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LIST OF ACRONYMS

CETA	Construction Education and Training Authority
DEAT	Department of Environment and Tourism
DPW	Department of Public Works
DSD	Department of Social Development
DTI	Department of Trade and Industry
EPWP	Expanded Public Works Programme
EPWSP	Expanded Public Works Support Programme
FGD	Focus Group Discussion
KIIs	Key informant interviews
KZN	KwaZulu-Natal
PSC	Project Steering Committee
Shisaka	Shisaka Development Management Services
SME	Small and medium enterprises
SMME	Small, medium and micro enterprise
VLP	Venture Learnership Programme

1. INTRODUCTION

ECIAfrica Consulting has been contracted through Shisaka Development Management Services (Shisaka) to assess the *efficiency* and *effectiveness* of the Vuk'uphile Contractor Learnership Programme (Vuk'uphile) in supporting emerging contractors. In particular, this assessment focuses on the *mentorship component* of the programme and recommendations as to how it can be funded more effectively and implemented more efficiently.

Given the significant cost of mentorship to the programme and subsequent constraint on its growth and programme-related activities, this review of the mentorship structure of Vuk'uphile has been commissioned with the specific objectives of:

- Restructuring the programme so that additional funding sources for covering the mentorship costs of the programme can be identified;
- Recommending a process for EPWSP to facilitate for these funding sources to contribute to the Vuk'uphile Mentorship Fund, whose sole purpose would be to fund the mentorship cost of EPWP SMME programmes;
- Exploring avenues for reducing the cost of mentorship;
- Changing aspects of the programme to improve the quality of mentorship being provided.

The review is based on the understanding that a more *efficient* and *effective* programme will achieve the optimum value to emerging contractors per Rand spent on the programme, defined in the following way:

- that contractors trained and mentored are able to sustain contractual linkages with the public sector (i.e. find ongoing employment insofar as it depends on their ability to compete in the market);
- that the programme itself facilitates links into the private sector in a way which sustains SMMEs and employment within them beyond the training and public works contract;
- that the outcome of the programme "justifies" the means, or the cost of the programme and that programme costs are not excessive relative to the results achieved.

In order to address EPWSP's ability to sustain the current or amended programme financially at scale, ECI reviewed the following (as per the Terms of Reference):

1. The costs and quality of mentorship provided, including how to measure mentorship performance;
2. The kinds of projects selected and the way that the Vuk'uphile Mentorship Fund is contributed to and used;

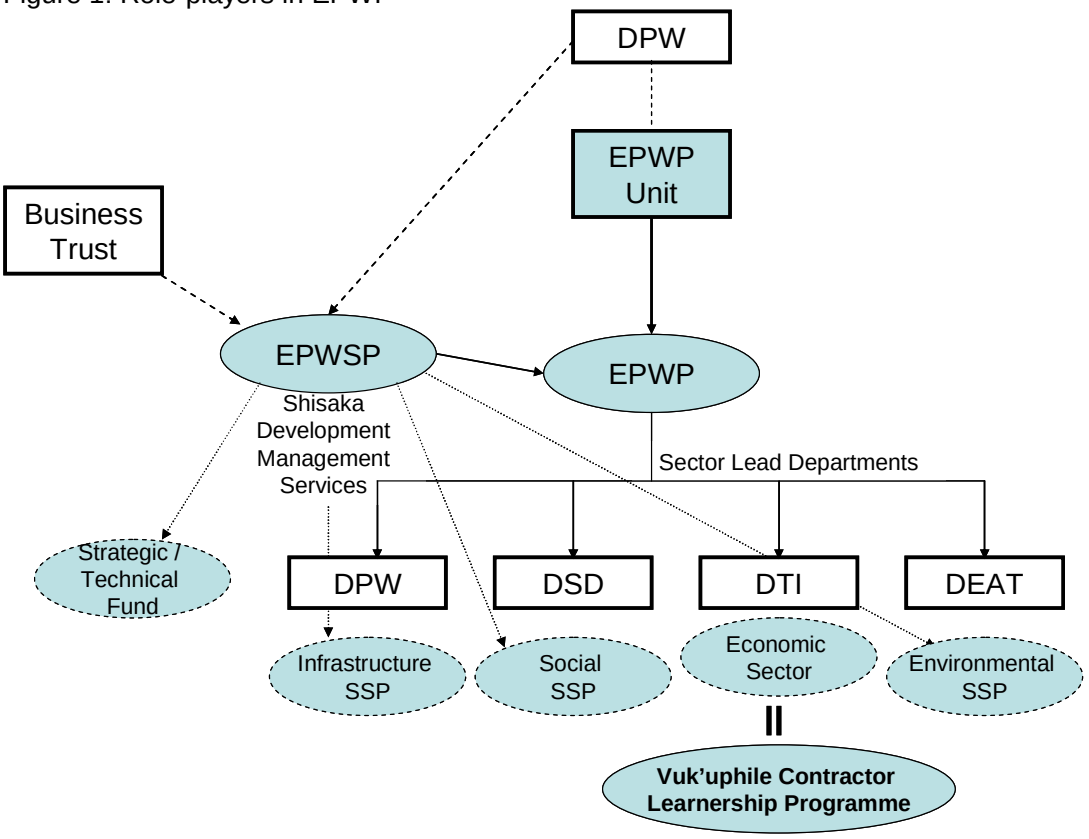
3. The relevance and quality of training provided as well as the way that training providers are quality controlled;
4. The use and determination of profits, salaries and income, ownership and corporate governance of contract companies;
5. Management and mitigation of risk; and
6. Terms of engagement with participating public bodies.

The assignment was conducted over a 7 week period during April / May / June 2007. This report constitutes the key deliverable of the assignment and provides the background to the Vuk'uphile programme, the methodology followed by ECI in conducting the review, as well as a presentation of the key findings and recommendations that we propose to address some of the critical issues constraining growth of the programme.

2. BACKGROUND

The Extended Public Works Programme (EPWP) has been established by the government of South Africa for the purpose of alleviating poverty through the creation of work opportunities, whilst cutting government's backlog in the provision of basic infrastructure to communities. The EPWP is a nationwide programme that is intended to be labour intensive in the provision of basic and vital infrastructural needs that are critical to the improvement of living conditions in communities around South Africa. The work opportunities that stem from the EPWP are meant to benefit unemployed and unskilled youth, rural women and disabled people. The benefits are intended to accrue through the acquisition of practical skills, the generation of income and the opportunity to gain much needed work experience that can enable participants to take advantage of other economic opportunities after the completion of the programme. The EPWP is being implemented through four government departments that are responsible for a particular sector (see the figure below). In this arrangement, the Infrastructure Sector is managed and implemented by the Department of Public Works; the Social Sector by the Department of Social Development; the Economic Sector by the Department of Trade and Industry; and the Environmental Sector by the Department of Environment and Tourism.

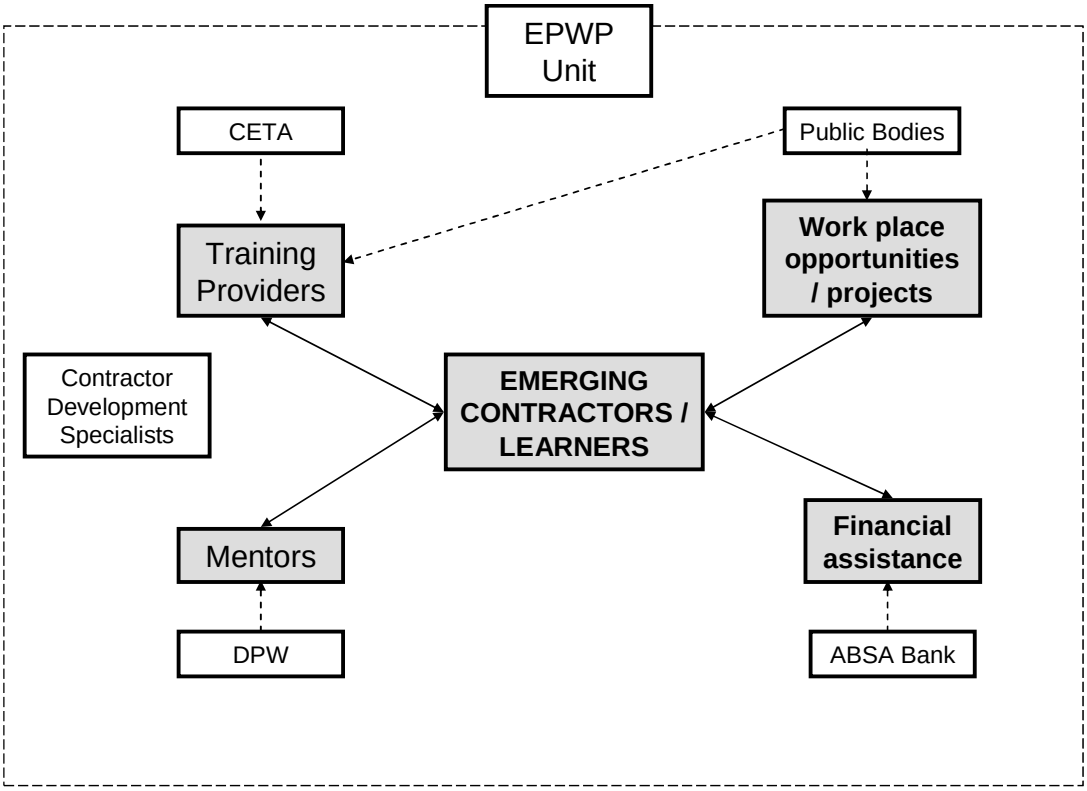
Figure 1: Role-players in EPWP



The Vuk'uphile Contractor Learnership Programme (VCLP) is an integral part of the EPWP whose purpose is to ensure that small, medium and micro enterprises (SMMEs) are established to provide the infrastructural needs of Public Bodies. In order to do this, they are guided and mentored so that they can (a) implement projects; (b) gain critical and practical skills; and to (c) ensure that they are sustainable well into the future.

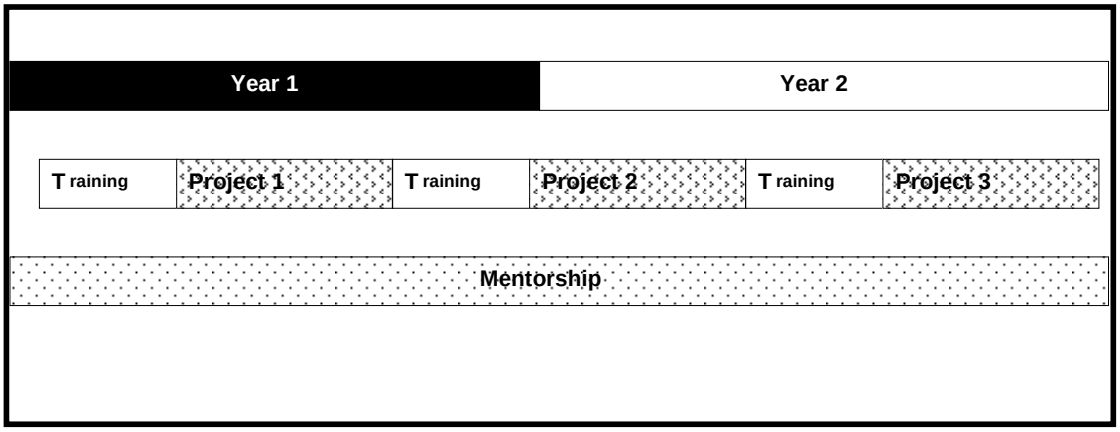
The programme is implemented over a two year period, wherein CETA provides accredited training, the Department of Public Works provides Mentorship, ABSA bank provides finance, and a Public Body provides the projects through which practical learning is facilitated (see the figure below).

Figure 2: Structure of support for Vuk'uphile Programme



The current structure of the Vukuphile programme is designed in a manner in which over a two year period, participants go through three training interventions that are interspersed with / followed by practical projects (see below). Mentorship plays a critical role in this process, especially in the practical implementation of projects.

Figure 3: Structure of Vuk'uphile Learnership



The EPWP assumes that the type and quality of training and mentorship afforded is relevant to the market place, that the projects (work place opportunities) are of such a kind as will (a) ensure adequate learning of skills, (b) be appropriate in terms of the level of skill which emerging contractors have and (c) be appropriate in terms of the kind of work place experience it gives them i.e. to equip them to compete for similar, and related, work in the construction sector. What is of importance here is that the programme should lead to emerging contractors being able to compete for repeat work in the market place (public and private) such that they become integrated, in a sustainable way, to the first economy. To achieve this, effective mentorship will facilitate the transition beyond the period of training and public works "sheltered" contract support.

To this end, the mentorship programme plays a vital role in contributing to this process and is consistent with national Government's objective to draw a significant number of unemployed South Africans into productive work, in a manner that will enable them to gain skills and increase their capacity to earn income[1].

As has been stated above, the mentorship aspect of the programme is one of the most critical with regard to ensuring that the programme runs smoothly and according to plan. It is therefore important in this review that the essence of mentorship be understood and appreciated. Mentorship is heavily reliant on the acceptance of the mentoring relationship by the parties involved. It is important that the mentee is receptive to the guidance and feedback from the mentor. The mentor must also in turn be sensitive and observant in order to ensure that the guidance and feedback that is offered is relevant and appropriate.

The Department of Public Works defines a mentor as an 'experienced and trusted advisor appointed by the National Department Public Works and tasked with the provision of assistance to the Learner and Learner Contracting Companies in the planning, execution and management of the on-site training projects'. Further, the department states that the

[1] See TOR, p.3

purpose of having mentors in the EPW programme is to ensure that the Learner Contractor is able to fully execute his/her own projects within the agreed timeframes and budgets, in a profitable manner. The review of the Vuk'uphile Contractor Learnership programme is therefore intended to ensure that the mentoring aspect of the programme works and delivers on its purpose in a sustainable manner. The review of the programme involves making recommendations on the structure that the programme should adopt in order to ensure its survival.

3. METHODOLOGY

The methodology for this assignment made use of several components to conduct this review:

- a review of the documents made available by EPWP to the review team;
- design and implementation of a survey to be conducted amongst a sample of Vuk'uphile learners;
- use of interviews with various key informant interviews from national government, public bodies and private sector; and
- Focus group discussions amongst a targeted group of mentors.

In order to conduct our study of the programme, the review was confined in its geographic scope. This section describes the rationale for the areas covered and the methodology and phases followed in each.

Geographic scope of work

Given the time and resource constraint for this assignment, certain geographic areas were targeted based on a combination of factors and a sampling framework for a survey of emerging contractors compiled.

The population size of learners is 1475[2]. The project is present in all 9 provinces. The numerical composition of the programme per province is presented in the table below, which then enabled the design of the sample for the survey.

Table 1: Vuk'uphile Programme Learner Numbers

Province	Number of learners
Mpumalanga	282
Eastern Cape	258
Gauteng	252
KwaZulu/Natal	162
Free State	151
Western Cape	132
Limpopo	108
North West	85
Northern Cape	45
Total	1475

For the purpose of the review, five municipalities across five provinces were selected, namely:

[2] Review of the Venture Learnership Programme of the EPWP, March 2007

1. Gauteng: Tshwane
2. Mpumalanga: Nkangala
3. KwaZulu Natal: Richard's Bay
4. Eastern Cape: Queenstown
5. Free State: Mangaung.

The selection of these locations was based on a combination of the following factors:

Performance of programme in the province

The initial selection criterion at provincial level was according to level of performance of the programmes in those areas. Five programmes were selected based on the fact that they represent a range of how well the programmes are doing across the country. Two provinces were selected because of a relatively low level of performance and the other two are regarded as better performers[3].

Locational and size factors

In drawing up the sample, we wanted to take into account variances which reflect locality, or an urban / rural divide, as well as size. This was based on the assumption that proximity to urban centres is likely to determine the kind of contracting opportunities available to learners and size of area is likely to determine number of learners on the programme.

In this respect, we selected a range of areas reflecting different sizes, e.g. a metro (Tshwane) vs. a district (Nkangala, Richard's Bay and Chris Hani) and a local municipality (Mangaung).

Progress factors

An important consideration in selecting the target areas was to identify at what stage the programmes are in their lifecycle as this may yield different findings.

In this respect, it was agreed to include Nkangala, (Mpumalanga) in the survey because it is the only area which has a group that has completed the three phases of the learnership programme. That is, two groups of learners have completed the Programme and the third is in the process of completing it. The rest of the municipalities were either in the middle or end of completing their first phase.

[3] The provinces selected were Eastern Cape, Gauteng, KwaZulu Natal, Free State, and Mpumalanga.

Type of Learner

The fourth criterion was breaking down the sample into stratum according to whether they are emerging contractors or supervisors. Based on the learnership model, a ratio of 2 supervisors to 1 contractor was selected. This is representative of the ratio in the population.

We recognised that each of the five Programmes may have its own peculiarities in terms of a variety of factors, including context, but for the purpose of this assignment, have selected programmes based on the above criteria and recommendations by the EPWP. The use of these selection criteria was to ensure that various variables that have a bearing on the performance and success/failure of the programme are equally considered.

Survey of emerging contractors

ECI proposed a sample size of 200 interviews (13.5% of population) spread over five provinces.

The sample proportion was set at 13.5% of the total population, or 18% of the population per province, to ensure that the sample adequately represented the views of the population.

Table 2: Sample size per province

Province	Area	Population	Sample size
Gauteng	Tshwane	252	46
Eastern Cape	Queenstown/ Chris Hani	258	47
Free State	Mangaung	151	27
KZN	Richards Bay / uMkhanyakude	162	29
Mpumalanga	Nkangala	282	51
Total		1105	200

This is indicative of the variance in the population. In general, the size of the sample in each province was taken in proportion to the size of the population. An exception was Tshwane where the targeted sample number was reduced as there are only 30 learners in that group.

Once we established the sample, we then broke it down further to reflect the type of learner as follows:

Table 3: Breakdown of sample according to strata

Area	Sample size	No. of supervisors	No. of contractors
Tshwane	30	20	10
Chris Hani	47	30	17
Mangaung	27	18	9
Richards Bay	29	19	10
Nkangala	51	34	17
Total	184	121	63

ECIAfrica appointed Market Instincts to conduct the survey. Telephonic interviews of 20 to 30 minutes were used to survey present and past participants of the programme using a structured questionnaire for this purpose. This questionnaire was pilot tested and refined before it was used in the study as well as being signed off by EPWSP.

In order to ensure that the population surveyed was representative enough to produce significant, relevant and reliable results, additional telephonic interviews were requested in order to make up the shortfall in the sample size (see table below). As a result, a total of 202 learners were interviewed by Market Instincts.

