



2nd EXPANDED PUBLIC WORKS PROGRAMME SUMMIT
OPENING ADDRESS
THE HONOURABLE TW NXESI, MP
MINISTER OF PUBLIC WORKS
2 November 2011

Programme Director

Chairperson of the Portfolio Committee on Public Works, Ms Manana Mabuza

MECs present

Members of Parliament Present

Executive Mayors

Speakers of Councils and Chief Whips

Mayors

Councillors

CEOs of Public Entities

Municipal Managers

HODs

Acting Director-General of Public Works, Mr Mandla Mabuza and

National and Provincial Government Officials

Members of the media

Invited guests

Ladies and gentlemen

I. Introduction

Good morning colleagues. Allow me to welcome you to this important Summit. Those of you I don't know, I hope to get to know you better during the Summit. But let me start by introducing myself. I was appointed by the President a week ago as Minister of Public Works and I am still trying to grapple with the new tasks and responsibilities. But I am certain that it is absolutely fitting that my first public task as Minister should be to open this Summit of the Expanded Public Works Programme.

The Expanded Public Works Programme is the lead flagship programme of this Department. It seeks to address the single greatest challenge facing this country today: that of unemployment and poverty. To the degree that we succeed in the tasks and targets we have set for ourselves, then we bring hope and opportunities to those who are desperate to improve their conditions of life.

As the Department of Public Works we lead the Expanded Public Works Programme. But of course we can only implement through and alongside our colleagues in the provinces and municipalities. So let me add a special word of welcome to the representatives from provinces and municipalities – without you there would be no Expanded Public Works Programme.

Let us just pause briefly to reflect on the importance of the work we do as part of the EPWP. We provide jobs to the unemployed – our target is 4.5 million work opportunities by 2014. We seek to transfer income directly into poor households. In so doing we bring hope to families. That additional income – small as it may be

– has to go a long way to support family members. Additionally we are helping to revitalise poor communities – those additional family incomes are spent on goods and services helping to grow and sustain local small businesses.

Moreover, in our choice of projects we seek to enhance the social wage and improve the quality of life of our poorest communities. Just some examples:

- Large scale infrastructure projects which provide skills training to young people.
- Social sector programmes such as community based care and Early Childhood Development. As a former teacher, I have to emphasise this one. All the international research indicates that good ECD provides a sound basis for subsequent success and optimum throughput rates in the schooling system. So not only do we provide work opportunities, we also directly impact on the quality of education provision in the country. In every sense – a win-win situation.
- In this connection we need to mention also our contribution to the national literacy campaign, the school nutrition programme and in relation to school sports and club development.
- Let me also mention the Environment and Culture Programme which includes projects concerned with management of water, fire, waste and coastal regions. As well as non-state sector community programmes.

You can see then that the Expanded Public Works Programme is an exciting place to be. We must feel privileged to be able to contribute in such a concrete way to the empowerment and betterment of our poorest communities. By the same token, it is a heavy responsibility. We dare not fail.

II. Phase 2 of the Expanded Public Works Programme

Public Works is honoured to be hosting this 2nd EPWP Summit with municipalities. The provision of work opportunities to the citizens of this country

remains the key focus area - in line with the call of President Jacob Zuma in his 2011 State of the Nation address, and the involvement of our municipalities as important strategic partners is crucial in this regard.

We are implementing Chapter Three of our Constitution, which encourages cooperative governance – as we meet as national, provincial and local spheres of government to reflect on the resolutions taken at last year's summit, including the following:

- Municipalities were requested to commit to sign EPWP protocols by the end of November 2010.
- Municipalities were to develop and endorse policy on EPWP.
- Municipalities were tasked to ensure that their Infrastructure Development Plans include EPWP projects.
- Municipalities were to optimize their budgets to deliver on the EPWP across all sectors
- Municipalities were to optimize the use of labour-intensive methods in their projects in order to promote the creation of work opportunities.
- Municipalities resolved to create EPWP forums at a District level to monitor, analyze and share best practice implementation of the EPWP.
- The National Department of Public Works undertook to strengthen collaboration with the Department of Corporative Governance and Traditional Affairs, South African Local Government Association, Development Bank of South Africa and other stakeholders to implement EPWP
- Commitments were made for the Municipalities to receive technical support across all EPWP sectors to optimize the implementation of EPWP. Technical support was to be provided in the areas of monitoring and evaluation, training, enterprise development, design and implementation of all municipal projects.
- Municipalities were to report on the EPWP projects in order to access the EPWP Wage Incentive.

