration of 12 months, which translated to 6 FTEs.

Socio-Economic Impact
The benefits to the community included catering for low-income users in Tshwane who often walk long distances, and contributing to their fitness and well-being.
Overview of the Project/Programme
The City of Ekurhuleni has embarked on a programme aimed at increasing the pool of qualified artisans. It targets unemployed youth, and women in particular; 80 percent of the participants are women. This is a three-year apprenticeship programme, with two main components: six months of theoretical and practical plumbing apprenticeship training, integrated with thirty months of experiential training in the City of Ekurhuleni (CoE). The programme incorporates practical skills, underpinning knowledge and workplace experience in a single integrated learning programme, both at the Technical and Vocational Education Training College (TVET) and at CoE. The Department of Water & Sanitation, as the host employer, provides on-the-job experiential training. It is envisioned that learners will exit this programme as qualified artisans, having simultaneously obtained a trade test certificate and a vocational qualification.

The six months of apprentice training, theoretical knowledge modules and learner stipends are funded through the Expanded Public Works Programme Integrated Grant, and the college tuition is funded by the Department of Water and Sanitation. Rand Water and Erwat are the partners on the project who have contributed towards learner PPE. The programme is designed to do away with the short-term income support well-known to most conventional EPWP programmes; rather, it provides sector-focused skills training that prepares the learner to operate as a plumber, thus nurturing an individual’s ability to attain unsubsidised jobs in the long term.

Theoretical knowledge: NQF Level 4 modules covered include Drawings and Applied Sciences; Health, Safety, Quality and Legislation Environment; Energy Efficiency and Ethics; Theory of Water and Drainage Excavation; Above and Below Ground Drainage Systems; Sanitary Ware; Hot and Cold-Water Systems Installation; and Maintenance Theory for Plumbing Systems.

Impact on Apprentices
The City’s three-year plumbing apprenticeship programme is part of the stimulus package responding to the alarming youth unemployment figures not only in the Ekurhuleni region but across South Africa in general. The programme is aimed at connecting young people confronted by barriers to employment, through an intensive EPWP training course, to create meaningful prospects for the youth to gain real-world skills through artisan training, while providing the learners with opportunities for experiential workplace training at the city’s Water & Sanitation depots and Real Estate depots, responsible for the operation and maintenance of municipal-owned properties.

For a long time, training has been seen as a ‘way in’ for people to access jobs. It is widely acknowledged that improved employment outcomes are achieved by those who engage in further education and training, and particularly for those who gain qualifications. The City has realised that the effective EPWP training programmes were those that support the development of a range of employability skills. Furthermore, increased retention and lower levels of unemployment have been seen for those who complete apprenticeships; hence the plumbing apprenticeship programme has been designed to close the unemployment gap.

Intended Outcomes
The programme will provide the following benefits to the City:

- It will create new, sustainable artisan jobs for youth in the Ekurhuleni region (in line with the City’s 10-point Economic Plan);
- It creates the prospect of augmenting the pool of qualified artisans, particularly among the most vulnerable group (women);
- It presents the opportunity to improve the speed and quality of plumbing repairs;
- It allows improved operation and maintenance of infrastructure, and the resultant improved reliability of services;
- It makes it possible to control active leakage in CoE-owned facilities, and reduce non-revenue water usage.
South African Cities Network Annual Report 2018-2019

Economic Trends and Signals for the Future of Public Employment Programmes (PEPs) in SA - Research Report

Overview of the Project/Programme
South Africa has very particular challenges around unemployment and job creation. It is widely acknowledged that the traditional market-based employment model will not solve the country’s unemployment challenges. The general understanding that has emerged over time regarding the desired outcome of PEPs is that they should contribute to (i) sustainable livelihoods; (ii) skills development; and (iii) the provision of assets and services (SACN, 2016). The Expanded Public Works Programme (EPWP) is understood to be the South African government’s intervention to address social protection through the provision of work opportunities.

Research Objectives
This PEP report sought to examine the contribution and significance of PEPs in the South African economy by analysing the performance of metropolitan municipalities (metros) in the roll-out of PEPs. Secondly, based on empirical data, the research aimed to project the outlook and potential impact of PEPs in the labour markets of these large city economies. To achieve this, a global enquiry was conducted into PEPs and into the performance of four South African metros: the City of Johannesburg, the City of Tshwane, eThekwini and Mangaung.

A History of PEPs
PEPs have long been a response of governments to problems of unemployment and poverty. The common characteristics of the more traditional PEPs are that they pay fair wages; they strive to produce useful and durable assets that benefit the participants directly; they provide vocational training and skills development; and in some instances, they involve communities directly in the design and management of projects. PEPs have evolved over the years, and new forms are informed by different learnings and experiences, from public officials and practitioners alike. The South African EPWP over the years has been informed by other global PEP models. However, according to Samson (2018), the kind of PEP models used globally do not effectively address the serious challenges of unemployment, poverty and inequality that exist in South Africa in a cost-effective and sustainable manner. Nevertheless, there are learnings from the international experience of PEPs, and from South Africa’s own experience over the three phases of the EPWP, that can be adapted to ensure that there is indeed innovation, so that the EPWP can be more effective and impactful. Samson (2018) indicates that South Africa is considered to have one of the world’s most advanced approaches to PEPs.