Table 4: Additional Interviews requested

Province	Area	Sample size
Gauteng	Johannesburg	60
Eastern Cape	Buffalo City	30
Free State	Public Works	60
Western Cape	Mossel Bay and George	30
North West	Rustenburg	60
Total		240

The final split of learners interviewed was: 62% supervisors and 38% contractors.

The survey focused on various aspects of the programme's performance in order to get the learners' perspective particularly on things like value placed on training, projects, mentorship services. The purpose of this was to help us assess, *inter alia*, sustainability of certain interventions (measured by, for example, willingness of learners to contribute towards certain costs), value of services received or where anomalies or constraints in the programme might exist for learners.

In this respect, the questionnaire was designed to cover the following components:

1. Programme Awareness and the Application Process;
2. Classroom Training;
3. Practical Training;

4. Loans from ABSA Bank; and
5. Mentorship Services

A sample of the questionnaire is contained in the annexes.

Market Instinct was responsible for refining the questionnaire design, coding, capturing and cleaning the data and producing a set of tables and graphs for analysis by ECIAfrica.

Interviews with key informants

As part of the programme review process, ECI*Africa* also interviewed Key Informants. The purpose of this was to get a deeper understanding of the programme from stakeholders who have an interest or are directly involved in the programme.

ECI*Africa* interviewed the following key informants:

i. National government representatives, including DPW, the EPWP Unit and EPWP Provincial Project Managers;
ii. Public Bodies, specifically local government representatives;
iii. The National and Provincial CETAs;
iv. Training providers for both NQF 2 and NQF 4 levels;
v. ABSA;
vi. Provincial Mentor Managers and the former National Mentor Manager;
vii. Mentor Fund Manager.

These interviews were conducted on a face-to-face basis with interviews ranging in length from one to two hours. Initially, interviews conducted in Gauteng and Mpumalanga were conducted by two interviewers. These were held with, for example, EPWP, CETA, ABSA and the Mentor Fund Manager. Once we moved into the remaining provinces, viz. Eastern Cape, Free State and KwaZulu Natal, one interviewer was responsible for the interviews in each province.

Note that a list of people interviewed is contained in the annexures.

The following table illustrates the framework used to guide both the number of interviews of Focus Group Discussions (per type of stakeholder) as well as what was covered in the interviews for various types of stakeholder:

Table 5: Focus of interviews with various stakeholders

	EPWP Unit	Public Bodies[4]	CETA	ABSA Bank	Mentors[5]	Training Providers	Contractor Development Specialists
*Number of interviews / Focus Group Discussions**	4	5	3	2	6*	3	3
Mentorship costs & quality	✓	✓		✓[6]	✓		✓
Projects & mentorship funds	✓	✓		✓	✓	✓	✓
Training	✓	✓	✓	✓	✓	✓	✓
Profits / salaries / income / ownership	✓	✓		✓	✓		✓
Risk (mitigation)	✓	✓		✓	✓		✓
Terms of engagement with participating public bodies	✓	✓		✓	✓	✓	✓

Focus group discussions with mentors

In each of the targeted areas, we conducted focus group discussions (FGDs) with as many of the mentors that we could mobilise or organise in that area. These were arranged in advance with the help of the provincial mentor managers. We envisaged being able to conduct the FGD with (preferably) 6 or more mentors working in each of the five study areas. However, because Tshwane had not formally appointed its own mentors, we interviewed all the mentor firms that were working in Gauteng. In other provinces, the focus was on mentors working specifically in the designated municipalities. The Mangaung Local Municipality had a small number of mentors compared to other municipalities.

[4] Including DPW

[5] This was representative of 30% of mentor companies and assumed one mentor interviewed per company OR six Focus Group Discussions

[6] This is applicable in the event that ABSA provides any embedded mentorship as part of its support to the programme

Two people conducted the Gauteng and the Mpumalanga FGDs. One person each was responsible for facilitating the Free State, Eastern Cape and KwaZulu-Natal FGDs.

The purpose of the FGDs was to assess, from the mentor perspective, what the constraints to the programme are in terms of sustainability, value add of various aspects of the programme, ways of reducing mentorship costs and identifying alternative sources of mentorship funding.

Wrap-up Workshop

A wrap up workshop on the project is proposed for the final week of this assignment, however, is yet to be finalised with EPWP. The proposal is to use it to present and validate key findings to national level stakeholders as well as to present and discuss our recommendations and reflect on lessons learned. The workshop has the potential to secure buy-in of various stakeholders to (a) a shared understanding of what problems need to be addressed and (b) to the recommendations proposed and potentially paves the way for an action plan to be drawn up which will facilitate a process of improvement or change where it is needed.

An agenda for this workshop will be submitted to and approved by EPWP before implementation and feedback incorporated in to this draft report before finalisation and submission.

Phases

The phases followed in our methodology are depicted in the table below.

Table 6: Project Structure

Phase	Focus	Specific Activities
1	Project start up and sampling	Inception meeting with client; Document review; Review instrument design; Sample design; Interview planning & scheduling; Briefing of survey company; Pre-test and refinement of survey tool; Approval of tools by the client.
2	Field work/data collection	Key informant interviews; Focus Group Discussions; Contractor survey; Data capture and production of data results.
3	Data analysis	Analysis of quantitative and qualitative results;

Phase	Focus	Specific Activities
		Preparation of draft report; Organisation of stakeholder / PSC workshop[7].
4	Preparation of Final Report	Workshop to present findings; Submission of Final Report

The actual implementation of these phases took longer than anticipated, for various reasons, including, for example, the delay in phase 1 and 2 due to the Easter weekend and delays with completing the survey.

[7] The nature and timing of this still to be discussed and agreed with the client

4. KEY FINDINGS

This section presents and analyses the key findings of this assignment based on a framework of analysis that takes into account the "end to end" process of recruitment and selection of learners through to graduation and beyond (although only a handful of learners have graduated to date).

It is premised on the assumption that the primary objective of the programme is to create short term work opportunities for the unskilled, marginalised unemployed. The means to do this is via the creation of small, medium and micro enterprises (SMMEs) who receive learnerships linked to a work opportunity created through construction contracts provided by a Public Body.

EPWP Objective:

- To utilise public sector budgets to create additional work opportunities coupled with training
- To enhance the ability of workers to earn an income, either through the labour market or through entrepreneurial activity

www.epwp.gov.za

A secondary programme objective therefore, is to build sustainable enterprises within the construction sector that can continue to generate employment within the public sector (and beyond) by undertaking labour intensive projects.

Our framework will therefore analyse each stage of the present model, as depicted below, with a view to assessing the efficiency and effectiveness of the Vuk'uphile programme in supporting emerging contractors and its ability to sustain the current, or amended programme financially at scale.

Framework for Analysis

The following diagram is a representation of the Vuk'uphile learnership programme that incorporates pre-learnership activities, as well as the intended outcome.

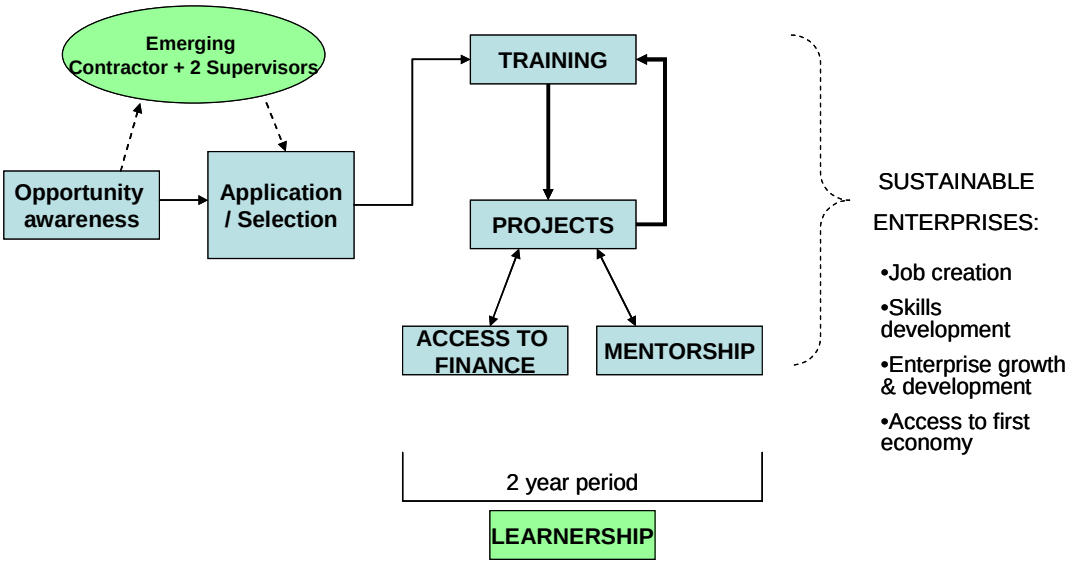
Our understanding is that a more efficient and effective programme will achieve the optimum value to emerging contractors per Rand spent on the programme, defined in the following way:

- that contractors trained and mentored are able to sustain contractual linkages with the public sector (i.e. find ongoing employment insofar as it depends on their ability to compete in the market);
- that the programme itself facilitates links into the private sector in a way which sustains SMMEs and employment within them beyond the training and public works contract;

- that the outcome of the programme "justifies" the means, or the cost of the programme and that programme costs are not excessive *relative* to the results achieved

In this respect, the concept of sustainability for the programme is not just confined to financial sustainability but to the logic and performance of each part of the programme in contributing to the overall goal.

Figure 4: Framework for Analysis



This framework presents an important assumption, namely that selection of the "right kind" of candidate is a significant precondition for building overall sustainability and for making the programme more efficient and effective.

To select candidates with a greater likelihood of sustaining enterprises and creating jobs requires that the programme opportunity be communicated in a targeted way. The *way* that the programme is marketed will be critical to attracting interest from those who meet the selection criteria for the programme and thus lead to a stronger pool of candidates.

Implicit in this is the notion that not all applicants who enter the process will go on to build sustainable enterprises and that certain applicants will be more suited to the programme objective than others. In this respect, we have not queried the selection criteria for the learnership, but generally assumed that they are correct and do not need to be changed. It should be noted however, that current selection criteria for learners includes the criterion that learners should have prior enterprise ownership / management experience as well as prior experience in the construction / contracting sector.

Finally, the selection process is critical to ensure that candidates are selected that will *most likely* lead to formation of sustainable results.

The question this raises is whether the objective of the programme is to create jobs, or to develop enterprises or to do both. (Note that these objectives are not necessarily mutually exclusive and that the former can be a function of the second objective).

Where the former lends itself to a typical training programme and skills development to make people more employable, the latter lends itself to facilitating linkages into the wider value chain in order to sustain enterprise growth and development. However, these objectives potentially lend themselves to different interventions.

It would appear that Vuk'uphile attempts to do both, and while too early to assess programme impact, results indicate that a significant, if maybe small number of enterprises will go on to sustain market opportunities beyond the life of the programme, whereas the majority of learners will benefit from enhanced skills development, even if unable to create jobs as intended on conclusion of the programme.

In this respect, Vuk'uphile is an ambitious programme which seeks to do many things within one model, and although beyond the brief of this study, our findings suggest that mentorship is a critical dimension to them all. Our approach to mentorship in the programme therefore considers not only what the *cost* of mentorship to the programme is and how can this be reduced (or made to be more efficient and effective) but also, what *benefit* does mentorship bring that if removed, would impact significantly on the programme as to be detrimental to its intended outcome. We therefore consider the cost of mentorship against the overall programme benefit, which we quantify in terms of value of projects completed during the learnership programme.

Programme Awareness and Learner Selection

Key Findings: Learner Demographics[8]
1. Majority of learners fulfil HDI criteria
2. 83% of respondents are between the ages of 18 and 35
3. 95% of respondents have passed grade 12
4. Only 33% of respondents are women
5. There were no disabled people in the sample
6. Only 21% have previous experience of running a business
7. In some instances, numbers of applicants have been so few that public bodies have not implemented the programme; in other instances, number of registered learners is below target
8. Most learners selected are incompatible with programme objectives because they lack entrepreneurial ability and unlikely to sustain a business beyond the learnership / most learners are perceived to be on the programme for the benefits it offers
9. Only a few learners have any background in or knowledge of construction
Key Findings: Awareness
10. 66% learnt about the Vuk'uphile programme via the newspaper
11. Media used to advertise the programme has not been effective in all instances of reaching its intended target group
12. 36% applied to participate because they want practical skills and training; 35% to start their own business; and 28% because they needed work
13. 81% found the application process easy
14. Awareness and understanding of the programme by Public Bodies is insufficient
Key Findings: Selection
15. The selection process is not regarded as difficult
16. Most enterprises are created for the purpose of the programme

Learner demographics

The criteria for the programme stipulate that the following profile of people should be selected on the programme: historically disadvantaged enterprises (HDEs), women, youth, disabled people, minimum grade 10 qualification for contractors and grade 12 for supervisors and those with an entrepreneurial background as well as those with experience in the construction or contracting sector.

According to Affirmative Action targets[9]:

[8] Based on the survey sample

[9] DPW (August 2004): *Specification for mentorship services within the EPWP Learnership Programme*

- At least 85% of the selected learners must be historically disadvantaged individuals
- At least 50% of the selected learners must be women and /or disabled.
- At least 50% of the learners must be younger than 35 years

In terms of the selection process, the following characteristics count in favour of the applicant learners:

- experience in the construction or contracting sector
- experience in owning / running or managing a business
- higher qualifications than the minimum specified
- access or ownership of capital or assets that would be useful for a contracting company.

Our results suggest that the programme is reaching its target of young black individuals with the necessary prior learning, but it is not succeeding in reaching its targeted number of women and / or disabled, or those with entrepreneurial and construction experience[10].

There are a number of reasons why this may be so:

1. The current awareness strategy is not effective in reaching women and entrepreneurs;
2. Few women are interested in the programme: At one level, the barriers to entry in the industry are reasonably/relatively low, however, as an industry that has typically been dominated by men, marketing may require a different approach in order to attract women to the programme, alternately, the way the programme is structured may need to be reviewed in order to be more gender sensitive;
3. Few entrepreneurs and contractors are interested in the programme: they may not be willing to give up 2 years for a learnership programme because the opportunity cost for their own businesses may be regarded as too high.

The importance of these findings to this study is derived from our assumptions raised above, namely that the interventions required by learners are likely to increase in the event that they do not have entrepreneurial ability or previous experience in the industry. This is mostly played out during projects when greater hand-holding by mentors is required.

Besides the role of marketing in recruiting the right types of learner, other factors were identified by key informants and mentors. These include the fact that

1. In some areas, demand for training or construction is low i.e. there are too few applicants for the programme, targets can not be met and in some cases, public bodies have had to abandon the programme.
2. Selection criteria are not being strictly enforced in order to secure numbers on the programme; i.e. "quality" of participant is sacrificed for quantity.

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[10] This is consistent with findings for labour ratios as well: of the 16,957 labourers employed, 52% were youth, but only 31% were women and 0,5% were disabled.

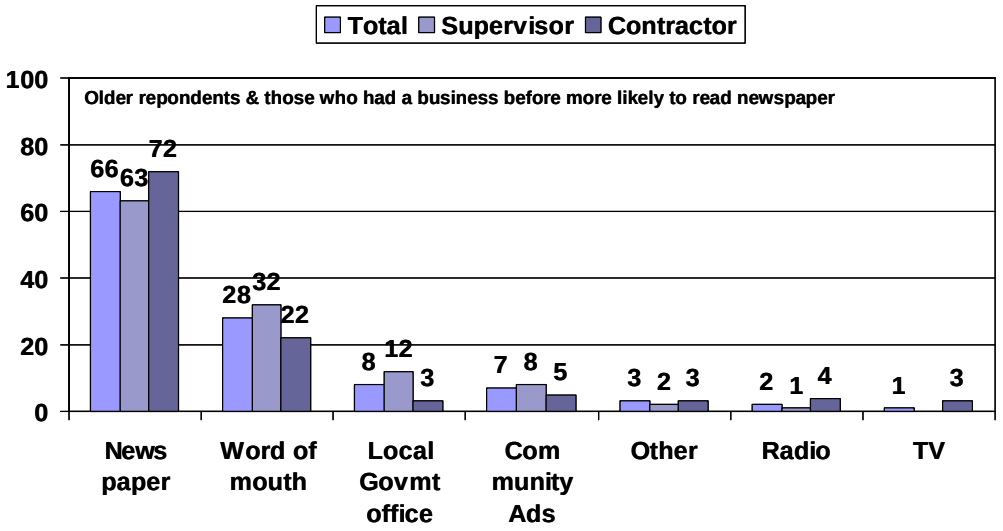
3. Some applicants are disqualified as learner contractors (because of their credit record) and so are selected as supervisors. While this does not disqualify them from the programme per se, and manages the risk of them potentially defaulting on loans, it does mean that they are not able to fulfil their potential as enterprise owner/managers.

Programme Awareness

The key finding under programme awareness is that most people hear about the programme via the newspaper or word of mouth (see the figure below) rather than, for example, via local government offices / CETA / national DPW. The fact that some of the learner targets are so well met indicate that the media used for creating awareness is effective for those target groups.

Our assumption is that there may be several reasons why higher numbers of women and entrepreneurs are not applying to the programme, not just that the marketing campaign may not have reached them. What this suggests is that women and / or disabled people, as well as entrepreneurs / contractors need to be considered in the light of their specific needs relative to the programme objective and marketed to accordingly if programme targets are to be met.

Figure 5: How learners became aware of the Vuk'uphile programme



%

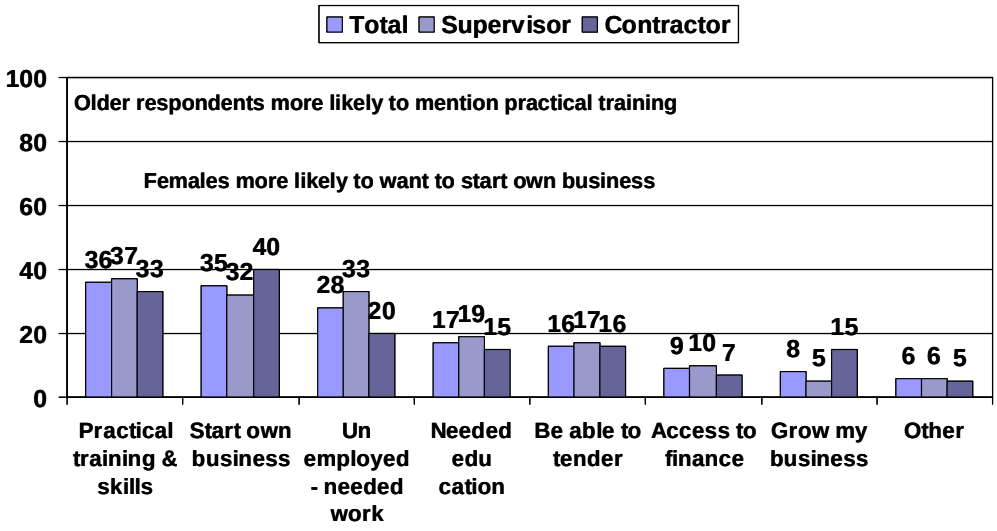
Total = 202

The reasons given for why learners applied to the programme vary quite widely and illustrate a range of expectations of what the programme will deliver. None of the reasons given are wrong in and of themselves, but could suggest that the way the programme opportunity is described is wide open to interpretation in terms of what the programme

objective is. (This may account, in part, for the perception among key informants of a strong entitlement culture among learners).