- Municipalities committed to assist in mobilising non-profit organisations to participate in the Non-State Sector and the Community Work Programme.
- The national Department committed to continue to develop and make available implementation manuals on EPWP.

I am pleased to announce that most of the resolutions made during the 2010 Summit were met; and more than 88% of municipalities have signed their protocol agreements. I encourage our municipalities who have not yet done so, to please commit themselves and ensure that we maximise the implementation of the EPWP with all the resources available at local level.

In 2010 the Department hosted the first historical EPWP Municipal Summit in Durban and as a result there was a noticeable improvement in the implementation of the EPWP and reporting on work opportunities created.

The key purpose of this second Summit is to ensure that municipalities are able to contribute to the EPWP Phase two targets. The timing of the Summit is critical, given that we are currently in the third year of Phase 2.

Allow me to remind you all, that the EPWP aims to create 4,5 million work opportunities by 2014, and municipalities are thus expected to contribute twenty-seven percent of this overall EPWP target. With this summit we aim to do the following:

- Intensify service delivery through labour intensive models and achieve 100% participation in the EPWP and reporting by all municipalities;
- Ensure that all municipalities, especially those in rural areas are able to access the incentive grant;

- Explore ways of improving the overall participation of all Rural Municipalities in the Community Work Programme;
- Ensure that the full potential of the Non-State Sector is optimally achieved through the participation of Community-Based Organisations , Faith-Based Organisations and Non-Governmental Organisations;
- Achieve an increased understanding of EPWP across all four sectors of the Programme, which includes Infrastructure, Social, Non-State, and Environment and Culture as well as possibilities for Enterprise Development;
- Provide municipalities with critical information, content and contact information;
- Sign commitment agreements with Mayors; and agree on institutional arrangements.

Ladies and Gentlemen, we were further encouraged to host this summit because the EPWP, continues to prove its viability as a vital catalyst for creation of decent work opportunities, I am pleased to announce this morning that, the EPWP created 308,384 work opportunities in the first quarter (01 April 2011 to 30 June 2011). I think you should applaud this achievement – it is your achievement. But let us remind you: we still have three more quarters to go to achieve 868 000 net-work opportunities by the end of 2011/12 financial year.

In terms of the EPWP quarter 1 of 2011/12, municipalities contributed 70,579 work opportunities, which equates to 26% of quarter 1 figures.

Programme Director, the Infrastructure sector continues to achieve the highest percentage of work opportunities created against the targets, whereas the Social and Environment sectors respectively created the longest work opportunities.

Just a word of caution: may I highlight that collectively in 2009/10 municipalities only reached 75% of their overall target and for the 2010/11 year, only 77% of their overall target. This means that municipalities will have to make-up the shortfall in terms of their overall contribution for EPWP Phase 2.

Despite this, the number of the reporting EPWP municipalities has increased from 123 reporting municipalities in 2009/10 to 215 reporting municipalities in 2010/11. This is encouraging to note and by the end of this financial year, we would like to be able to say that all municipalities are reporting.

Moving forward, I am confident that our municipalities can play a critical role in drawing significant numbers of the unemployed into productive work, particularly because of your strategic positioning at the coalface of service delivery. Municipalities have a significant role to play in the creation of these targeted work opportunities. We urge you to drag every sinew of your institutional make-up to implement the EPWP as a viable and constructive way of socio-economic upliftment.

Programme Director, through this Summit, we challenge municipalities to raise the bar in innovation and creativity to encourage implementation of projects that employ large numbers of the unemployed, and provide much needed goods and services to local communities.

In this respect, the ANC's 2007 Polokwane Conference resolved to directly absorb the unemployed through labour intensive production methods and procurement policies and called for:

- A significant expansion of the public works programmes linked to the expansion of economic infrastructure and meeting social needs with home-based care and early childhood development on a massive scale.
- A much larger national youth service and ensuring the linkage of industrial strategy with key youth development programmes in the form of an integrated Youth Development Strategy.
- To introduce more programmes that target the employment of women.