Key Research Findings
A key finding emanating from both the international literature and the selected city case studies is that in a city, a PEP must firstly be conceptualised according to whether it is part of an economic or social policy, or both – this then determines the future design, which allows for better outcomes and impact. Cities where there has been a better interface between the PEP and other city programmes in the city have seen a more sustainable and significant contribution from the PEP to the city’s economy and labour market. In addition, leadership at the highest level of decision-making in the city must be passionate and have an understanding of the benefits that a PEP can have in a locality. A more strategic interpretation of PEPs will be influenced by the political agenda into which the programme fits, and by the types of structure the city has to coordinate the implementation of the programmes.

Overall, depending on their scale, PEPs can indeed substantially contribute to the reduction of unemployment. These interventions in the labour market can increase the demand for employment, and attract people who would otherwise not be considered job-seekers. The net reduction in unemployment will therefore be somewhat less than the incremental job opportunities created, depending on how well targeted the programmes are. PEPs are able to contribute in remarkable ways to building societies that work – in all senses of the term.

Cities clearly need to have a vision for PEPs in their locality; and this requires a change in thinking and in their conceptualisation of public employment programmes. From this research, it is clear that many of the cities studied have not grappled with this sufficiently, which is evident in the lack of mention of PEPs in their IDPs and in the City Development Strategies that were reviewed during the research. In addition, this lack of a big-picture vision for PEPs is also evident in how localities count PEP job contributions. There may very well be relevant activities that cities fund and manage, but which are not counted as jobs contributing to and forming part of a public employment programme. Cities must therefore define themselves better in terms of their role as enablers, especially in the context of PEPs.
A Future Outlook

It is important to view PEPs in relation to indigent policies and the various social grants and other programmes available to the poor. When reviewing the future of PEPs in South Africa, emphasis should be placed on the types of jobs required in the future. There is a need for more empirical evidence to suggest the future form of jobs, and how PEPs could nurture skills and development geared towards these future jobs, including the intersection of these jobs with technology. The usual need for better cooperation in government applies; avoiding working in silos will also ensure more effective PEPs in the future. The importance of political will to support PEPs cannot be underplayed. It may also be important for future PEPs to focus on the synergy between social grants and the EPWP. The kind of sectors selected for PEPs should also be adapted to align with the drivers of growth in the 21st century, such as the Fourth Industrial Revolution and the Sustainable Development Goals.

Given the high levels of poverty, unemployment and inequality that exist in many cities, it is evident that PEPs will continue to be required in the future, and may become even more important instruments for cities to use to address their socio-economic challenges. In dealing with joblessness in their localities, cities must take a global view of a PEP which does not preclude, but rather complements more traditional approaches to job creation, such as the promotion of economic growth, sectoral interventions, enterprise development, and a focus on inter-enterprise ties that offer the potential for rapid growth and the creation of decent work.

Conclusion

The specific contribution of the report is an analysis of public employment programmes in relation to other job creation initiatives, and to the labour and economic market of selected metropolitan municipalities in South Africa. The report will assist cities to understand what is needed for them to make PEPs contribute more effectively in their localities, and illustrates through some case study experiences how they can go about doing this.

References

• Samson, M., 2018, International Experience of Public Employment Programmes addressing challenges of unemployment, poverty and inequality, presentation made at the EPWP Summit, 13 November 2018, Centurion
• Phillip, K., 2013, The transformative potential of public employment programmes, Occasional Paper Series No. 1/2013, Graduate School of Development Policy and Practice, University of Cape Town
ANNEXURE III
ABOUT THE EPWP
About the EPWP

To enable the creation of jobs in a short period of time, the EPWP approach is based on the requirements of the Growth Development Summit agreement, and has the following key principles:

- To allow for diversity in existing programmes;
- To expand the use of best practice in existing programmes;
- To use existing budgets and replace special poverty-relief or public-works budgets;
- To be sustainable (the EPWP must not be ‘made to work’, but must be ‘economically efficient’);
- To focus on growing sectors of the economy to avoid displacement; and
- To attempt, through the design process, to maximise the involvement of local unemployed labour.

The EPWP covers all spheres of government and state-owned enterprises. Each public-sector body must formulate plans for using its budget to contribute to implementing the EPWP. The focus is on four sectors; Infrastructure, Environment and Culture, Social and Non-state.

The key components of an EPWP project are:

- Public-sector bodies make a deliberate attempt to use expenditure on goods and services to create additional WOs, coupled with training for unemployed individuals;
- Projects usually employ workers on a temporary basis (either by government, contractors or other non-governmental organisations), under a code of good practice or learnership employment conditions; and
- Public-sector bodies attempt to define and facilitate exit strategies for workers when they leave the programme.

Definitions of EPWP indicators

PERSON-DAYS OF EMPLOYMENT CREATED

The number of people who worked on a project multiplied by the number of days each person worked.

JOB OPPORTUNITIES

One job opportunity is 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.

The same individual can be employed on different projects. Each period of employment will be recorded as a job opportunity.

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

Training is funded through the Department of Higher Education and Training’s National Skills Fund (NSF) or from project budgets. The training funded through the NSF is accredited, while training funded through project budgets is not necessarily accredited. The number of training person-days is calculated by multiplying the number of people who attended training by the number of days of training. For any other training, one training day equates to at least seven hours of formal training. However, it is important to draw a distinction between accredited and non-accredited training person-days.

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

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 the expenditure on government management and administration.

The number of workers that fall within the following categories must be recorded:
- youth (18-35 years of age)
- women
- persons with disabilities