By the same token, the reasons given confirm the relevance of the programme objectives (i.e. the need for skills training, job creation and enterprise development) and represent a good distribution (in terms of ages and gender) of programme participants (those who want jobs, those who want practical skills and training and those wanting to start or grow their own business).

Figure 6: Reasons for application



%

Total = 202

The perception of key informants and mentors about why learners come on the programme differs quite significantly to that of the learners themselves. Their view is that learners are not necessarily motivated by the desire to grow and expand a business or to be in the construction industry so much as to take advantage of the subsidies on the programme. This perception is hard to validate without being able to assess the real impact of the programme in terms of number of graduate learners that go on to form their own businesses or create jobs for others. The observation, however, that some learners do well on the programme and are committed to it even though they do not have the relevant industry or enterprise background suggests that exposure to the learnership opportunity itself is sufficient to motivate people to enter the industry rather than see the learnership as an end in itself.

The perception of entitlement does raise the question of whether a fully-subsidised programme supports or distorts sustainability, but also of whether the message communicated about the programme reduces the likelihood of attracting the right

candidates and of promoting sustainability than it would be if a message were conveyed that, for example, that participants have to contribute to their own development.

Another critical finding from key informants and Focus Group Discussions (FGDs) is that awareness and understanding of the programme amongst other stakeholders is limited; this includes Public Bodies and community members.

This provides an important explanation for why the approach to programme implementation by Public Bodies is not integrated. In this context, awareness of the programme for Public Bodies constitutes more than simply knowing that the programme exists, but extends to their having sufficient information and understanding about EPWP objectives and the integration of the Vuk'uphile programme into their planning and budgeting cycle.

By the same token, it seems that communities are not sufficiently informed or mobilised about the opportunities that Vuk'uphile presents. As key potential beneficiaries of the programme, promotion of the programme to them is critical to secure their participation, enable project objectives to be fulfilled and for EPWP to meet its job creation targets. As a different target group to learners, mentors and Public Bodies, one assumes that communities require their own awareness campaign or marketing method. The inadequacy of this may be a function of capacity constraints on the part of Public Bodies or the EPWSP.

What these findings highlight is the role of communication and mobilisation in securing the right people for the programme and contributing to programme sustainability. The converse of this is that lack of *internal* awareness of the programme and poor communication to all stakeholder groups is likely to have negative (albeit unintended) consequences for the efficiency and effectiveness of the overall programme.

Selection

By far the majority of respondents (81%) did not find the selection process difficult, although 4% indicated that they found the Maths difficult. This was endorsed by trainers who felt that the statistical maths component should be removed as a selection criterion.

What is evident from the selection process is that enterprises are created specifically for the purpose of participating in the programme. Subsequent sections will illustrate the negative impact this has on sustainability because of the conflictual nature of the relationship between supervisors and contractors based, primarily, on the way the roles and responsibilities within the enterprise are allocated.

The criteria stipulate that contractors should have grade 10 and supervisors' grade 12. Once selected, they complete different levels of training, namely NQF 2 and 4 respectively and assume different functions within the business, neither of them necessarily

understanding or appreciating the tasks of the other. What this means in practice is that supervisors report to contractors who are not as qualified as they. In addition to this, contractors are conferred ownership of the enterprise and are the sole custodians of the enterprise finance so that a degree of inequality is construed within the structure based on ownership, responsibility and level of qualification.

This configuration for the enterprise leads to significant animosity between the two role-players and reflects in their assessment of different aspects of the programme. The issue here is that contriving partnerships as the basis for enterprise start-up is at most risky and at least, highly unlikely to succeed and rather than lending itself to efficiency and effectiveness, undermines the goal that its designed to achieve[11].

[11] Many learner contractors indicated that they would start their own companies, without supervisors, on completion of the programme. And supervisors expressed concern and uncertainty about what they would do on completion of the programme.

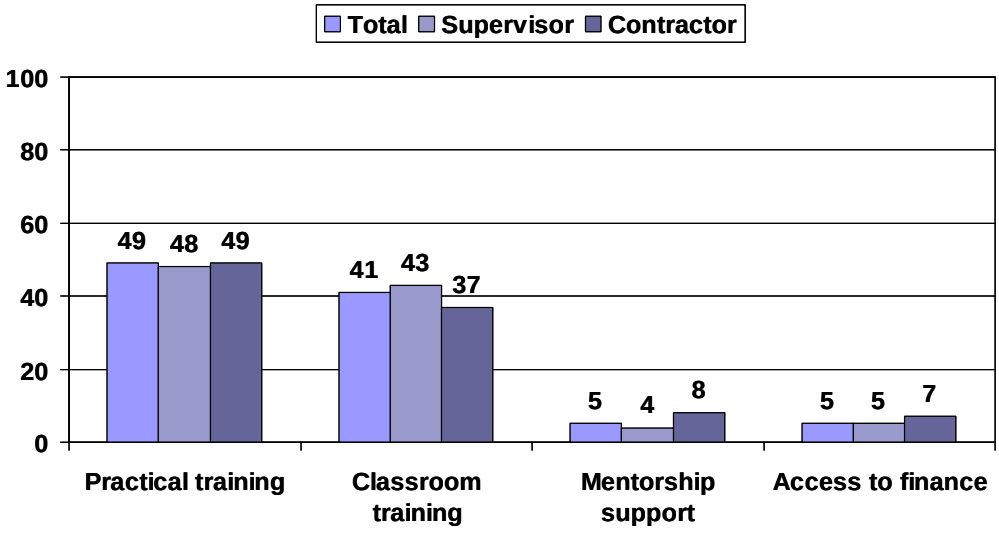
Training

In our methodology, we distinguished between classroom training and practical training (or projects) as well as mentorship. In this section, we refer primarily to classroom training although we will be explicit where this is not the case.

Key Findings: Classroom Training
1. No training is provided in tendering for projects so that learners are dependent on Mentors for assistance 2. 41% of all learners find classroom training useful, compared to 49% who find practical training (or projects) most useful and only 5% who find mentorship support and access to finance most useful; of the 41%, more supervisors than contractors rate the classroom training this way 3. Classroom and practical training are not always aligned, so that sometimes learners do not have the skills required by the projects they undertake 4. Training is largely theoretical as few training providers have construction experience 5. Moderation and assessment of training is poor 6. Mentorship time exceeds their allocation in order to compensate for inadequate training received in the classroom and intensive assistance required by learners 7. 68% of learners prefer the current structure of training 8. 76% of learners (84% contractors and 71% supervisors) indicated a willingness to contribute toward the cost of training: a. 51% of contractors, compared to 38% of supervisors are "very likely" to contribute; b. 33% each of contractors and supervisors are "quite likely" to contribute.

We found that there were very diverse views around training and the full range of Vuk'uphile services depending on who we spoke to. Learners rated classroom training significantly more highly than mentorship, whereas mentors feel that much of their time is spent compensating for inadequate training (starting with hand-holding learners through the tender process for projects).

Figure 7: Most useful services



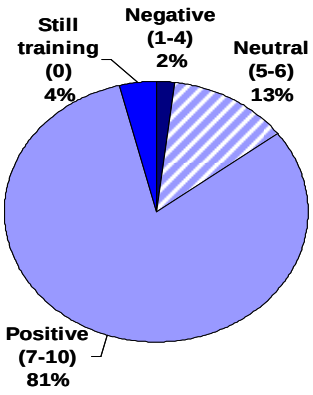
%

Total = 202

The reasons given for the rating on practical training is that it provides experience, whereas the classroom training provides the theoretical base.

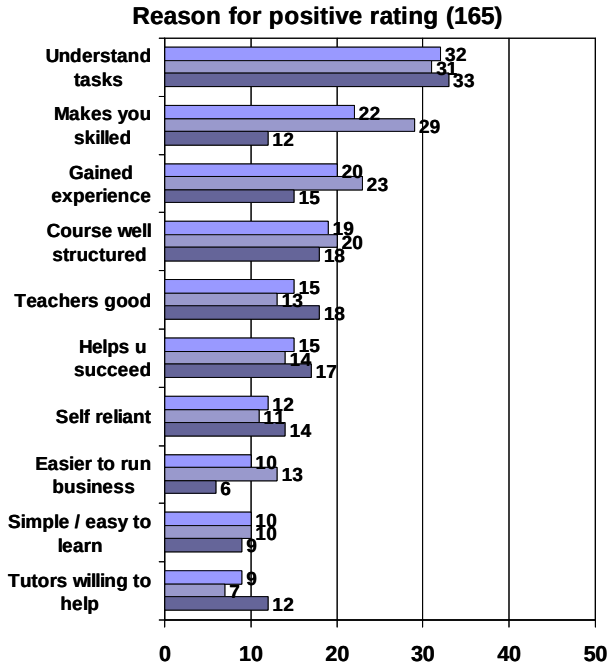
The following figure illustrates the reasons for the positive ratings on the overall training.

Figure 8: Rating of completed training



Mean Score out of 10

Total	8.08
Supervisor	7.92
Contractor	8.33



%

Again, there may be a number of reasons why the assessment of classroom training differs so profoundly between learners and mentors:

1. Learners are assessing the value of training received relative to their lack of skills before and their reason for applying for the learnership;
    a. note that the numbers of learners who gave wanting skills and training as their reason for applying for the learnership is high;
    b. The information they are receiving is new and therefore highly valued;
2. They may not fully appreciate what they do not know in order to complete a project and therefore underestimate the value that mentorship services provide;
3. There may not be a sufficiently clear link between classroom and practical training;
4. Mentors are assessing the extent to which classroom training has adequately prepared learners for the projects at hand and, based on their experience in construction, recognise far greater gaps in the knowledge and understanding of learners than the learners themselves will realise.

By contrast to the learner assessment, mentors feel that training should be integrated and entirely project based. Their argument was based on the fact that in spite of the classroom training that learners receive, most learning takes place on site because the classroom training has no practical component. What this means, for example, is that only until the learner is on site, will he or she learn to lay bricks. No amount of classroom training prepares them for this, so that an inordinate amount of time is still required on site to provide training in practical skills.

They also feel that in many cases, they are best equipped to provide the training as they have both practical industry experience as well as theoretical knowledge, where many training service providers do not have hands on experience in construction. In this respect, mentors would like to be involved in the design of training materials as well as have mentorship integrated with classroom training in order to prepare learners for the projects and for the role of mentorship during the programme.

The concern about training provider qualification was reiterated by other key informants who indicated that some providers are not sufficiently qualified in construction and / or do not have the correct materials for training. In addition to this, the limited capacity of CETA at national and provincial level is such that moderation and assessment of training and learners is insufficient.

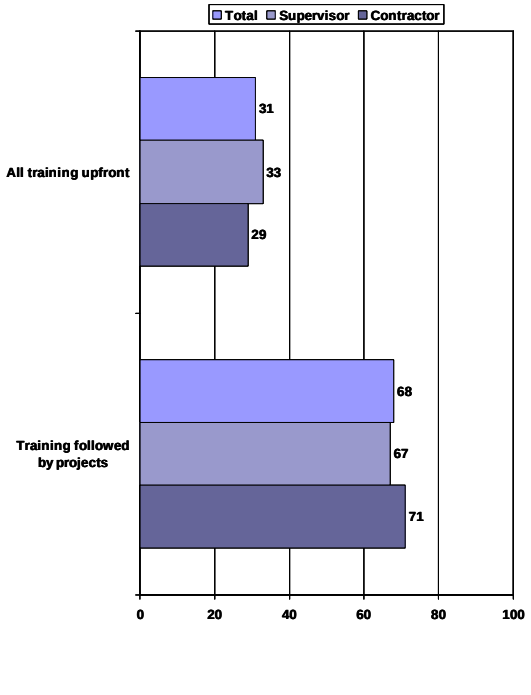
The implications of this for the programme is that, where training delivery is weak or inadequate, mentors have to compensate; this in turn is more costly in terms of the time and effort invested by the mentors in the learners to ensure sustainability.

The annexes illustrate further the levels of usefulness of various modules in the training for contractors and supervisors respectively as well as what problems are experienced in training; (the majority indicated that they have no problems with training, whereas a few indicate problems with insufficient time, or money, or too much time, etc.) Of note for this

particular study is the feedback regarding the course structure and scheduling of classroom versus practical training.

The preference of 68% learners is to have the classroom training as it is viz. interspersed with projects, whereas 31% would like to have *all* the training upfront (see the figure below). One of the main problems encountered however is ensuring alignment of second and third classroom training because some projects take longer than others to complete. The scheduling of projects is a recurring theme from our review which will be addressed in the next section; suffice to say that delays with projects cause significant knock-on effects for both trainers, learners and mentors.

Figure 9: Scheduling preference for training

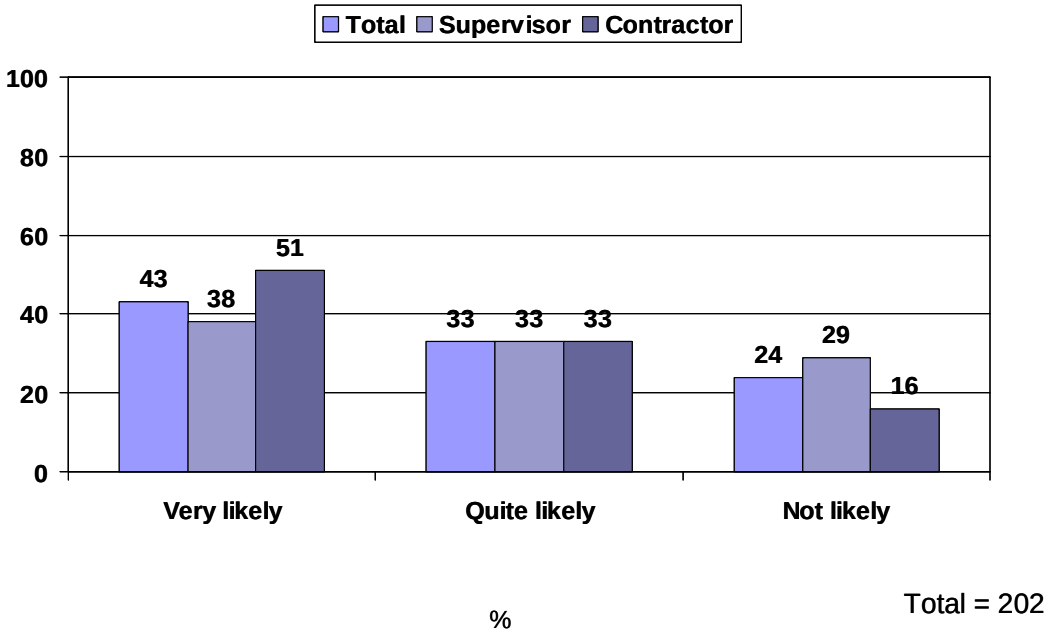


Reason prefer Upfront training (63)	
Good to learn all theory first	57%
Gives you better knowledge	43%
Can start working & continue	14%
Waste time waiting for projects	11%

Reason prefer training & project (138)	
Gives you better understanding of practical work	55%
Gives you better knowledge	45%
Helps you remember theory	28%
Can do the job better	17%
Learn theory & apply it	5%

What is significant from learners is the indication of their willingness to contribute towards the cost of classroom training. In total, 76% indicated a willingness to contribute to cost. (51% of contractors, compared to 38% of supervisors were "very likely" to contribute to the cost of training). While not a guarantee in itself, it does suggest that there are learners who could (a) afford to contribute and (b) would pay for services they deem valuable and (c) regard the training under Vuk'uphile as worth paying for. Given that this was not a feasibility study, we did not test how much people would be prepared to pay, so that we are unable to assess what proportion of cost would be offset by such contributions; it is our view that this is likely to be negligible compared to actual costs of delivery, however, it provides an important message when reviewing the cost structure and basis for subsidy of the programme and also contradicts the view that the programme may be attracting applicants who want training because it is subsidised!

Figure 10: Propensity to contribute to cost of classroom training



Total = 202

The assessment of training highlighted again how the conflict between supervisors and contractors undermines the sustainability of the programme. Key informants comment that the difference in training received is such that neither understands what the other does; for contractors, this presents a particular problem as they are required to manage the supervisors, and yet have no technical training. Supervisors, in turn, do not want to be managed by contractors as they have a lesser training qualification.

Projects

Key Findings: Projects

1. Training projects are regarded as one of the most valuable components of the Vukuphile programme, as they provide an avenue for the acquisition of skills and construction industry experience
    a. 92% learners found that classroom training assisted them in the implementation of projects (as opposed to 8% for whom it did not)
2. 60% of all respondents believe that mentorship is very useful in assisting with the implementation of projects, however, the allocation of mentors to contract firms is not optimal and leads to over runs in terms of time and cost by mentors in provision of their services to learners
3. Public bodies support the use of EPWP projects as a way of meeting backlogs, however, there are several constraints to implementation as a result of poor Public Body coordination and programme management:
    a. Project planning is weak:
        i. Poor scheduling leads to
            1. delays for participants (learners, mentors and trainers);
            2. high travel costs for mentors
    b. Projects are not always aligned to make use of classroom training (although 83% learners state that projects they were allocated to matched the classroom training received)
    c. Not all public bodies understand the philosophy of EPWP - they sometimes appoint consultants who also do not understand EPWP's requirements and therefore sometimes design non-compliant projects
    d. They appoint project managers who can not always be on site
4. Local labourers are not adequately prepared for projects as training by Department of Labour is not always aligned to the implementation of projects

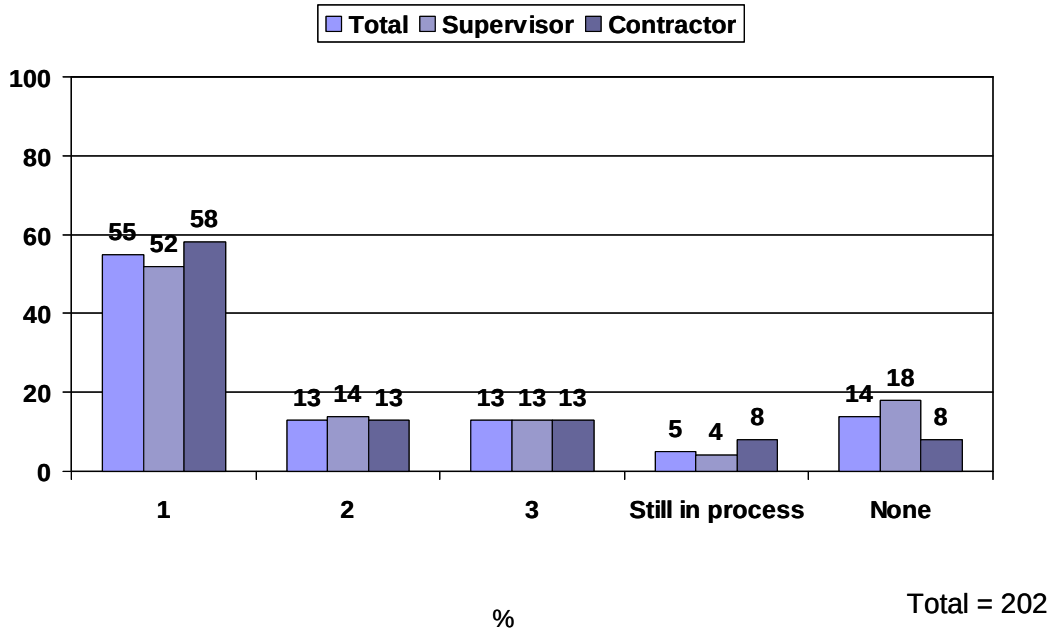
Training projects form one of the most significant components of the Vuk'uphile Learnership programme in providing practical workplace opportunities to learners so that they can independently undertake and complete construction assignments. Most of the constraints on the projects, however, are a function of poor preparation and coordination on the part of the Public Bodies and of EPWSP. This, in turn, impacts on the types of project awarded and on the investment of mentors in assisting learners to complete their projects.

