National Perspective on the Implementation of the EPWP

30 March 2005
1. BACKGROUND
CODE OF GOOD PRACTICE FOR PWP's

- Gazetted after discussions and agreement at NEDLAC
- Provides framework for minimum employment conditions on PWP's
- Establishes PWP employment as temporary employment coupled with training
- Sets targets for employment of women, youth and disabled
- Allows payment on a task basis and a flexible minimum wage:
  - to enable labour intensive production methods to compete with machine-intensive methods
  - to avoid attracting people away from other longer-term employment
2. INTRODUCTION
Reduce poverty and alleviate/reduce unemployment

- Utilise government expenditure to alleviate unemployment and increase skills
- Improve enabling environment for small business
- Education and training to increase skills levels
- Balance economic growth with growth in EAP
- Improve social security net
- Govt. budget for procurement of goods and services

**Intervention type**
- Expanded Public Works Programme
- Govt. social welfare budget
- Regulation
- Education policy
- Macro-economic policies

**Impact timescale**
- Short/medium-term
- Short/medium-term
- Medium/long term
- Long-term
- Medium/long term

(EAP = economically active population)
DESIGN OF THE EPWP

- Must allow for wide diversity of existing programmes
- Expand best-practice existing programmes
- To be sustainable, the EPWP must not be ‘make-work’ – must be ‘economically efficient’
  - Emphasis on labour-intensive delivery of cost-effective quality services
- To avoid displacement, the EPWP should take place in growing sectors of the economy
WHAT IS AN EPWP PROJECT?

- Deliberate attempt by the public sector body to use expenditure on goods and services to create additional work opportunities coupled with training for the unemployed.

- Workers usually employed on a temporary basis (either by government, by contractors, or by other non-governmental organisations), under code of good practice for SPWP or learnership employment conditions.

- Public sector body attempts to define and facilitate exit strategies for workers when they leave the programme – to build ladders between the second economy and the first economy.
WHAT IS BEING EXPANDED?

- Not a “new programme” - expanding existing best practices, eg Zibambele, Gundo Lashu

- Expand beyond traditional infrastructure ‘public works’ – include social and environmental programmes

- Motivate for expanded budgets when programmes prove to be successful
IDENTIFIED SECTORS FOR CREATING EPWP WORK OPPORTUNITIES:

- Increasing the labour intensity of government-funded infrastructure projects
- Public environmental programmes
- Public social programmes (home community-based care and early childhood development)
- ‘Economic’ eg venture learnerships
FUNDING

- EPWP projects are funded from normal budgets of departments, provinces and municipalities

- Emphasis is on changing the way in which normal expenditure occurs:
  - Reduces opportunity costs
  - EPWP projects are identified and prioritised using standard processes
  - Mainstreaming labour intensity
  - Government bodies do not get involved in poverty relief projects outside their core functional areas, BUT
  - National programme with highly decentralised implementation is challenging to implement
3. PROGRESS TO DATE
3.1 Training programmes

- Training programme for workers being implemented with Dept of Labour funding
- Training of engineers and contractors for labour intensive construction, with Construction SETA (CETA)
- Training of officials to implement the EPWP, with CETA and Local Government and Construction SETA
- Contractor learnership programme with CETA and Provinces/Municipalities
- Learnership programmes for social sector and environmental programmes with relevant SETA’s are being finalised
- Venture learnerships for economic sector are being put in place
3.2 Infrastructure Sector

- Division of Revenue Act earmarks funding via infrastructure grants going directly to provinces and municipalities
- Projects are identified, planned and implemented by departments, provinces, and municipalities
- Role of Department of Public Works:
  - Set the conditions on the grants: use EPWP Tender and Design Guidelines
  - Training programmes for workers, officials, contractors, engineers, supervisors
  - Support to municipalities and provinces
  - Monitor, evaluate and report
EPWP Tender and Design Guidelines

- Provide guidance for officials and engineers and special contractual clauses for tender documentation for EPWP projects

- Require contractors to use labour rather than machines for certain construction activities under certain conditions

- Makes adherence to the Code of Good Practice a contractual obligation for contractors

- Makes it obligatory for contractors and engineers to undergo training in labour-intensive construction
Labour Intensive Contractor Learnership Programme

- Mechanism to expand Limpopo’s Gundo Lashu programme

- Emerging contractors and their supervisors are recruited through an open selection process to go onto a two-year learnership programme