It is important therefore that all government departments, provinces and municipalities identify projects and programmes with work opportunities for our people. The Department of Public Works will help you to implement your identified projects and encourage you to undertake more of such projects.

We call on all municipalities to come up with ingenious proposals to diversify the nature of the EPWP and further expand on the core mandate of creating labour intensive work opportunities and to use the EPWP as a strategic innovation hub of employment creation.

III. Challenges and conclusion

I want to end this speech on a very serious note.

It is no secret that this has been a very bad year for the Department of Public Works. The Department has attracted negative publicity from the media, following various investigations and negative findings by the Public Protector, the SIU and the Auditor General.

As a Department we have to take these findings very seriously, and we have to put in place the mechanisms and processes to address the short-comings. I

believe that we have started that process. Yesterday the top management of the Department were in Cape Town to meet with the Portfolio Committee in Parliament – exactly for this purpose to explain in detail the remedial measures to be put in place to address the issues raised in the Public Protector’s Report.

In preparing to meet with the Portfolio Committee, we said that the important thing now was to be open and honest with the Committee – because in honestly admitting and identifying the problems – this is the first step towards implementing solutions. That is where we are now.

Naturally the media has been asking the new Minister for Public Works: what is your plan for the Department? How are you going to tackle the problems of the Department? I have been somewhat guarded in my response:

- I am aware of the many challenges that Public Works has – but I am not about to be led by the media in formulating responses and strategies.
- I have said that currently I am engage on a listening campaign. The most important thing I can do at the moment is consult, read and make my own investigations – to begin to identify the issues and priorities.
- And it cannot be the case that every time there is a new Minister we restart at ground zero. That would be very disruptive. Where there is good work being done we have to support that. Where we identify gaps, then these have to be addressed. We have to develop specific solutions to specific problems.
- But of course I cannot do this on my own. It is vitally important that as a Department we embark – together – on a process where we collectively identify problems and develop solutions: where we seek quick wins, whilst embarking on a longer term process of organisational renewal.
- I look forward to working with the management of this Department to achieve this.

Let me also sound a serious note of warning in respect to the Expanded Public Works Programme. There is a very distinct possibility this year that we will underspend on this programme. Think for a moment what that means:

- This is the flagship programme of the Department.
- It is also the flagship programme of the government's commitment to job creation.
- Think of all the unemployed people – young people, rural people, those from the most disadvantaged communities – all those people who won't have work opportunities and the remuneration that comes with that - all because we didn't spend the funds to create those jobs.
- Colleagues we cannot be found wanting in this respect.

To me this is the challenge and major task of this Summit. We have to seriously address these questions:

- How do we radically expand the scope and content of the Expanded Public Works Programme?
- We have to be very creative here. I am not talking about creating jobs as an end in itself – where only the affected individuals benefit. We are talking here about creating employment opportunities as part of a broader strategy to develop communities as a whole.
- In rural development we talk about building vibrant, equitable and sustainable rural communities. How does EPWP fit into that vision for example.
- In turn we have to ask: how do we build our own capacity - as a Department, and in partnership with provinces and municipalities – to create work opportunities and to monitor, manage and report on such projects. In this connection we have said that it may be necessary to review the present incentives grant model to encourage greater take up by municipalities.

This Summit will need to debate these issues and develop appropriate strategies.

Ladies and gentlemen, I urge you to take ownership of the EPWP. It is your programme with the sole aim of ridding our communities of the yoke of unemployment and poverty. We want all our municipalities to be part of these achievements.

Programme Director, with this summit we are sending an unequivocal message to our communities:

- We the undersigned elected representatives of the people pledge to use the resources of the state to address social and infrastructure backlogs throughout South Africa.
- We further commit that in this process we will continue to live up to our President's central theme of making 2011, a year of job creation.
- We endorse the target of creating 4.5 million work opportunities by 2014 and will ensure that the individual municipalities, provinces, national departments and public entities that we lead will meet their targets and contribute to the national goal of halving unemployment by 2014.

I thank you