In this section, we will focus on the feedback given by learners, but also highlight the constraints in terms of planning and preparation etc. related to the Projects. The following section will focus more in depth on the implications for mentors as a result of some of the constraints described in this section.

Learner Assessment of Projects:

By way of perspective, the survey sample of learners indicated that they had completed a total of 202 projects. The following figure illustrates the breakdown of projects completed in the sample:

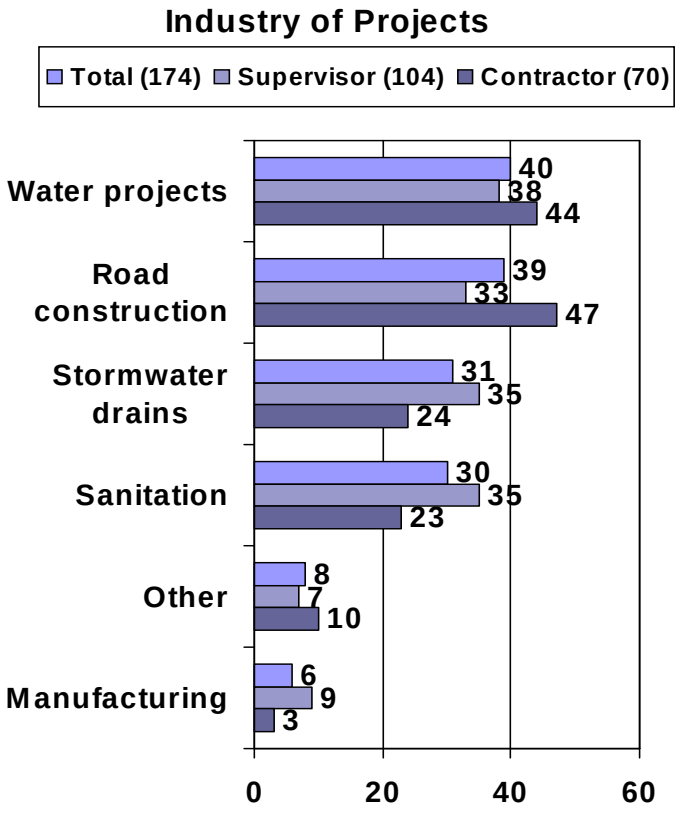
Figure 11: Number of projects completed



Few of the total sample had yet to complete a second or third project, and only 13% each had completed a second or third project. (This suggests that it may be premature to assess the sustainability of learners beyond the programme as not until they have completed all projects will one be able to get a sense of their readiness for market or their ability to win new business for themselves).

Of the projects completed thus far, most have been completed in water projects, road construction, storm water drains and sanitation. 24% of programme participants stated that they have some experience in the nature of projects that they were implementing. 83% also stated that the nature of projects they had been allocated matched the kind of classroom/theoretical training that they had received. This is important because it means that the projects that learners undertake are backed by proper training, and therefore project success is enhanced (see the figure below):

Figure 12: Breakdown of type of projects completed



The table below shows the projects according to their sectors and whether they are 1st, 2nd or 3rd projects over the period of the existence of the programme. According to the table, water (27, 6%), road (27%) and sanitation projects (20,7%) dominate the nature of projects undertaken by learners in the programme. In addition to this, most projects which are first are water projects.

This could be a reflection of which labour intense projects present the most pressing infrastructure delivery needs of the public bodies. It could also indicate which types or projects learners have a preference for based on their classroom training and what they are able to implement well.

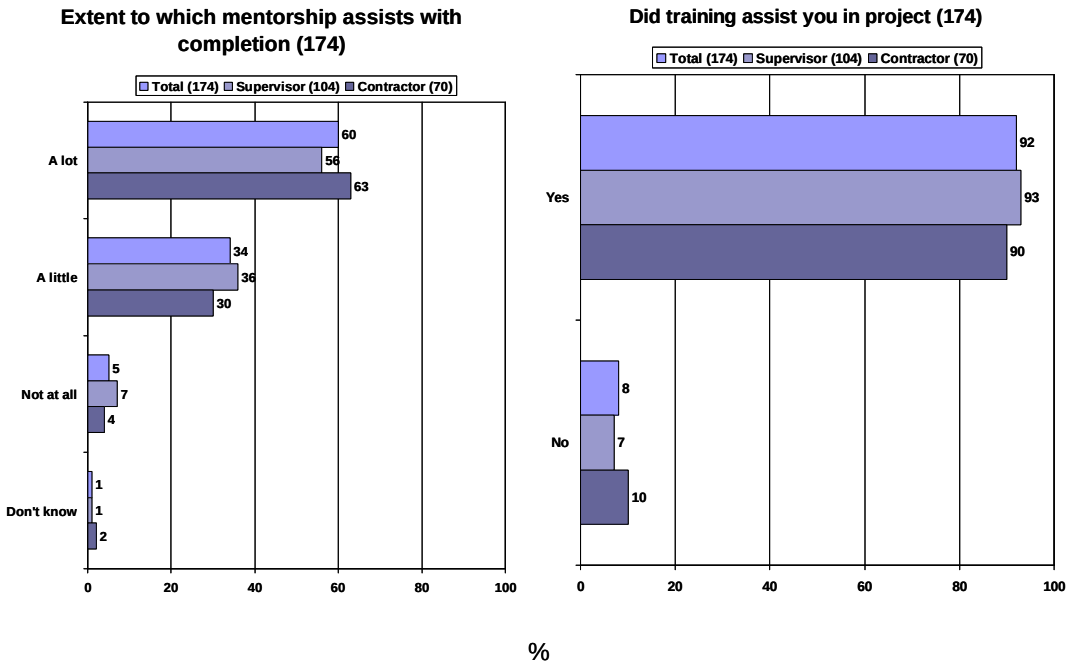
Learners would also like exposure to diverse types of projects, such as building schools or low cost housing as this would ensure that they diversify their skills. In Mangaung, for example, learners were divided into two groups so that they could complete both roads, and water and sanitation projects. The one group focused on roads while the other focused on water projects. This applied to the first and second projects to provide learners with different skills sets so that they can decide in future which areas they prefer to focus and specialise in.

Table 7: Completed projects according to phases and sectors

Industry/Sector		Projects Completed				
		Project 1	**Project 2**	**Project 3**	**Still in process/working on 1st project**	**Total**
	Road Construction/Sidewalks/Paving	25 14.4%	11 6.3%	10 5.7%	1 .6%	47 27.0 %
	Storm-water Drains	8 4.6%	7 4.0%	8 4.6%	2 1.1%	25 14.4%
	Sanitation Projects	28 16.1%	4 2.3 %	2 1.1%	2 1.1%	36 20.7%
	Water Projects	37 21.3%	3 1.7%	6 3.4%	2 1.1%	48 27.6%
	Manufacturing, e.g. block making/stadia	8 4.6%	1 .6%	0 .0%	1 .6%	10 5.7%
	Other	4 2.3%	1 .6%	0 .0%	3 1.7%	8 4.6%
Total		**110 63.2%**	**27 15.5%**	**26 14.9%**	**11 6.3%**	**174 100%**

The extent to which classroom training and mentorship were perceived to be of assistance with the projects is illustrated below:

Figure 13: Assessment of project support



This indicates that classroom training is viewed by the participants as extremely critical in ensuring the success of their projects and should not be compromised at all, but rather strengthened in order to provide more support to programme participants. 60% of respondents stated that mentorship assisted them "a lot" with the completion of projects, whereas 34% stated that mentorship assisted a little and 6% stated that it did not assist at all. In this regard, learner contractors seemed to have gotten the most support from mentors. This could also be an indication of the focus on the learner contractor by the mentors over the supervisors.

Project Constraints:

There are several constraints to the programme which are a function of planning and preparation on the part of Public Bodies and management by EPWP. These include scheduling, design of projects and coordination within the learnership.

Scheduling

Under the programme, Public Bodies are responsible for ensuring the availability of projects, however, they have not been entirely able to plan how they make projects available to learner contractor companies in time to coincide with the completion of the classroom training components. This impacts negatively on programme participants, forcing learners either to stay at home while waiting for projects, delays in the next training component, and down time for mentors.

Part of the problem has to do with ineffective communication from the EPWSP, part of it has to do with the lack of integration of project planning in to the annual planning and budgeting cycle of Public Bodies and part of it has to do with the lack of ready capacity to design projects on time.

Project design

The projects made available for the EPWP need to be labour intensive and to be completed in an efficient and cost effective manner. However, some projects that have been made available are not always labour intensive nor aligned to the training which learners have received.

Although Public Bodies are clearly in favour of the Learnership Programme, some made projects available that were already earmarked for development and not necessarily suitable for EPWP. Over and above this however, Public Bodies do not always understand what constitutes labour intensive projects, or the difference between labour intensive and conventional projects. Where there is lack of capacity within Public Bodies, some have resorted to appointing consultants to design the projects, however, the consultants themselves do not always adhere to EPWP guidelines. The implications of

this for the programme is that projects are not aligned to the training learners receive, nor are they then in a position to create the number or kind of jobs they should.

Project management and coordination

One of the constraints that has emerged around projects is the management of the projects. What has transpired is that Public Bodies appoint (mostly internal) managers to oversee projects, however, they are not able to be on site as much as mentors are, for example, and often end up duplicating the role that mentors fulfil. This represents a programme inefficiency which could be rectified if structured differently.

At the same time, Public Bodies need to ensure that projects meet the required standards of excellence and acceptability. They therefore have to constantly be communicating with the mentors to ensure that projects are implemented according to project design and timeframes. They also interface with the consulting engineers that design these projects.

Another important aspect of project coordination and timing has to do with the training of communities, a responsibility of the Department of Labour. This needs to be undertaken before projects start so that beneficiaries are ready to take up employment on projects as they start.

It is important therefore that public bodies are able to play a coordinating role in the programme in order to ensure that projects get done according to specification, time and budget.

Demands on mentor time

The location of projects is also crucial in dealing with the quality of the projects and their timeous completion. The challenges with the location of projects are compounded by the learner/mentor ratio. With mentors looking after 10 learner contractor companies, the distribution and location of projects also reduces the amount of time that the mentor can spend with the mentee companies.

In addition to this, mentors have to address the conflicts which arise between the contractors and supervisors. The basis of the conflict seems to be structural. Supervisors are not included in the contractor companies as shareholders, have a higher level of training and yet are paid less than the contractor/manager. They also feel that mentors pay more attention to the learner contractors.

Mentorship

Key Findings: Selection/ appointment of Mentors
1. Appointment of mentors is made late into the Programme after the selection of learners; 2. Mentors do not participate in selecting which learners they will mentor; 3. Mentors are appointed by National DPW and are not accountable to Public Bodies; 4. The recruitment and appointment of mentors is done at national level. This means that a mentor firm is appointed to offer mentoring services in another province which contributes to the increase in travel time and costs for the mentors; 5. Some mentors do not have the correct interpersonal skills to work with the learners; 6. The selection of mentors does not take into account the qualification or sector experience of mentors and therefore does not always appoint suitably qualified mentors e.g. with contract management or civil engineering experience
Key Findings: Role of mentors
7. The workload of mentors is more than what was originally anticipated; 8. Mentorship also involves a significant amount of administration and report writing; 9. The mentor-learner ratio is high, making it difficult for the mentor to adequately meet with all the mentees; 10. Mentors are also highly involved in the tender application process for projects as well as project implementation, procurement, technical assistance and applications for finance; 11. The success of the Programme is dependent on the role of the mentors; 12. Mentors are seemingly spending more time with learner contractors and do not dedicate enough time for learner supervisors; 13. Mentors spend a significant amount of time trying to address contractor-supervisor conflicts
Key Findings: Cost of Mentorship
14. There is significant downtime for mentors when learners are in the classroom or when waiting for projects; 15. The revenue earned does not make it viable for senior mentors to provide the mentorship service and so junior mentors are often assigned to deliver support; 16. Payments to mentors are only forthcoming based on mentorship inputs delivered; 17. Forty seven percent (47%) of learners indicated that they were either very or quite likely to contribute to the cost of mentorship.
Key Findings: Assessment by Learners
18. 48% of learners believe that mentors contribute "a lot" to the success of their companies; 19. Learners who participated in the study have indicated that their mentors were helpful in various aspects including: contract and commercial management; financial management; procurement processes, technical engineering methods; construction planning and management; as well as human resources management.

20. In comparison with other types of input, mentorship support ranks significantly lower than usefulness of practical training and classroom training received.
21. Mentors do not spend enough time with learners - Only 39% of learners feel that the number of meetings they have with mentors is enough; as high as 57% think that there are too few meetings;
22. A significant number of learners indicated that there was a need to improve relations with the mentors;
23. Some learners identified the quality of mentors as one area requiring improvement for the overall Programme.

Key Findings: Assessment by mentors

24. The current approach to mentorship is not financially / commercial sustainable for mentor firms;
25. The amount of time and hand-holding required on the projects way exceeds what the programme expects;
26. Mentors have no say in who they mentor nor are they part of the selection of learners so they can not be fully responsible (and accountable) for the learners' performance;
27. The allocation of 10 contract firms per mentor is too high and places significant time constraints on projects;
28. Time needed by individual firms for hand holding is more than mentors have available;
29. Mentors are having to compensate for weaknesses in the programme e.g. weak training, under-qualified/ inexperienced learners and weak coordination of the Programme.
30. Inherent weakness in the communication structure of the Programme horizontally and vertically.

Selection of Mentors

The contribution of mentors in the learnership programme is essential in developing the capacity of learners so that they are able to undertake construction work efficiently and independently. The quality of the mentorship provided is therefore dependent upon the competence of the mentors appointed.

The National Department of Public Works (NDPW) is responsible for issuing invitations to tender for mentorship and in turn selects and appoints suitable mentor firms. Contracts awarded to mentor firms are worth R2, 5 million for the duration of the learnership (or for 30 months) and include taking responsibility for 10 contract or learner firms.

As these are open tenders, mentor firms in one province can tender to provide mentoring services in another province. Some stakeholders indicate, however, that the selection of mentors by NDPW means that mentors are not accountable to Public Bodies. The implications of this for the programme are that Public Bodies lack control of mentors and are thus not in a position to enforce or monitor the quality of work that mentors are required to do. In addition, if mentors were accountable to Public Bodies, the opportunity

would be created for mentors to play a greater role with Public Bodies regarding project support, however, this is not the case.

One of the implications of providing services across provinces is that cost of service delivery is that much greater, both in terms of time and cost and service delivery is likely to be less efficient (as mentors have to distribute their services more widely). This is both a function of geography and mentor/contract firm ratio. It does however highlight the shortage of available mentors in some provinces, so while under-resourced provinces can be served, the cost of doing this is high and does not build sustainability of mentorship capacity at local level.

Addition concerns regarding selection have to do with the timing of appointments, and the recruitment of mentors who are not ideally suited to the role.

In terms of timing, mentors have highlighted the fact that their appointment is made late into the Programme after learners are selected. The drawback of this is that mentors are unable to participate in the selection of who they would like to mentor. Whether they should be involved in learner selection is debatable but some key informants have indicated that there are mentors who do not have the interpersonal skills required when working with learners from different backgrounds and / or with limited skills. This might favour a process of some kind of mutual matching, but this would push programme costs and time up (and we later suggest that there are alternative ways to approach this problem).

The perception exists that selection of mentor firms is not as rigorous as it should be as it does not take into account the qualification or sector experience of mentors e.g. Construction Management or Civil Engineering. This means that not all mentors meet the selection criteria and not all mentors are suitably qualified for the projects that they are required to oversee. This has project implications as it means that either mentorship delivery will be at best irrelevant, at least, inappropriate, but it also means that contract firms need then to source expertise from elsewhere (at a potentially unnecessary cost).

Several informants pointed out that some mentor firms submit names of experienced and suitably qualified professionals when bidding for mentoring services and then use inexperienced professionals in carrying out the actual work. Mentors explain this differently (see further below in this section).

Some key informants were of the view that mentors do not fully understand the level of people they are mentoring, stemming from the fact that the majority of mentors are white and the learners are black. It is noted that learners have expressed feeling least understood by mentors, compared to other service providers, particularly in terms of challenges they face.

Mentors are not always correctly skilled or equipped to fill their role; (in effect, EPWP is accused of using the wrong people to provide this service: "it does not take a heart surgeon to train a dentist"). The Programme, for example, is open to all Built Environment Professionals, however, these are not always suitable to mentor learners because they do not have experience in the construction sector or of running their own enterprises. In some cases, it is simply a question of lack of sound interpersonal skills, which are seen as vital to the mentor-mentee relationship.

The Role of Mentors

Mentor firms are contracted for a period of 30 months, during which time they are to be on standby to "service" contract firms during project implementation. Their inputs are required at various stages in the process during that time frame.

Mentor firms are required by contract to provide 528 hours (or 66 days) of service to 10 contract firms (or 30 learners) per month. This equates to 6.6 days only per contract firm, or 2.2 days per learner. In theory, this is to be allocated to technical assistance (on site) time only and makes no provision for overhead (offsite administration, preparation, research, etc.).

