N2 Gateway Project

Potential for participation in EPWP

10 June 2005
Growth and Development Summit June 2003:

- EPWP identified as one of a wide range of initiatives aimed at reducing poverty and vulnerability

- “EPWPs can provide poverty and income relief through temporary work for the unemployed to carry out socially useful activities. (EPWP’s) will be designed to equip participants with a modicum of training and work experience, which should enhance their ability to earn a living in future”
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
Substitute machines with labour, where technical and economically feasible, increasing numbers employed & increasing income generating opportunities for locals, without any budget increase.
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 and emerging enterprises.

- Projects usually employing workers 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.

- Projects in which public sector body attempts to define and facilitate exit strategies for workers when they leave the programme – to build bridges between the second economy and the first economy.
WHAT IS REQUIRED FOR DESIGNING AN EPWP PROJECT

- Recognising local unemployed labour as a resource to assist with service delivery, not passive onlookers or a nuisance
- Design process therefore attempts to maximise the involvement of local unemployed labour by executing appropriate activities as labour intensively as possible.
Demographic Profile of Targeted Settlements (Census, 2001)

- The rate of unemployment is 57% (compared to 19.8% at city level)
- 85% of households earn incomes of less than R1600 (HSL) per month (compared to 33% at metro-wide level)
- 82% of residents do not have matric (60% at city level)
Potential opportunity

- Based on figures below:
  - 13,000 Households
  - 1 five month job per household (unskilled)
  - Task Rate of R65 per task (R1430 per month, 85% of households earn <R 1600)

- Wages paid to unskilled labour: 13000x 5 x R1430 = R92.95 million

- This is approximately 4% of total budget of R 2.3 billion and should be achievable

- Impact of additional cost (if any) on overall cost is relatively small
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
Sidewalks
Public Spaces, NMT and Trenching (Excavation)
Roads (Macadams)
Stormwater drainage
Roads and Parking (Concrete Blocks)
Opportunities in Housing (Top Structures)

- Process is labour-intensive already, but the main potential lies in
- Excavation (foundations, piping)
- Fabrication of materials (Bricks, trusses, other building materials)
- Long terms maintenance (Training of plumbers, electricians etc.)
Conclusions

• Potential for every household to have at least one member employed during the construction of N2 Gateway
• Will require careful and deliberate planning and design
• Should not be ignored because of time pressures, rather seen as an opportunity to widen scope of delivery
EPWP Unit

www.epwp.gov.za

E-MAIL: epwp@dpw.gov.za

Tel: 012 337 3115

Fax: 012 328 6820

Maikel Lieuw-Kie-Song

maikel@dpw.gov.za

082 9090 203