

Minister of Public Works
Ms S Sigcau
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Launch of the Sakhasonke Contractor Development Programme

Programme Director
Minister of Labour, Mr M Mdladlana
Mayor of Polokwane
Distinguished guests
Ladies and gentlemen

Introduction

Today's launch is a significant milestone in the partnership between the national Department of Public Works, the national Department of Labour and in this instance, Public Works in Limpopo Province.

We have started a process of transformation, in partnership with Labour and other infrastructure departments and the private sector, to enhance our construction industry as a national asset.

Incubator Programme

A new initiative, the incubator programme, is geared at providing sustainable work opportunity, training and access to finance to black construction enterprises of significant size, to develop them to the status of established construction enterprises.

Projects of a size between a minimum of R2 million to a threshold of R25 million, are being identified exclusively for these enterprises, over a period of time.

I am aware that the Public Works Department Limpopo Province is also embarking on an Incubator Programme. Co-operation in this respect will be the right thing to do. Experience in implementing contractor development programmes has shown that merely supplying opportunities is inadequate for the sustainability of the targeted businesses and that the process should be linked to a strong mentorship programme.

Through the Incubator Programme (IP), contractors' capacity is assessed before admitting them into the programme. This is important in order to establish entry level capacities as a condition of assessing capacity improvement levels and exit decisions. I would therefore invite Limpopo Province to join us in the envisaged mentoring establishment, which is expected to be national and fully fledged, at the core of the IP management.

Training

To improve contractors' performance, both at project and company level, skills development is required. The existing CETA arrangements should be used, relating to the development of suitable training programmes at tertiary institutions (Technikons and Universities) in line with the IP framework of contractor capacity building approaches.

Thanks

Please allow me this opportunity to congratulate all those involved in the hard work that has culminated in this launch of the Sakhasonke ECDP in Limpopo Province

To those who participated in the Task Team to formalise the partnership, I acknowledge that the process was not an easy one, and I thank you all for your commitment to this process and for going the extra mile.

Reflection on the significance of process to establish the partnership

The process to establish the partnership has been as important as the partnership itself, because :

Firstly, it has continuously reviewed and refined the fundamental principles and approach to contractor development.

Secondly, it has moved beyond fostering common understanding of the principles and approach to contractor development and has begun to address a number of practical issues concerning contractor development, for example:

- Public Sector capacity (and the issue of delayed payment),
- Skills training, in particular, the proposal to the Construction Education Training Authority (CETA) for the funding of Learnerships
- Discussions on how to share information and experiences regarding the contractors on the programme
- Technicalities of using a common database.

Thus, the consultative process around the partnership has not been talk for the sake of talk, but has focussed on appropriately involving role-players in concrete outputs that will promote co-operative governance and promote unity in action rather than mere consensus.

At the same time, this focus on practical issues has fed back into the programme refinement process and has informed the strategies for enhancing the impact of the programme. United, we can accelerate sustainable contractor development; divided we could continue to develop similar programmes in parallel to each other, continuously developing and redesigning the "wheel".

Reflection on cooperation

One of the greatest problems facing emerging contractors is that of continued profitability, i.e. to sustain a successful business. To enhance the success rate of emerging contractor businesses, it would be of great benefit for organisations involved in contractor development initiatives to interact, and to share information with regard to upcoming projects that would be suitable for inclusion in the development process.

The resultant effect of cross pollination of ideas, optimisation of resources, knowledge and experience, as well as sharing information and ideas through the partnering of organisations, will have a profound impact on the development of black contractors.

The benefits of partnering will include:

- The optimisation of resources and maximising of their impact
- Sharing of a database of contractors that will record their progress in developing a track record
- Identification and verification of contractors from the targeted groups that can produce quality work on contracts of a particular type in a particular type range
- Eliminating the risk to the client of selecting contractors that currently do not possess the capacity, knowledge and track record to carry out particular contracts
- A combined resource and knowledge base that will considerably enhance the output of the individual initiatives
- Greater benefits to the target group.

Partnerships should address areas of critical concern to Government and Stakeholders - such as to ensure that a lack of co-ordination and narrow departmental interest do not take precedent over broader government policy thrusts. Clearly, we need to satisfy ourselves that the partnership ensures that this does not happen.

We ask ourselves, as Government representatives in particular: Have we really succeeded in promoting Black Economic Empowerment? With regards to targeted enterprises, what have we done to ensure that we are not promoting a "Rent a Black" scenario?

Ladies and Gentlemen - it is our hope that this launch is a beginning rather than an end in itself. It should be the beginning of a programme of cooperation to enable us to continuously update one another on progress, so that all of us can benefit from each other's successes.

I would also like to commend the Public Works in Limpopo for their co-operation with the CIDB in meeting the multitude of challenges we face in Construction Industry Development. The scope of issues is extremely

broad and for the CIDB to succeed, it needs all partners. Let us engage the CIDB to promote our agenda across the industry.

To the programme implementers I wish to say that there are many challenges ahead of you. The launch of Sakhasonke is the beginning of a new phase in our epic journey towards sustainable Emerging Contractor Development. Much thought and effort has gone into preparing the way for you.

In conclusion, allow me to wish you all the best in the implementation of the programme.

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