What transpires is that in reality, the amount of work associated with mentoring is far more than originally expected for a number of reasons:

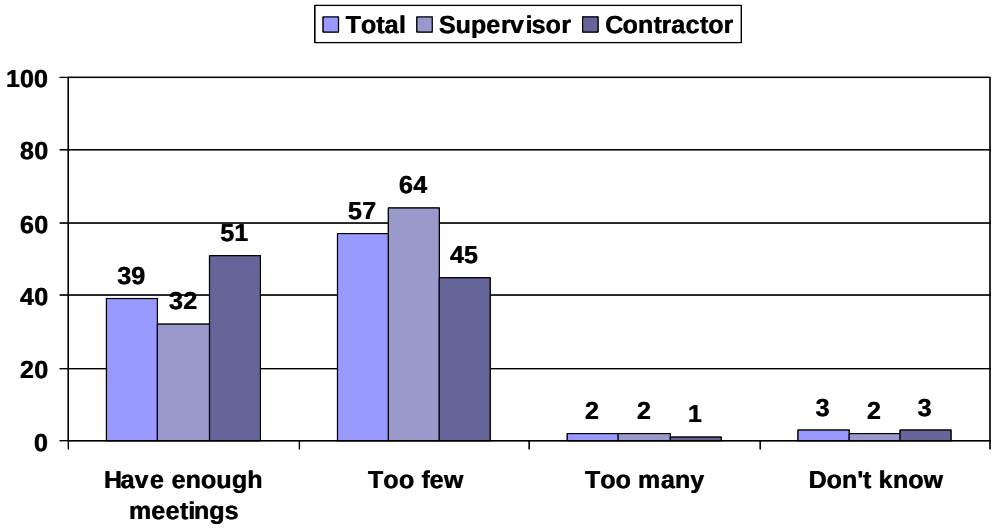
1. The mentor-learner ratio is high, so that instead of spending 4.4 days per learner (in a 1:5 ratio), mentors only get to spend on average 2.2 days per learner a month i.e. they need to mentor more people than they realistically have time for;
2. The role of mentors is far broader than their contracts account for. Early in the learnership, mentors become highly involved in the tender application process for projects as well as assisting with project implementation, procurement, and technical assistance. There is also considerable administrative work that they have to complete in addition to writing progress reports. In effect, many mentors feel that they DO more than the Programme requires;
3. Because of the quality and skill of learner on the programme, mentors find that they need to spend more time than expected in hand-holding learners. The question of sufficient time with mentors is an important one to both them and the learners. According to the survey, 57% of learners indicated that they have "too few" meetings with mentors (see the figure below). By contrast, 39% of learners indicate that they have enough meetings with the mentors. What is interesting is that learners feel that mentors spend more time with learner contractors than they do with learner supervisors, something that could account for the disparity in assessment of mentor services by learners and supervisors; (contractors generally rate mentor services more highly than supervisors). Learner supervisors have indicated that they have sufficient meetings with the mentors than their learner contractor counterparts, however, according to some stakeholders, the difference in time spent with each type of learner

has apparently fuelled and aggravated the tension that exists between the Learner Contractors and Supervisors.

4. Mentors also spend significant time addressing the conflicts that emerge between learner contractors and supervisors. While the conflicts may be pre-emptible (in terms of programme design), as it is, this is a role which only mentors can assume, and in terms of their role in the securitisation of risk, is one which they must play in order to assure the timely and sufficient completion of projects.

Where mentorship is intended to be facilitatory in nature, it appears that in fact, mentors end up doing much of the project work themselves, including the assumption of a kind of project management role.

Figure 14: Meetings with Mentors



%

Total = 202

The Cost of Mentorship

The majority of mentors were of the view that the costs of mentorship are not high considering the amount of work associated with what they do. They maintain that the amount of time that they commit to the Programme should be commensurate with the revenue from mentoring. As it is at present, mentors expressed that the revenue earned from the programme does not make it viable for senior mentors to provide the mentorship service so that they assign junior, and sometimes inexperienced, professionals to take on this role.

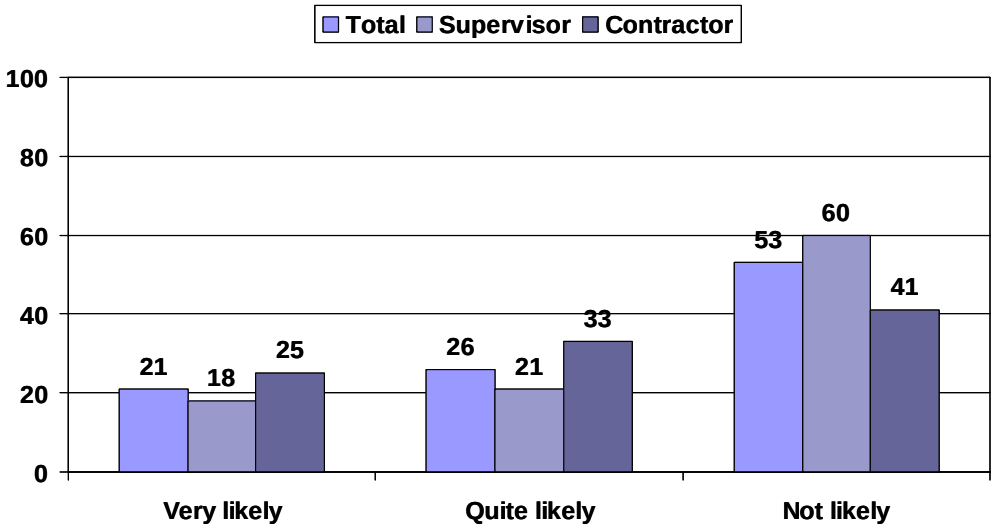
Mentors also indicate that there is a significant amount of downtime for them, when learners are either in the classroom or when waiting for Public Bodies to make projects available. The opportunity cost for them of this is extremely high, as it could be time spent

on other income generating projects, however, as their contracts stand, they are not able to do this. By the same token, they are only receive payment for services delivered and so can not deliver or earn more where project delivery and delays are beyond their control. Overall feedback, however, suggests that the mentorship model as it is, is not commercially viable or sustainable for these firms.

Willingness to contribute to the cost of mentorship

A significantly low percentage (21%) of learners indicated that they would be "very likely" to contribute to the cost of the mentorship. A slightly higher proportion (26%) of learners indicated that they would be "quite likely" to contribute to the cost. Most of the learners (53%) indicated that they are not likely to contribute directly to mentorship.

Figure 15: Willingness to contribute to mentorship



Total = 202

Those willing to contribute say that mentors have contributed a lot to the development of their businesses. They also indicate that mentors have been professional and have helped them with the company finance.

Those not willing reasoned that they had no money to pay for the services. They also assert that mentors were not helpful and that they focus too much on contractors (rather than supervisors), and where they did, their support tended to be inadequate as they are not on site for sufficient amounts of time.

On both accounts, contractors are more likely than supervisors to contribute to the cost of mentorship, and supervisors are significantly more "not likely to contribute" than contractors.

Assessment of Mentors' Performance by Learners:

This section presents learners' assessment of the mentors in terms of the contribution they make in assisting them implement their projects.

The assessment highlights the performance of mentors in fulfilling their obligation to develop the capacity of learners to undertake projects efficiently and independently. Learners were requested to reflect their assessment of mentors in two ways. First, as part of the overall assessment of the Programme, learners were asked to reflect the most useful service. Second, learners were requested to rate the value of input received from mentors.

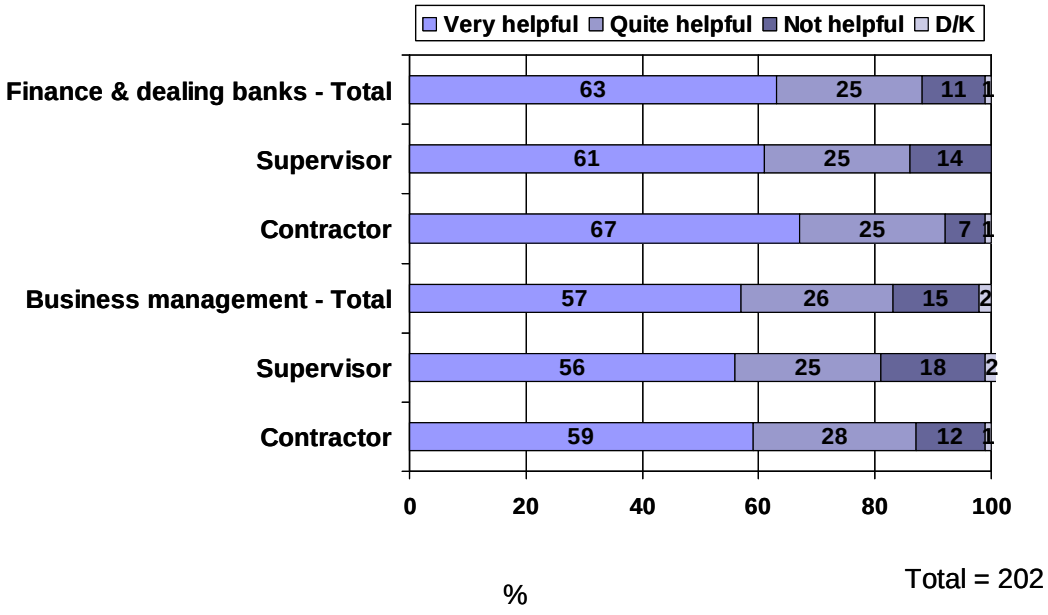
In terms of most useful service, the earlier section of training highlights that mentorship support (5%) ranks significantly lower than usefulness of practical training (49%) and classroom training (41%) received.

In terms of value of input received from mentors, overall, learners who participated in the study indicated that their mentors were helpful in assisting them in undertaking various project related inputs and processes. The outcomes of the learners' response in relation to the usefulness of service delivered are detailed below:

Financial and Business Management

Overall, 88% of all learners indicated that mentors were helpful in assisting them with finance and dealing with the banks. Of these, 63% indicated that the mentors were very helpful and 25% indicated that they were quite helpful. Only 11% indicated that they were not helpful.

Figure 16: Financial and Business Management



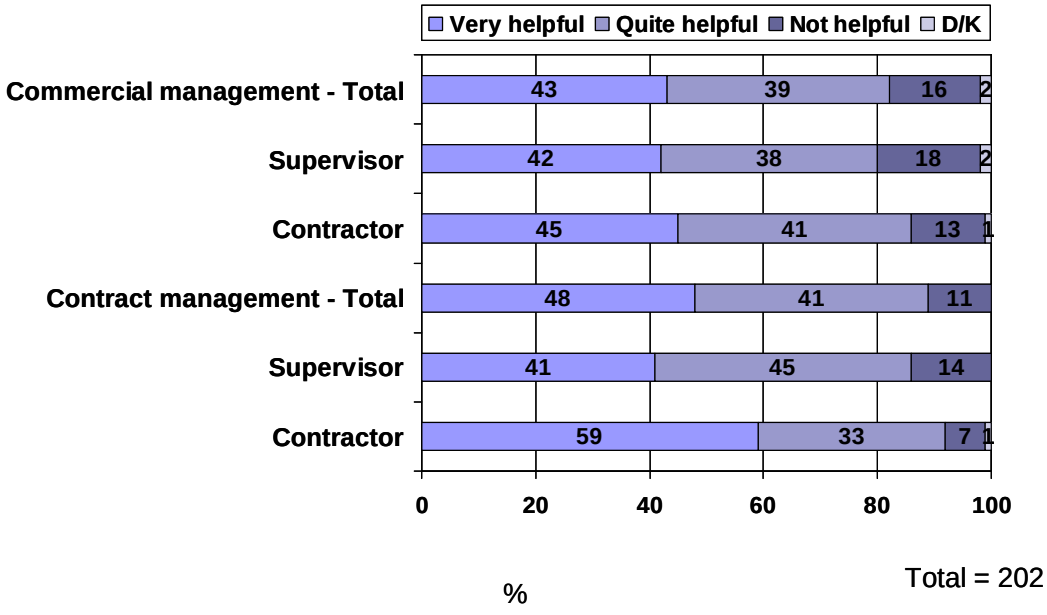
Approximately 83% of learners indicated that mentors were helpful with services to do with business management. Of these respondents, 81% of supervisors indicated that the mentors were helpful and 84% of contractors indicated that the mentors were useful.

Commercial and Contract Management

On average, 82% of all learners indicated that mentors were useful in the commercial management aspect of the mentorship. Approximately 80% of supervisors indicated that they were helpful and 86% contractors indicated that they helpful.

Eighty nine percent (89%) of all learners indicated that mentors were helpful in the contract management aspect of the mentorship. From these, 86% of supervisors indicated that they were helpful, of whom, 41% indicated that they were very helpful and 45% indicated that they were quite helpful. In this aspect, 92% of contractors indicate that mentors were helpful.

Figure 17: Commercial and Contract Management



Procurement, Technical and Engineering Aspects

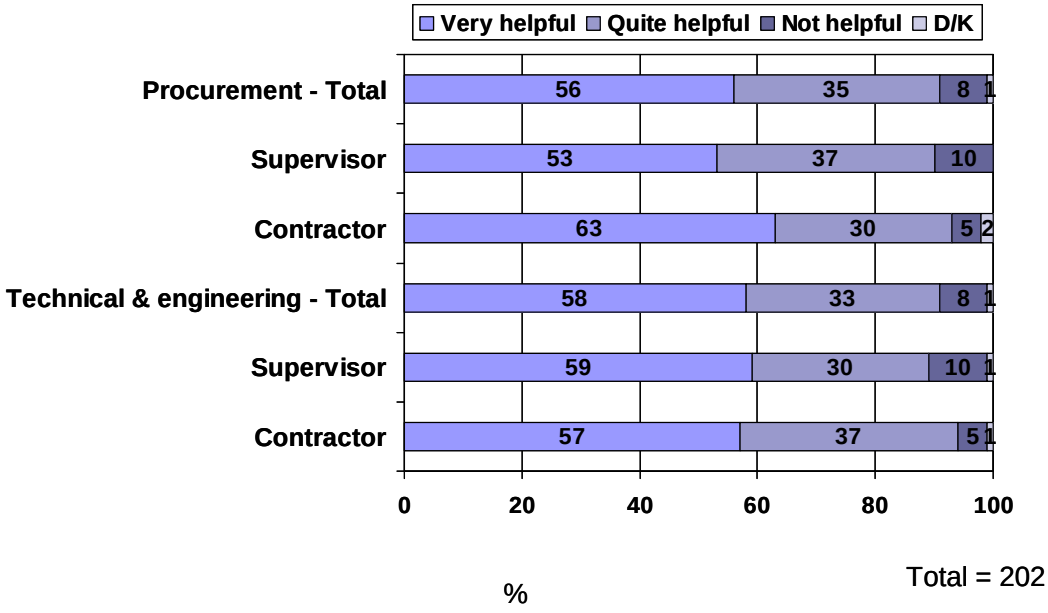
The following figure presents the outcomes of learners' responses in relation to procurement, technical and engineering aspects.

About 56% of learners indicated that mentors were very helpful in assisting them with procurement aspects and 35% indicated that they were quite helpful. Out of these, 90%

supervisors indicated that indicated that mentors were helpful and 93% of contractors indicated that mentors were helpful in the procurement aspect.

Approximately 91% of all learners indicated that mentors were helpful in the technical and engineering aspect of mentorship. Eighty nine percent (89%) of supervisors indicated that mentors were helpful in this aspect. Out of these, 59% indicated that mentors were very helpful and 30 indicated that the mentors were quite helpful. Overwhelmingly, 94% of contractors indicated that mentors were helpful in this aspect. About 57% indicated that mentors were very helpful and 37% indicated that they were quite helpful.

Figure 18: Procurement, technical and engineering aspects



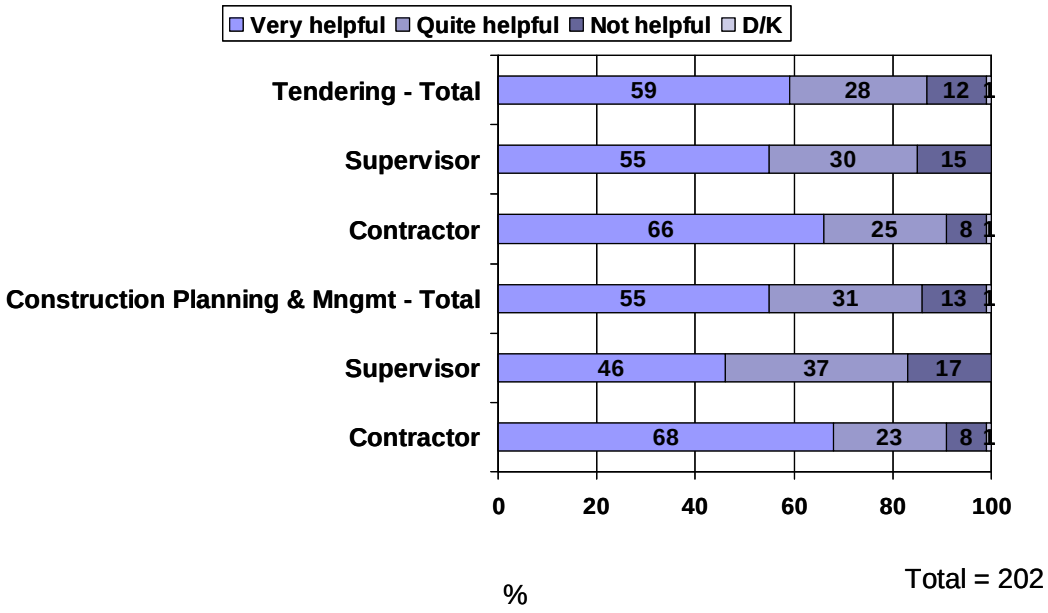
Tendering, Construction Planning and Management

The figure below illustrates the findings of learners' indication of the helpfulness of mentors in tendering, construction planning and management.

On average, 87% of all learners indicated that the mentors were helpful with the tendering aspect. Fifty nine percent (59%) indicated that they were very helpful and 28% indicated that they were quite helpful.

In terms of construction planning and management, a total of 86% of learners indicated that the mentors were helpful in that aspect. Of these 83% of supervisors indicated that the mentors were helpful and 91% of contractors indicated that mentors were helpful.