- Learnership consists of practical and classroom training

- Learners graduate with NQF qualifications, able to tender for LI projects issued in terms of EPWP tender and design guidelines – long-term income opportunities for the learners
LI CONTRACTOR LEARNERSHIP PROGRAMME

CETA
- Mentors for training providers
- Trainers of trainers
- Training providers for learnerships

IDT
- Community Facilitation Support
- Programme Management support
- Mentors for learners
- Training projects
- Learner contractor 2 learner supervisors
- Unemployed EPWP beneficiaries

DPW

DOL

ABS A
- Access to credit

Programmes
- IDT
- CETA
- DPW
- DOL

Mentors for training providers
Trainers of trainers
Training providers for learnerships
Community Facilitation Support
Programme Management support
Mentors for learners
Training projects
Learner contractor 2 learner supervisors
Unemployed EPWP beneficiaries

Access to credit

Training providers for workers

Expanded Public Works Programme
Creating opportunities towards human fulfillment
- 28 provincial departments and municipalities signed up for 1017 learnerships to date

- Target of 500 emerging contractors and 1000 supervisors on learnerships by July 2005

- As part of their learnerships, they will implement 1500 EPWP projects to the value of approximately R1.5 billion

- During the implementation of these projects they will employ approximately 100 000 people
Further Expansion

- DPW is working with other infrastructure providers to determine potential for increasing the use of labour-intensive methods (e.g. water authorities, Transnet, Department of Housing)

- Currently focusing on expansion of KZN Zibambele routine maintenance programme to other provinces and municipalities, like Limpopo Gundo Lashu programme is being expanded
Infrastructure sector challenges

- Wide-spread prejudices against the use of labour-intensive methods in infrastructure

- Many public bodies do not believe they can increase the amount of work they do labour intensively beyond what they are already doing
3.3 Social Sector

- Initial focus on ECD and HCBC

- Challenge is to create a framework to enable the social sector to grow:
  - Still largely in planning and preparatory phase
  - Agreement on a common system of remuneration
  - Improve programme management and reporting systems
  - Put in place all the required unit standards, qualifications and learnerships
  - Need convincing motivation for increased funding, with implementation models and expansion plans

- Need to mobilise for more rapid expansion:
  - Most highly labour intensive sector
  - High potential for sustainable job creation (200 000 in ECD)
  - Emphasized in 2005 State of the Nation Address
Social sector model

Unemployed enter EPWP and obtain work experience and training, under special conditions of employment, employed by NGOs / CBOs

Exit EPWP with work experience and qualification in ECD / HCBC

Examples of exit strategies
- Employment with a new employer
- Further education and training
- Self employment
- Ongoing employment with same employer, at normal conditions of employment
3.4 Environment Sector

- Environmental sector performing well
  - Challenge is to expand programme into new areas, eg waste management at municipal level
3.5 Economic Sector

- DoL and DPW finalising venture learnerships with Services SETA

- Venture learnerships are a ladder for second economy entrepreneurs to move to the first economy

- DPW currently lobbying government bodies for roll out of venture learnerships, based on models such as Limpopo Sakhasone (120 learners), progress with Mpumulanga and Eastern Cape to date
3.6 Involvement of Business

- Business Trust providing support:
  - Funding of targeted assistance to national departments
  - Funding of private sector field teams to support and assist provinces and municipalities to implement their projects in terms of the EPWP
### 3.7 Monitoring Results (Third Quarter)

Quantitative reports for the first three quarters of 2004 (to end Dec 2004):

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Progress*</th>
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<tbody>
<tr>
<td>Number of EPWP projects being implemented or completed</td>
<td>1890</td>
</tr>
<tr>
<td>Expenditure on EPWP projects</td>
<td>R 2.4 billion</td>
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<tr>
<td>Gross number of work opportunities</td>
<td>144 000</td>
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<tr>
<td>Net number of work opportunities</td>
<td>105 000</td>
</tr>
<tr>
<td>Person-years of work created</td>
<td>42 349</td>
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*Excludes social sector and municipalities*
4. CONCLUSIONS
Data for the first three quarters of 2004 indicate that the EPWP will meet its published targets for the year.

Potential for increase in labour-intensity in many civils projects (e.g. roads, trenchwork for water and sanitation).

Focus areas for the coming year will be expansion of:
- Use of labour intensive methods on public infrastructure projects in general
- ECD and HCBC
- Venture learnerships in the economic sector
- Zibambele routine road maintenance programme
- EPWP approaches to waste management
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