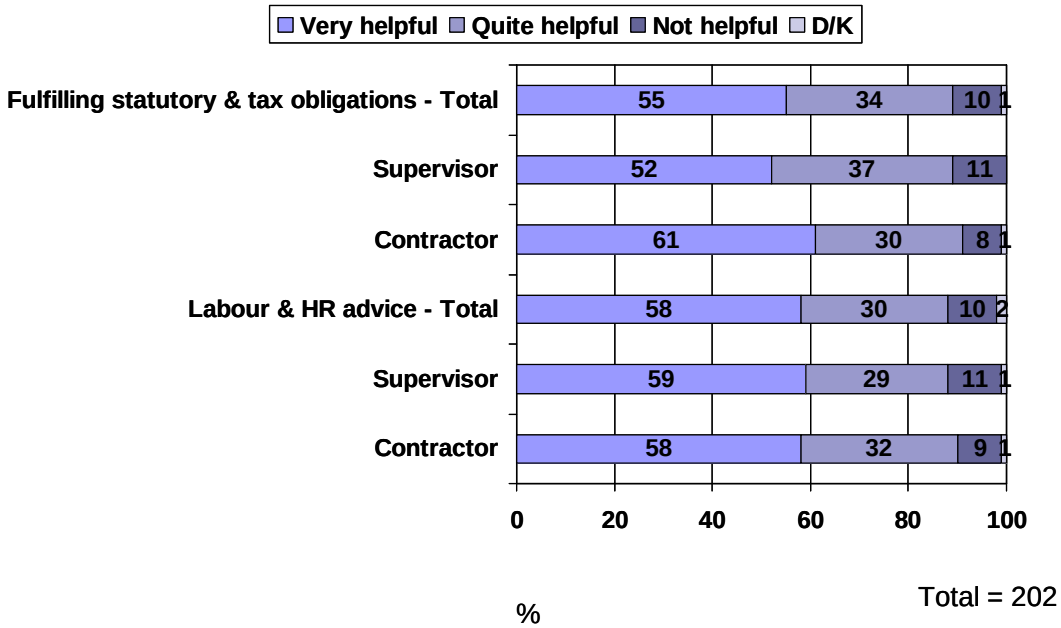
Figure 19: Tendering, Construction Planning and Management



Statutory Obligations and Human Resource Management

In terms of the fulfilling statutory and tax obligations management, approximately 89% of learners indicated that mentors were helpful. Most supervisors (89%) indicated that mentors were helpful and 91% of contractors concurred with the supervisors.

Figure 20: Statutory and Human Resource Management



On average 88% of learners indicated that mentors were helpful in providing labour and human resource advice. 88% of supervisors indicated that mentors were very helpful, with 59% indicating very helpful and 29% indicating quite helpful. Fifty eight percent (58%) of contractors indicated that mentors were very helpful and 32% indicated that they were quite helpful.

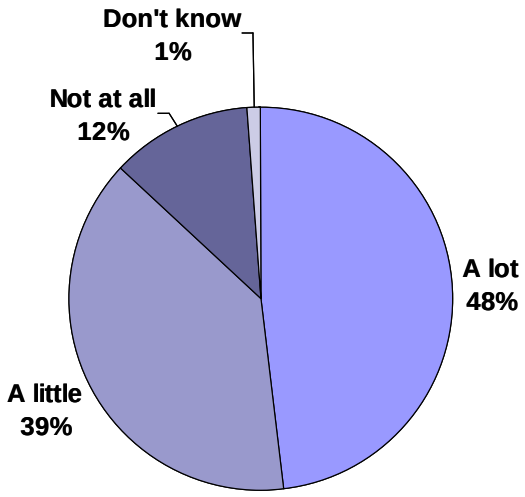
The general assessment of these aspects by learners, indicate that the majority of learners are content with the kind of contribution mentors have afforded to learners. From the assessment, it is evident that more contractors found the mentors helpful than supervisors. This may be because mentors spend more time with them than they do with learner supervisors. Also, these mentorship aspects are linked more with the *management* of the enterprise, which relate directly with the key performance of the learner contractors than with those of learner supervisors.

Mentors' contribution to success of company

This section assessed learners' view of contributions made by mentors in relation to the success of their companies.

About 48% indicated that mentors contributed "a lot" to the success of their companies and 39% indicated that they contributed "a little" to the success of their companies. Approximately 12% indicated "not at all" when asked to reflect on the extent to which mentors contributed to the success of their companies.

Figure 21: Extent to which mentor contributes to success of company



Total = 202

Despite the above, learners were positive about the contribution of mentors in specific aspects of conducting their business. About 60% of learners acknowledged that mentorship helped them "a lot" with completing their training projects.

Project Financing

Key Findings: Project Funding
1. ABSA has spent R175 million as overdraft facilities for the contractors in the last 3 years (since 2004). 2. Default rate on payments is minimal. Of 77% of the sample of contractors that have loans with ABSA, 25% have found it easy to repay the loan, 39% found it quite easy, 28% found it difficult. 3. Default on payments due to a. Public bodies paying contractors late. b. Loss making projects, especially project 1. 4. Mentors collude with contractors and suppliers to draw money not utilised for project activities; 5. ABSA provides overdraft facilities loans to contracting firms; 6. The lending rate is currently at prime+1, which is much lower than the normal lending rate; 7. Contractors are overpaying themselves e g, contractors' salaries pegged at R3000 to R5000, but there are instances where contractors pay salaries as high as R20000. 8. It has been averred/ alleged that supervisors make money out of claiming wages for ghost labourers.
Key Findings: Learner Development
1. ABSA has also developed an enrichment training programme to develop learner's understanding of the banking system;
Key Findings: Risk Assessment
1. The Bank prefers to sign the individual contractor as the owner of the cc than to sign all three members; 2. ABSA has taken a risk when it invested in the learners as business clients without considering upfront collateral; 3. There are some cases of mis-management of bank accounts by learners.

There are several constraints in terms of project financing for Vuk'uphile. While it is of great significance that ABSA has come on board to provide project finance to, what is typically, a high risk sector, the subsidisation of loan finance, though not sustainable in commercial terms is justifiable in ensuring the contractors build a track record.

Given that the intention of providing project finance is primarily to enable contractors to build a track record with the banks *in order to build sustainable enterprises*, it then becomes justifiable to offer a market related but subsidised rate to the learners with respect to financing by the private sector.

Another constraint in terms of project financing has to do with reducing the default rate. Currently, ABSA regard this as minimal, however, late payments by Public Bodies and

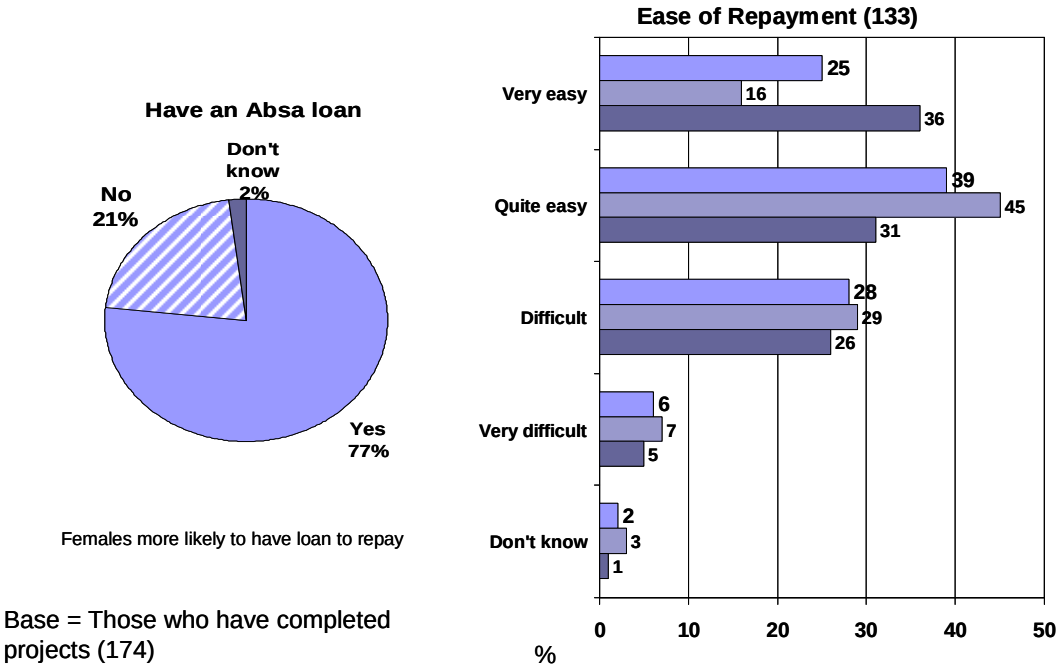
inability of contractors to pay their loans based on loss-making projects (particularly for project 1) are significant factors which affect loan repayments.

It is also apparent that there is a degree of fraudulent activity amongst some enterprises and mentors. Not only does this have negative implications for loan repayments (particularly where contractors might be overpaying themselves) but also for transaction costs and it places the entire programme at risk in terms of ongoing funding, not least because it involves those whose function is a critical factor in managing the risk that banks take in lending to SMMEs.

A final element has to do with the interest being paid on loans. Currently, this is used to cover (or subsidise) the cost of borrowing and not to cross-subsidise any other services.

Learner feedback illustrates a varied response regarding ease of repaying loans (see the figure below):

Figure 22: Ease of repaying loans



77% of the survey sample who have completed a project, have access to a loan from the bank (i.e. not all contractors qualify for credit with the bank) and responded to the question regarding ease of repayment. Significantly more contractors find it easy to repay the loan than supervisors, whereas significantly fewer contractors than supervisors find it quite easy to repay their loan and more or less equal numbers find it difficult to pay back the loan. What we found is that more women are likely to have loans with the bank which suggests that either they have a better credit record than men (and so are able to qualify

for loans) or that men are less dependent on the banks for finance than women. What is not clear at this stage of the programme is

- How performance by borrowers from ABSA compares to non-borrowers in terms of post-programme sustainability, and
- Where or how non-borrowers are financing projects.

Programme Management

Key Findings: Programme Management
1. Programme coordination is weak: a. Public Bodies i. Do not fully understand EPWP requirements ii. Project identification and planning is out of sync with training iii. Project planning is not integrated into standard planning cycles iv. Duplication in roles occur in management of projects b. Mentors i. Are appointed late in the programme (after training has started) ii. Are not advised upfront on project types and locations iii. Are not matched to project types c. Communities i. are not trained on time by Department of Labour in readiness for project employment d. Vertical and horizontal communication between national and provincial and local government and stakeholders is weak

This section pulls together findings from previous sections that highlight the role of programme support in the overall management and coordination of the programme.

The key finding is that Public Bodies are not as integrated into the programme as they could be. This is not for lack of interest, but reflects rather on a communication and coordination problem – the fact that planning projects for Vuk'uphile takes place outside of the mainstream of their own planning cycle, that they do not fully understand what is required for labour-intensive projects and so outsource this function to consultants who may not themselves necessarily understand the requirement. In addition, Public Bodies appoint project managers to visit the project sites, while mentors claim that they are fulfilling a more hands on project management role and so do not need this duplication of effort by Public Bodies.

Weak coordination is also illustrated by delays in the appointment of mentors until after training has started and then mentors not being given sufficient information about projects to accurately price travel costs or match expertise to type of project.

Management of partners/partner performance is also crucial and has an adverse effect on the programme if absent. The assumption is that greater coordination and communication needs to be effected in order for the Department of Labour to offer timeous training to communities, however, there may be other factors involved such as lack of capacity. This is also true of the CETAs: it appears that lack of moderation and assessment of training for the CETAs is primarily a capacity issue, however, this impacts on the training in terms

of the quality of training delivered. Ultimately, responsibility to address this comes back to EPWP.

The key finding around vertical and horizontal communication within the programme relates, in part, to the nature and structure of government and the extent to which the programme is centrally controlled versus decentralised. Apparently one of the problems and limiting factors within the programme is the need for decisions to be made at higher levels, and the potential this has to cause delays for the programme. Local level implementation therefore, seems to be impeded because of limitations on decision-making authority.

Programme Financing

Thus far in the report, our assessment has focused on an analysis of learner and key informant feedback, including mentors, public bodies, EPWP and ABSA. In this section, we focus on a financial analysis of the programme based on data provided by EPWSP and Virtual Buro and, in particular, the cost of mentorship vis-à-vis the value that mentorship adds to the economy in terms of revenue generated from projects and jobs created.

Key Findings: Programme performance
1. 16 957 jobs have been created through Vuk'uphile projects thus far: a. 8 853 youth (52%), 5 179 women (31%) and 96 disabled (0.5%) 2. Revenue generated by number of jobs created = R74,6 million 3. Cost of mentorship per job created = R3,255 4. For every R1 spent on mentorship, R1.35 is generated into the economy 5. Total value of projects awarded to date is R636 365 786 6. For every R1 spent on mentorship, R11.53 is generated into the economy by projects (based on turnover) 7. Total cost of mentorship to date is R55,188,000 (which is 49% of budget)
Key Findings: Annual costs per learner
8. Total annual cost *per learner* for the learnership is R61,833.00, (123 666.00 total programme cost), broken down by contribution as follows: a. Mentorship: R33 333.36 b. Training: R24 000.00 c. Stipends (for 3 training modules): R4 500.00 9. Cost of mentorship services per learner per year is R33,333, which accounts for 54% of learnership costs excluding project values 10. Based on an estimated 1100 learners trained to date, total programme costs have amounted to R61,8 million
Key Findings: Projects and profitability
11. The preliminary and general costs (P&Gs) for project 1 are higher than for subsequent projects, rendering project 1 unprofitable for contract companies. 12. The P&Gs as a per cent of overall project expenses gradually decreases, however, from project 1 to 3 so that generally, project 3 should be the most profitable of all the projects completed.

Cost benefit or value add of mentorship

There are currently 30 mentor companies working for 40 different public bodies across the country. Each mentorship contract is worth R2, 5 million over a period of 30 months, however, mentor companies are remunerated only on the basis of actual mentorship services delivered (which in turn, is tied to project delivery). To date, only 49% of the total amount budgeted for mentorship for Vuk'uphile (viz. R112, 454,000) has been spent. We

assume that this is primarily because of delays with project implementation. The value of projects awarded in the same period is R636, 365,786.

Successful execution of projects, however, has ensured the creation of 16 957 jobs to date through the completion of Vuk'uphile projects. The proportion of youth, women and disabled people that have benefited from the jobs created are more or less consistent with overall EPWP objectives of targeting at least 40% women, 30% youth and 2% people with disabilities.

Based on programme performance to date, it is evident that the investment in mentorship has contributed directly and indirectly to the economy based on the number of jobs that have been created via Vuk'uphile projects and the revenue and profits generated by the projects.

The following table illustrates the return on investment in mentorship based on number of jobs created and is based on the following assumptions:

1. The average duration of employment in infrastructure projects is 4 months (or 88 days)
2. A job is costed at R50 per day per year i.e. for each person employed, R4, 400 is circulated back into the local economy.

Table 8: Value add of mentorship through job creation[12]

Cost of mentorship to date	R55 188 000
Net benefits: no. jobs created in the same period	16 957
Value of benefit: Rand per job created	R4 400
Total benefit accruing to local economy	R74 610 800
Ratio of mentorship to revenue (return on investment in mentorship)	1:1,35

What these figures suggest is that for every R1 invested in mentorship, R1.35 flows back into the economy (or total net benefit of R74 610 800) which is significant in terms of Vukuphile's contribution to the reduction of unemployment and poverty in South Africa.

Our thesis is that the performance of the programme in terms of projects completed, revenue generated and jobs created, would be significantly less *without* the contribution of mentors. Already, evidence from our research is that contract firms are dependent on mentors to win and complete contracts or projects (c.f. 60% of learners who indicate that mentorship helps them "a lot" to complete projects); the assumption is that *without* mentor intervention, projects would not be completed on time or according to levels of quality required and the same number of jobs are less likely to be created.

Given this approach, we also measure the return on investment in mentorship against revenue generated by projects.

[12] (DPW), March 2007 figures

The total value of the projects to date is R636 365 786 which signify the total net benefits to DPW for its investment in mentorship and an important cash injection into the economy, contributing to economic growth and transfer of business from the first into the second economy.

Successful completion of these projects to meet the project specifications relies on the mentor, with the mentor being penalized if a project is not up to the required standard. We therefore infer that in a scenario without mentorship services, few if any successful projects would be implemented.

Table 9: Value add of mentorship through projects

Cost of mentorship to date	R55 188 000
Value of total projects	R636 365 786
Cost: benefit ratio (based on turnover of projects)	1:11,53
Cost: benefit ratio (based on profit of projects at 15%)	1: 1,73

The table above shows that the mentorship "monetary value" of R636 365 786, compared to the mentorship costs of R55 188 000 gives a cost: benefit ratio of 1:11,53 viz. for every R1 invested in mentorship, R11.53 is turned over through projects or R1.73 generated in profit on projects (assuming 15% profitability on projects), again, both of which is ploughed into the local economy. While this may not be true for all projects (particularly the first during the learnership) we believe that the cost of mentorship to the programme justifies current (and even increased) spending on mentorship.

Currently in the programme, the ratio of mentor to contract firms is 1:10. While this is an endeavour to achieve greater efficiency, we argue that ultimately efficiency declines as effectiveness in terms of face to face time is lost as the time allocated per mentor firm to the contract firm (viz. 176 hours per month) is reduced to 2.2 days per learner as opposed to 4.4 days per learner (on a ratio of 1:5). The following table gives a typical example of how mentorship time is allocated to a contract firm:

Table 10: Allocation of mentorship time per contract firm per month

Activities	**No. hours per month**
Meetings	7
Travel to and from site	50
Meetings with programme management	8
Pre and post meeting preparation and follow-up	7
Suppliers / site input coordination / logistics	24
Conflict resolution (between contractor and supervisors)	40
Direct technical assistance	40
TOTAL	176

In addition to this, the following table shows the typical break-down of number of days that mentors have per contract firms or individual learners:

Table 11: Number of days mentorship per contract firm

Number of hours for mentoring per month	176 hours
Number of days mentoring per month	22 days
Total number of days mentoring per month (per mentor team of 3)	**66 days**
Number of contract firms per mentor team	10 firms
Number of days mentorship per contract firm in one month	**6.6 days**
Number of learners per mentor firms	30 learners
Number of days mentorship per learner in one month	**2.2 days**

To increase the sustainability of contract firms, greater mentorship effectiveness would be achieved by reverting back to the ratio of 5 contract firms to one mentor team. While this would increase mentorship costs, the return in terms of survival rate of contract firms is likely to be that much greater.

If more is invested in mentorship, several options have been mooted in terms of alternative sources of funding.

If 5% of project turnover or profit is introduced as a line item toward mentor costs, the following could be generated to offset mentor costs for each learnership:

Table 12: Contribution to mentorship based on project line item:

Value of projects per contract team (turnover):	R1,149,000
Value of profit:	R172,350
5% of turnover:	R57,450
5% of profit:	R8,618
Contribution per 1000 learners: on turn over	R57,450,000
Contribution per 1000 learners: on profit	R8,617,500

The ability to do this however is dependent on the profitability of the projects, particularly project 1.

Preliminary and general expenses (P&Gs) for Vukuphile type projects were reported to be comparatively higher than 'normal' projects that public bodies deal with.

Preliminary and General expenses (P&Gs) are the running costs of the project which cannot be priced into any specific bill item. Typical items that are priced under P&Gs include:

- Salaries of the supervisory staff (Owner, supervisors, foremen etc)
- Site establishment – fencing, water connection, electrical connection, etc
- Insurance of the project (Contractors all Risk and Public Liability)

- Consultant requirements (Office, Electricity, carport etc)
- Communication (Data Cards, Cell phone and Telephone)
- Toilet Hire
- Statutory Health & Safety requirements.
- Personal Protective Clothing (Hard Hats, Overalls, gloves etc)
- Payment of the allowances while the beneficiaries are attending Life Skills training.

An assessment was conducted to get an indication of the percentage contribution of the P&Gs to overall expenses for Projects 1 to 3.

Table 13: Per cent P&G contribution

	Project 1	Project 2	Project 3
KZN	30	25	17
Mangaung	20	15	15

The main reasons cited for relatively high Ps&Gs for Vukuphile projects (compared to other / 'normal' type of projects) are the requirements of the programme and the public bodies in terms of team composition, type of project, location and scope.

The prescribed contractor team with two supervisors might not be necessary for project 1 and 2 in some instances. The management of the projects is inherently top heavy. Salaries are pegged at R3000 to R5000 for contractors and R2000 to R3000 for supervisors, but in some instances, these have been fraudulently increased to R20, 000 for the contractor further contributing to high P&Gs. This calls for more stringent monitoring on the part of the mentor.

The requirements of the programme limit contracting firms to work on one project at a time. Set up costs for one project only are proportionally higher compared to a situation where the contractor is running several projects. In addition to this, the inexperience of the contractors and some public bodies with labour intensive projects is such that public bodies give generous contract durations. This leads to time related costs becoming higher than normal.

In this respect, one could not require a contribution towards mentorship unless projects are profitable.

5. RECOMMENDATIONS

General comments

To date, the Vuk'uphile programme has achieved significant results in terms of

- Number of learners trained;
- Extended Public Works contracts awarded and infrastructure delivered (number and value of projects completed);
- Value of mentor services delivered and contracts awarded;
- Number and value of loans dispensed and repaid.

While it may be too soon to assess programme impact, there are sufficient indications that enterprises will be sustained beyond the learnership, although, in our view, there are several opportunities for improving the design concept which if not addressed could undermine the efficiency and overall effectiveness of the programme.

In this section, we provide recommendations to each of the areas reviewed, premised on the need to build sustainability within the programme and for the learners. These address the four objectives of the study, namely, specific recommendations around:

1. Restructuring the programme so that additional funding sources for covering the mentorship costs of the programme can be identified;
2. A process for these funding sources to contribute to the "Vuk'uphile Mentorship Fund";
3. Reducing the cost of mentorship; and
4. Improving the quality of mentorship.

The first question we raise, however, has to do with the objective of the programme and what it is intending to do.

The dual nature of the programme is such that it tries to straddle different target groups, and while not wrong in and of itself, presents certain challenges for the programme design, particularly in terms of subsidies. (Note that the distribution of learners is such that both target groups were represented in the survey sample, namely those motivated by the desire to develop an enterprise and those seeking employment). The challenge of working with both target groups is that a subsidy is not necessarily appropriate to both groups for the following reasons:

- If seeking to offer a skills development programme to the market with the objective of enhancing the employability of participants, a subsidy is entirely appropriate and could possibly be reduced over time as graduates enter the market and find employment and are therefore able to demand and pay for additional training required. This mechanism in fact enables the programme to reach its intended target group (of unemployed, unskilled people) and with time, create leverage by introducing co-payment to the programme;

- If seeking to grow and develop enterprises in the construction sector, a full subsidy is not appropriate and leads to market distortions:
  1. Learners enter the programme who have no deliberate intention of starting a business and creating employment for others (and so perhaps do only seek a "hand-out");
  2. Because of the subsidy, the "real" demand for (training and mentorship) services is not felt: services can be provided to the market irrespective of the quality of service given and not necessarily because this is what consumers (contract companies) need or want. The risk here is that these services are sustainable only as long as the subsidy exists. As EPWP knows, this in itself is not sustainable, so that what is required is a means to promote services to the market which are (a) wanted / demanded by users and (b) meet the demands and needs of users in an ongoing way. The current model does not bode well for the learners or service providers in that it does not gear them for sustainability;
  3. If enterprise development was the main focus, there would need to be a far greater focus on facilitating linkages into the market and on provision of technical assistance which enhances this. Currently the focus in on building linkages with Public Bodies only; in a different scenario, one might consider how to facilitate access to a wider market.
- If indeed, the objective of the programme is to cultivate sustainable enterprises and jobs, then the model needs to be reviewed in terms of
  - Its target group/s
  - The subsidy provided
  - The training given
  - The projects provided, and
  - Mentorship services rendered

  So that it can achieve more fully the objectives that it is trying to reach.

Our thesis is that in order to fully realise the potential of the programme, EPWP and its stakeholders should seek to facilitate a programme which stimulates demand and supply of relevant services in the market.

To the extent that all the services are fully subsidised, this dynamic can not be realised. What we are arguing for therefore, is not a complete removal of the subsidy but introduction of an approach which enables those who are entrepreneurial and / or enterprise owners to participate in a programme which is demand led. In practice this means that services are offered on a sliding scale in terms of cost: where the initial subsidy may be as high as 80 – 90%, use of repeat services (e.g. second and third cycle of training) would require an increasing contribution from the users.

In theory, even non-entrepreneurs should be able to pay for services if they have succeeded in making their projects profitable; in this respect, the practical training should serve as a significant stimulus to persuade learners to become more enterprising / demand further services.

In this respect, for all programme participants, contribution to costs can begin once projects become profitable. Based on our findings, this would currently be project 2 and 3. If the value of the first project can be increased, enabling profitability from the outset, then from the outset, programme costs can be offset (even if marginally) by contributions from learners.

What this may mean in practice is a two tier programme which offers a differentiated service to those who are un/under-employed compared to those who are managing emerging or existing enterprises. The message communicated to the market then becomes critical, as does the content of what is offered.

In such a scenario, classroom training for enterprises may become quite different in focus, content and structure, and may be better integrated into on-site training, however, this approach would require further analysis, not covered in the scope of this assignment.

Before we provide recommendations to each of the programme aspects reviewed in this assignment, we provide a table which summarises the constraints and implications of each, as well as issues for consideration which then inform our recommendations.

Table 14: Summary of key findings and issues for consideration

#	Programme Component	Constraints	Implications	Issues for Consideration
1	Selection and Awareness	• Targets for women, disabled people and entrepreneurs not met • Few learners have prior experience in enterprise management and in construction • Formation of companies for the learnership is artificial	• Targeted segments remain marginalized • Sustainability of enterprises and job creating potential beyond graduation is less likely • Conflicts arise during project implementation, derail activities and jeopardize enterprise sustainability	• Social / targeted marketing • Target technikon graduates in built environment • Reconfigure enterprises so that roles and expectations are clarified up front
2	Training	• Training is fully subsidized • No training is provided in tendering • Training and projects are not always aligned • Few training providers have construction experience • Moderation and quality control of training is weak	• Undermines long term sustainability of enterprise formation and service provision • Learners rely on mentors for tender preparation • More mentor time is required to compensate for inadequate training • Theory and practice are not optimally integrated • Learners not sufficiently trained	• Reduce subsidy over time (voucher system) • Incorporate / structure tender training into learnership • Advance and integrate planning of projects and training • Open the market for training to mentors • Review CETA capacity / service level agreement with CETA / outsource quality control of training
3	Projects	• Scheduling is poor • Alignment with training sometimes weak • Not always labour intensive • First project is not profitable (high P&Gs) • Public Body coordination	• Inefficiencies impacting on whole programme / all participants (learners, trainers, mentors) • Learners not equipped to undertake projects assigned • Fewer jobs created, project	• Integration of project planning with annual planning cycles of Public Bodies • Mentorship of Public Bodies – design, project management and programme coordination) • Mentors to assume project

#	Programme Component	Constraints	Implications	Issues for Consideration
		(design, project management and payments)	implementation delayed • Inability to repay loans or contribute to Vuk'uphile Fund • Negative impacts on enterprise sustainability	management function • First projects need to be larger to offset P&G costs
4	Mentorship	• Recruitment and appointment of mentors is done at national level • Mentor-learner ratio is too high • Significant down-time when learners are waiting for projects • Mentors don't spend enough time with learners because of other administrative duties associated with mentorship • Mentors don't participate in the selection of mentees • The current approach to mentorship is not financially / commercial sustainable for mentor firms • Selection of mentors has not always considered qualification or sector specific experience	• Mentors are not accountable to Public Bodies • Mentors are unable to adequately meet with learners and provide enough guidance as required • Mentors are spending time that could be used productively in other opportunities • Knowledge transfer to learners is happening at a much slower rate than anticipated • Mentors don't understand learners they are working with • Experienced mentors tend to use inexperienced mentors to make up the moss for revenue • Mentors may not have the ability to deliver on their mandate	• Public Bodies should participate in selecting and appointing mentors • Reduce the load of learners for each mentor team e.g. from 1:10 to 1:5 • Programme planning and coordination should reduce down time • A dedicated administrator could form part of the mentorship team • Mentors could participate in the selection of learners, particularly learners they will mentor • Make it attractive for senior and experienced professionals to participate in the mentorship programme • Consider mentors with experience and qualifications in same sector as projects
5	Project Finance	• Late payments by Public Bodies • Low / no profitability of first projects • Transparency and value of	• Contractors default on loan repayments • Some fraudulent activity • Transaction costs higher?	• Potential source to cover mentor costs • Effectiveness of Public Bodies to pay on time and increase value of

#	Programme Component	Constraints	Implications	Issues for Consideration
		transactions		first projects • Checks and balances in place to reduce fraud (monitoring function) • Bank branches to assume greater role in terms of active monitoring of transactions
6	Programme Management	• Public Bodies do not understand EPWP requirements • Project planning and identification is out of sync with training • Duplicate management of projects by Public Bodies and mentors • Appointment of mentors is late • Mentors are not advised upfront on project types and locations • Mentors are not matched to project types • Community labour not trained on time by Department of Labour • Weak programme coordination and communication at vertical and horizontal level	• Fewer jobs created • Delays with projects for trainers, mentors and learners • Learners are not prepared for type of projects • Cost of project management escalated (inefficient use of resources) • Effective project management is disrupted / derailed • Mentor expenses exceed budgets • Learners do not receive relevant skills support • Delays in project implementation • Poor planning and preparation for each stage of the learnership	• Proactive and hands on championing of programme at all levels / engagement of and communication with programme stakeholders • Integrate project planning into IDP process • Second level of mentorship of public bodies • Classify mentor types • Develop framework contracts with mentors • Review model of programme coordination
7	Programme Financing	• Project lags, high mentor-learner ratio and quantity of time required for mentorship • High levels of subsidy • Mentorship cost not passed on to market (including Public	• Cost efficiency of mentorship reduced • Opportunity cost for finance • DPW can not sustain cost of mentorship alone	• Reduce mentorship costs by addressing programme inefficiencies • Introduce programme contribution to learners • Introduce sliding scale of

#	Programme Component	Constraints	Implications	Issues for Consideration
		Bodies)		subsidies • Public Bodies to absorb cost of mentorship

Recommendations: awareness and selection

In order to target more existing enterprises, women and disabled people to the programme, and in order to secure more sustainable outcomes to the programme, several interventions need to be made:

- Marketing needs to be more targeted for these groups (customised marketing approach) as well as social marketing introduced. In this respect, the aim will be to increase the pool of women, disabled people and entrepreneurs to whom selection will then apply;
- Service providers may need to be solicited to offer their services in a more versatile way so that enterprise owners, women and the disabled will be more inclined to participate in the programme. This may mean offering a more flexible programme design, such as part-time or modular training so that those managing businesses full-time or women with house-hold responsibilities are able to participate;
- A clear message around programme objectives needs to be communicated which establishes and manages expectations from the outset, be it to do with the existence of costs to the programme or to do with roles and responsibilities of contractors, versus supervisors, for example;
- Rather than requiring enterprises to be formed specifically for the learnership, target enterprise owners who will then be required to employ supervisors. (Given that contractors bear the financial risk of projects on their own, and are regarded as the owners / managers of the enterprise, mixed messages to supervisors would be avoided if this route was followed).

Several suggestions can be made in this regard:

- EPWP could expand its strategic partner network to include groups like the Umsobomvu Youth Fund (UYF) who can assist with meeting quotas (for example, referring female entrepreneurs);
- Financial partners like ABSA could be used to conduct awareness campaigns, particularly given their presence at local level;
- Technicon graduates, who already have a built environment background could be targeted for training;
- Enterprise owners / contractors employed onto the programme could structure the enterprise so that they offer shares in the business on a 60:20:20 basis with the supervisors. This way, however, ownership and management of the enterprise is made clear upfront and no room is left in the structure for ambiguity.

Recommendations: training

The key issues about training have to do with:

- The difference in training between contractors and supervisors;
- Who should provide the training / who is best qualified to deliver training in terms of experience and NQF qualification;
- Whether classroom and practical training should be merged into project based training only;
- Whether training should be entirely subsidised;
- Whether training provided is what is needed for different types of project;
- How to quality control the training provided.

In terms of the structure and integrated nature of training, we recommend that further analysis be conducted. What does seem to make sense however, is that contractors' training should include a component on management so that they understand fully what it is that supervisors are meant to do. In addition to this, a major issue (which falls under programme management) has to do with ensuring that planning for training and projects is aligned and managed so that learning is seamless and better integrated.

We strongly recommend that

- training is solicited in tendering as this will substantially reduce input costs to the programme
- unit standards are customised so that different kinds of training are offered for different types of project (thus providing a more relevant service). Note that this becomes do-able only in so far as the types of projects are known in advance of the entire learnership. If known, then one can ensure that the training will cover all the relevant aspects.

In terms of who should provide the training, we argue that the market should decide (for both training and mentorship services). Currently, fully subsidised services means that (up to a point) learners subscribe to training whether it is good or not. Ideally, EPWP should facilitate training delivery by offering a graduated scale of subsidy (through the CETAs) so that trainers AND mentors could offer the service on the market.

Our view is that training should not be fully subsidised, but that demand for training will be stimulated by reducing the subsidy over time. We also maintain that the right target group would be prepared to contribute if they believed the service was of relevance to growing their business.

To a great extent, users will only demand and pay for services that are of the quality that they require. In the event that this is not the case, however, there is still need for moderation and regulation of training. This is essentially a programme management issue and requires that EPWP review CETA's capacity to monitor training or consider outsourcing the quality control of training.

Recommendations: projects

Preparation and scheduling of projects is an essential component of this programme. Our specific recommendations around this are:

- Identification and scheduling of projects needs to be integrated into IDP planning of project bodies;
- Clearer lines of communication need to be established between national, provincial and local bodies regarding project expectations, requirements, timing, etc.
- More time and effort needs to be invested in educating public bodies around labour intensive requirements of EPWP projects;
- Design and management of projects should be outsourced to mentors.

From our review, the type of projects selected seems to mostly comply with what is required although greater alignment needs to be ensured between training and projects. In other words, the value and complexity of projects need to match the stage of training in the learnership. Public Bodies need to review the value of the first project in order to facilitate profitability as currently, P&G costs are too high to secure profit for contract firms.

Scheduling of projects is crucial, and predominantly, a management issue. It is difficult to have all projects start and end at the same time for all contract firms, although this leads to a knock-on effect with training. Programme management needs to ensure that projects are synchronised or better coordinated.

Location of projects is only a problem in so far as mentors are not advised in advance where the projects will be. Either advance notice needs to be given so that mentors can choose what to tender for (or at least factor travel costs into their budget) OR mentorship needs to be decentralised and be more provincially bound. Not only will this enhance retention of local capacity but it also offers the potential for mentors to play a far greater role in project design and management.

We propose a multi tiered mentor system in which mentors are appointed by Public Bodies and have a dual responsibility:

- one in which they focus on capacity building of public bodies (with respect to project identification, design, contracting and management);
- the other in which they focus on mentorship of learners.

What this would require is a level of mentorship which both serves the need of Public Bodies, e.g. to provide management of projects on their behalf, but also delivers mentorship to learners.

Whether this makes use of one or many mentor firms, in both instances, mentorship services are contracted by Public Bodies and are thus fee-based.

From a structural point of view, we propose a mechanism in which public bodies could consider awarding a framework contract, in which tenders are unbundled and contracts are awarded to several mentor companies who become eligible or pre-qualified to provide services for the programme. This significantly reduces contracting costs and facilitates a shorter lead time and simpler contracting process when project management is required. For those in the framework who are not working on a project, they are then free to work elsewhere. It also means that firms are paid for actual services delivered and can budget and plan accordingly. (Currently, the R2,5 million tender ties them into a contract for 30 months which does not leave them free to take up other work and which does not guarantee payment of the full amount as delays in project delivery causes significant down time in their delivery. In addition to this, overhead costs are not covered, only time for face-to-face mentorship).

Another approach which needs to be tested, is to make use of the corporate sector (or larger construction firms) rather than / in addition to public bodies, to win and manage EPWP projects. The incentive would be multi-dimensional: on the one hand, EPWP could appeal to their corporate social responsibility, on the other, such projects would add to their BEE scorecard compliance. In addition to this, they would be growing potential suppliers / sub-contractors.

Recommendations: mentorship

In terms of mentorship, we believe that it is evident that the contribution of mentorship to the programme is pre-requisite to the successful outcome of the programme for both target groups. Given the extensive input of mentors into the practical training, particularly the tender process for projects, we argue that learners would not get contracts without mentor assistance and that the rate of return on the investment in mentors far exceeds the overall cost of their service as a proportion of total cost. The benefit of their contribution is measured in terms of number of contracts awarded as well as total value of contracts awarded.

One of our key recommendations regarding mentorship is to strengthen the relationship of mentors with Public Bodies, either through having Public Bodies contract their services directly or through Public Bodies being involved in their selection and appointment.

The benefit of the former is that it builds a relationship between mentors and the programme client, in effect – the Public Body, and so enhances the accountability to Public Bodies for project performance i.e. it creates a clearer and direct line of accountability between client and service provider and links service delivery more directly to remuneration. In addition to this, it creates the opportunity for mentors to provide direct services to Public Bodies, for example, in project identification and design, and project management. Potentially, it could also facilitate greater harmonisation of planning and implementation as mentors would be closer to the ground, so to speak of where planning takes place. (Note that contracting of mentors could still be done by an intermediary in

order to keep the process efficient, but ultimately, mentors would be contracted by Public Bodies and not by DPW).

If this model were adopted, Public Bodies would provide the bulk of the funding required for mentorship services, and could then in turn be subsidised by DPW (as an incentive).

From the mentorship firm perspective, there are several programme inefficiencies that need to be addressed:

- Downtime between training and projects
- Location of projects
- Ratio of learner to mentor (optimal for client who pays, but not for mentors themselves or, necessarily for the learner beneficiaries)
- Tasks and time required which exceed allocated amount (i.e. cost of service delivery exceeds what mentors are being paid) and implications for how and what mentors deliver (junior professional experience rather than senior, experienced, professionals)
- Matching of mentors to project types and learners.

The opportunity to create mentorship service efficiency in the programme is significant. We recommend that:

- As suggested earlier, planning for projects needs to be done in advance and integrated into annual planning cycles of Public Bodies, thereby facilitating greater alignment between training and project implementation;
- If as proposed, all project information is given in advance, mentors will be able to tender for work in their geographic area of location (or nearest location), thereby reducing costs; (ideally, mentorship capacity should be sourced or developed locally and could be built into tender requirements of Public Bodies)
- Mentor firms need to become more efficient in the way they deliver services OR the client needs to be prepared to pay more for some of the hidden, unbilled costs. In this respect, costing of mentor time needs to be reviewed (to determine overhead rates) or mentorship firms need to review their division of labour so that administration can be undertaken by less expensive resources, and technical assistance can be undertaken by those resources that cost more. Restructuring the way that mentor services are paid for is more likely to lead to more accurate costing of services delivered, but the challenge remains to mentors to bring the overall cost down. A lower ratio of mentor: learner may be more appealing to mentors and learners as it increases the effectiveness of mentorship but increases the per unit cost of mentorship.
- Rather than the programme apportioning a fixed number of hours to be delivered by mentors, the programme could subsidise a minimum fixed amount of time (to stimulate demand) and then require that firms pay for subsequent use or a portion of mentorship time; In this way, services can also become more demand led so that firms or learners can opt to pay for more time with mentors should they require it;
- Mentors should be classified in terms of types of service they offer and types of qualification required. This would facilitate the uptake of mentorship services that

learner firms actually require and would address the concern that mentors are not always appropriately qualified for certain tasks. In terms of creating a market of mentorship service providers, a database of providers who are registered / "accredited" with EPWP could be developed for use by learner firms. Monitoring of the mentorship services is critical to ensure consistent quality and penalties could be in built into the model for possible non delivery by the service providers.

Recommendations: project financing

ABSA could consider their willingness to cross-subsidise the cost of mentorship given the role of mentors in mitigating or managing the risk of lending to contractors.

Another option is to introduce as a line item to projects, contribution of turnover or profit to the Vuk'uphile Fund. This would not be possible for the first project, given its current unprofitability, but could be introduced for project 2 and 3. If Public Bodies were able to increase the value of project 1 to make it profitable, this could be introduced in this first project.

If 5% of project turnover or profit is introduced as a line item toward mentor costs, the following could be generated to offset mentor costs for each learnership:

Table 15: Contribution to mentorship based on project line item:

Value of projects per contract team (turnover)[13]:	R1,149,000
Value of profit (at 15%):	R172,350
5% of turnover:	R57,450
5% of profit:	R8,618
Contribution per 1000 learners: on turn over	R57,450,000
Contribution per 1000 learners: on profit	R8,617,500

The ability to do this however is dependent on the profitability of the projects, particularly project 1.

Over and above this, critical issues around project financing have to do with ensuring and enforcing mechanisms to monitor loan repayments and the way that project finance is handled and how to take advantage of the presence of the banks at local / branch level.

Recommendations: programme management

The key challenges of programme management exist in the following areas:

[13] This is based on an estimated project cost of R383,000 per learner x 3 learners per contract team

1. Ensuring alignment and effective coordination and management of operations between stakeholders (particularly in the case of Public Bodies and Department of Labour);
2. Ensuring effective and efficient communication at all levels (including programme awareness) to ensure that selection targets are met, the programme operates smoothly and ultimately, that the programme is sustainable;
3. Ensuring costs are contained in terms of what the Programme can afford.

A more decentralised model of mentorship will facilitate greater effectiveness of the programme by enabling mentors to work more closely with Public Bodies. This will help to ensure that projects are designed which meet EPWP requirements. For Public Bodies, the ideal would be to integrate project planning into the IDP process, but this needs to be facilitated by EPWP and could involve mentors in identifying and designing projects in time for implementation during learnerships.

Clearly, decentralising mentorship to a model where contracting and management of mentors takes place at local level, depends very much on Public Bodies' willingness to pay for these services. This would need to be further tested, but from our review, the preliminary indication from Public Bodies was that they would be prepared to do this. Decentralising this service would have some of the following benefits:

- Lower the transaction costs of contracting for national government;
- Enable Public Bodies to manage mentors (and therefore projects and associated risk) more effectively;
- It would not exempt EPWP from responsibility or control of the programme mentorship, but would shift their role to one which is more focused on facilitation and support than direct management per se.
- It would transfer cost of mentorship to local level, enabling national government to either withdraw this cost element completely from their budget or to subsidise local government (and in particular, direct subsidies to provinces or municipalities which may need greater assistance).

The role of EPWP champions at local level is an important one in terms of communicating, marketing and coordinating activities at local level. This was evident in some cases on the programme, but not in all, but highlighted how effective such a role can be where implemented correctly. EPWP needs to revise and energise this role on the programme and ensure that local representatives play a greater role in coordinating the programme in a proactive and hands on way.

The Agetip model provides an example of an extended public works programme which was implemented effectively in Senegal and achieved significant results in the duration of its lifespan[14]. It is outside the scope of this assignment to prepare a case study of this as best practice, but ECI recommends that EPWP consider it as a case study for development or for a study trip to assess its suitability for the South African context.

[14] Essentially, the model is focused on the outsourced management of project tenders all together to a private company, which then managed the contracting and supervising of all public works programmes. At a purely quantitative level, the programme contracted 300 projects in under 2 years, worth more than 10,9 billion CFA. In executing the projects, it generated the equivalent of more than 55,000 temporary jobs (averaging 30 days each), and 3000 full time jobs.

Recommendations: programme financing

The programme as it exists is not able to sustain the level of financing required for mentorship. As it is, however, the investment in mentorship has contributed significantly to returns in terms of projects delivered and jobs created.

In order to recommend additional sources of funding, we have identified three possible sources:

1. Public Bodies
2. Learner contributions
3. ABSA

Public Bodies

Public Bodies will contribute significantly to cost of mentorship if, as proposed, they agree to sub-contract mentorship services directly. This does not exempt mentor firms from the need to be efficient and effective in what they do, but does mean that as the primary, if indirect, "user" of their services, they will be paying for this service. This also does not mean that the service can not be subsidised by DPW, but it does mean that mentors become more directly accountable for services rendered on projects.

To reduce transaction costs, we propose that mentors are contracted on the basis of a "framework agreement" in which they pre-qualify once to provide services. Public Bodies then have access to a pool of mentor firms that they can use for various projects (based on matching mentor skills to specific project requirements) without having to go through an extensive procurement process. By the same token, mentors will be able to undertake other work rather than waiting for projects to be awarded.

Mentors can then provide an expanded role to Public Bodies in terms of assuming the management function of projects, as well as assisting with designing projects that comply to EPWP requirements.

The role of EPWP will be to facilitate the recruitment of mentors, and assist with the classification and pre-registration or qualification of mentors according to certain skill sets and capabilities.

Learner contributions

While this may not be quantitatively significant, we propose that a cost be introduced to the programme which contributes to mentorship (and training). The principle is one of reducing the level of subsidy to learners to both stimulate demand for services that are relevant and increasingly affordable, but also to ensure sustainability of the programme by facilitating access to the market (both in terms of service provision and in terms of real costs).

The contribution may be made in two ways:

1. As a line item on project budgets on projects which are profitable. This would directly offset the cost of mentorship to Public Bodies, or would be deducted from loan amounts issued by the Bank.

2. Via a voucher system in which learners "purchase" vouchers at subsidised rates in order to buy services (either training or mentoring). The service provider then claims the balance of payment on delivery of service. In such a scenario, the cost of the service is still largely subsidised, although with successive use, the subsidy is reduced. Such a system necessitates significant administration and checks and balances, but could be implemented by EPWP.

ABSA Bank

Our recommendation is that ABSA maintain the subsidy in their lending and continue charging market related interest rates on loans to Vuk'uphile learners. What we propose is that an additional contribution towards the cost of mentorship could be made from the mentorship charged as the mentors play a significant role in managing the risk of lending to emerging contractors.

ANNEX 1

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ANNEX 2:

Questionnaire

INTRODUCTION Hello my name is …. Today we are doing a research project on business learnership programs, and would appreciate your assistance, by answering a few questions..

1.	Date of Interview	
2.	Name of respondent	
3.	Cell phone number	
4.	Name of Company	
5.	Position in Company	Supervisor 1 Contractor 2
6.	How long has your company been in existence?	

S1. What is the highest grade you completed at school? **SPONTANEOUS- ONE ANSWER**

Grade: ……..

Q1. I would now like to talk to you about the people/ your partners in the company.

How many people/ partners are there in your company, including yourself? ……..

Q2. About the people in your company …..

a. How many are males and how many are females?
b. What are the ages of these people?
c. What population group?
d. Do any of you suffer from a disability?
e. Have any of you ever run your own business before?

	RESPONDENT	PARTNER 1	PARTNER 2
a. GENDER			
- Male	1	1	1
- Female	2	2	2
b. AGE			
- 18-24	1	1	1
- 25-34	2	2	2
- 35-49	3	3	3
- 50+	4	4	4
c. POP.GROUP:			
- Black	1	1	1
- White	2	2	2
- Coloured	3	3	3
- Indian	4	4	4

d. DISABILITY - Yes - No	 1 2	 1 2	 1 2
e. RUN OWN BUSINESS BEFORE - Yes - No	 1 2	 1 2	 1 2

I now want to ask you a few questions about the learnership program:	
Q3. Are you currently doing your learnership, or have you completed it?	Currently doing it 1 Completed 2
Q4. At what centre are you / did you complete the learnership?	Gauteng – Tswane 1 E.Cape – Chris Hani 2 F.State – Manguang 3 KZN – Richards Bay 4 Mpumalanga- Nkangala 5
Q5. What date did you start your learnership? Please give me the month and year	Month: Year:
Q6. When will you complete/ did you complete the learnership? Please give me the month and year	Month: Year:

Q7. How did you first get to hear of/ know about the Vuk'uphile learnership program? **SPONTANEOUS – MULTI**	
1. Community advertisements	1
2. Local Government office	2
3. Newspaper	3
4. Radio	4
5. TV	5
6. Word of mouth	6
7. Other (Specify) ……	7
Q8. **IF NEWSPAPER ASK**: What was the name of the newspaper?	
……	

Q9. What made you decide to apply for this learnership program? **SPONTANEOUS – DO NOT PROMPT**	
1. I was unemployed and needed work	1
2. I wanted to get practical training and skills	2
3. I needed education / knowledge	3

4. I wanted to start my own business	4
5. I wanted to grow my business	5
6. I wanted to be able to tender for government / large contracts	6
7. I wanted access to finance	7
8. Other (Specify) ……	8

Q10. In order to be chosen for the learnership program, you had to form a company and put in an application. What do you think was the **ONE** most important reason why your company was chosen/ selected for the program? **SPONTANEOUS – ONE**

……

……

……

……

……

Q11. Thinking about the application process you had to go through, what did you find **difficult** about this application process? **SPONTANEOUS**

……

……

……

……

……

CLASSROOM TRAINING PROGRAM

Q12. I am going to read to you the services offered by the learnership program. Please tell me which of these was the MOST useful to you, second most useful, third and fourth i.e. the least useful? **RANK IN ORDER**

1. Classroom training	
2. Practical training	

3. Mentorship support	
4. Access to finance	

Q13 **ASK FOR THE MOST USEFUL**; Why did you find … most useful?
……..…
……..…
……..……
……..

Q14. Now I want you to think about the training you received, and how relevant and useful you found it.
Now did you find the training for ….. very useful/ quite useful or not useful? **RECORD ONE ANSWER FOR EACH**

CONTRACTORS	**Very useful**	**Quite useful**	**Not useful**
1. Numeracy and mathematics	1	2	3
2. Problem solving techniques	1	2	3
3. Working out quantities required / costings	1	2	3
4. Communication in the workplace	1	2	3
5. Report writing and analysis	1	2	3
6. Starting up and managing a business	1	2	3
7. Tendering procedures	1	2	3
8. Contract / legal requirements	1	2	3
9. Labour intensive construction issues	1	2	3
SUPERVISORS	**Very useful**	**Quite useful**	**Not useful**
1. Numeracy and mathematics	1	2	3
2. Quality management	1	2	3
3. Procurement / buying and storage of materials	1	2	3
4. Communication in the workplace / Communication skills	1	2	3
5. Report writing and analysis	1	2	3
6. Interpreting technical drawings	1	2	3
7. Contract / legal requirements	1	2	3
8. Civil construction procedures	1	2	3
9. Labour intensive construction issues	1	2	3

Q15. What were the main problems you experienced during your classroom training? **SPONTANEOUS**
…… …… …… …… …… ……

Q16	Thinking about the training program you have completed so far, please rate it on a scale from 1-10 where 10 out of 10 means it is excellent – you would not change anything about it, and 1 out of 10 means that it is very poor – there is a lot you would change. You may give it any score between 1 and 10. **…….out of 10**

Q17. Why did you give it that score? **PROBE FULLY**
…… …… …… …… ……

Q18. Please tell me what you would prefer:	
1. Would you rather do all the training first/ upfront, **OR**	1
2. Do some training, followed by a project and more training (as it is now)	2

Q19. Why do you say that? **PROBE**
…… …… ……

……
……

Q20. If the trainers for the classroom training were not being paid at all – to what extent would you be prepared to contribute to the cost of the classroom training?	
1. Very likely 2. Quite likely 3. Not likely	1 2 3

TRAINING PROJECTS

Q21. How many training projects have you **completed** so far?:	
1. One	1
2. Two	2
3. Three	3
4. Still in the process/ working on first project	4
5. None	5 – SKIP TO Q27

Q22. ASK A/ B/ C /D FOR EACH PROJECT COMPLETED

A. In which industry sector was/ is this project?			
	PROJECT 1	PROJECT 2	PROJECT 3
1. Road construction / sidewalks / paving	1	1	1
2. Stormwater drains	2	2	2
3. Sanitation projects	3	3	3
4. Water projects	4	4	4
5. Manufacturing e.g. block making / stadium and facilities management	5	5	5
6. Other (STATE) ……	6	6	6
B. Have you ever worked in this particular industry sector before?			
- Yes	1	1	1
- No	2	2	2
C. Was/ Is this project in the same sector for which you had received training?			
- Yes	1	1	1
- No	2	2	2
D. To what extent did/ does the mentorship you receive, assist you with the completion of this project?			
- A lot	1	1	1
- A little	2	2	2
- Not at all	3	3	3
E. Did/ does the training you receive assist you in completing the project?			
- Yes	1	1	1
- No	2	2	2

Q23. Do you have to re-pay money loaned to you by ABSA?	
1. Yes 2. No	1

	2

Q24**. IF YES** – How easy / difficult do you / did you find it to repay the loans?	
1. Very easy 2. Quite easy 3. Difficult 4. Very difficult	1 2 3 4

Q25. Have you/ your company tendered for a project/ contract outside of the learnership program?	
1. Yes 2. No	1 2 – SKIP TO Q27

Q26. **IF YES**: Were you/ your company successful in getting this tender?	
1. Yes 2. No	1 2

MENTORSHIP SERVICES

Q27. What is the name/ company name of your mentor	
Q28. In what sector/ industry are they?	

Q29. I am going to read out to you a number of ways in which your mentor could help/ assist you. Based on your experience so far, please tell me whether your mentor was very helpful, quite helpful or not at all helpful on each aspect I read to you. Now how helpful was your mentor with….?

	VERY HELPFUL	**QUITE HELPFUL**	**NOT AT ALL HELPFUL**
1. Finance and dealing with banks	1	2	3
2. Business management	1	2	3
3. Commercial management	1	2	3
4. Contract management	1	2	3
5. Procurement of materials and other required services	1	2	3
6. Technical and engineering	1	2	3
7. Tendering	1	2	3
8. Construction Planning and Management	1	2	3
9. Fulfilling of statutory and tax obligations	1	2	3
10. Labour and human resource advice	1	2	3

Q30. To what extent would you say your mentor contributes to the success of your company?	
1. A lot 2. A little	1

3. Not at all	2 3

Q31. How do you think your relationship with your mentor could be improved? **SPONTANEOUS**
……..…
……..…
……..….
……..…
……..…

Q32. Thinking about the meetings that you have with your mentor, would you say that:……..? **SPONTANEOUS – ONE ANSWER**	
1. You have enough meetings 2. Too few 3. Too many	1 2 3

Q33. If your mentor was not being paid at all, to what extent would you be prepared to contribute to the cost of the mentor from your company?	
1. Very likely 2. Quite likely 3. Not likely	1 2 3

Q34. Why do you say that?
……..…
……..…
……..….
……..…

Q35. Finally thinking of the overall Vuk'upile program, if there was **one** thing you could change or improve, what would that **ONE** thing be?
……..…
……..…
……..….
……..…

……

……

ANNEX 3: List of Key Informants

Institution	National	City of Tshwane	eNkangala	Chris Hani/ Queenstown	Richards Bay/ uMkhanyakude	Mangaung
EPWP Project Managers		Mzimkulu Gusha	Given Ntshiqa	Eric Sefa	Vukile Mdoda	Mzimkulu Gusha
CETA	Lynn Allborough & Vuyiswa Jack	Jan Borman	Jan Bosman	Lance Ledingham	Vusi Sibeko	Cas Brink
Public Bodies		Benjamin Ntsanana				Neko Rametsoele/ Glorai Mohlakoana
Mentor Manager	Johan Watermeyer	Wim Prinsloo	Leon Saunders	Stefan Ooshuizen	Gert Simon	Kribbs Moodley
Training Providers	NQF 2	Eskteen Theron	Dudu Nkambule	Allan Webb	Keith Brown	Piet Smith
Training Providers	NQF 4	Eskteen Theron	Oupa Tshabalala			
Vuk'uphile Fund	Mike Suttil					
ABSA	Roger Schamek					
	Randy Ramjukash					
National Department of Public Works	Maikel R. Lieuw-Kie-Song					
	Alister Glendinning					
	Carmen-Joy Abrahams					
	Anton Griessel					