**NATIONAL ASSEMBLY**

**QUESTIONS FOR WRITTEN REPLY**

**FRIDAY, 5 JUNE 2015**

**Due Date: 19 June 2015**

**2154. The Leader of the Opposition (DA) to ask the Deputy President:**

(1) With regard to his constitutionally mandated duties to oversee the Government's Anti-Poverty and Short-Term Job Creation Programmes, (a) what progress has been made in respect of skills development initiatives and (b) how many further education and training colleges have been recapitalised in the (i) 2012-13, (ii) 2013-14 and (iii) 2014-15 financial years as part of the specified programme;

(2) what (a) other initiatives has he undertaken as part of the Anti-Poverty Programme and (b) measurable impact have these initiatives had in lowering the youth unemployment rate? NW2466E

**REPLY**

The responsibilities of the Deputy President with respect to anti-poverty programmes and short-term job creation programmes are not constitutionally mandated. They are responsibilities assigned by the President.

In terms of the Constitution, the role of the Deputy President is to assist the President in the execution of the functions of government, as stated in section 91(5), and he is responsible for the powers and functions assigned to him by the President, in terms of section 92(1).

The role of the Deputy President with respect to anti-poverty programmes and short-term job creation programmes, working with the Inter-Ministrial Committee, includes:

* Providing strategic oversight to enable rapid scaling up of short-term job creation while managing associated risks.
* Coordinating multiple stakeholders and addressing institutional and other obstacles.
* Building accords with partners outside government, especially labour, business and communities.
* Ensuring that the programmes reach the most marginalised people and communities in our country.

* Supporting innovative approaches to creating employment, and creating opportunities for cross-cutting learning.

The initiatives that form part of these programmes are implemented through the relevant departments.

* **National Skills Fund**

The Department of Higher Education and Training (DHET) has been advancing the strategic objectives of the National Skills Development Strategy III through the Discretionary Funding Window for skills development of the National Skills Fund (NSF). This is done by providing financial support to projects that contribute towards improvement of human capacity. The acquisition of skills and knowledge by beneficiaries is meant to enhance their participation in the economy.

To date, the NSF has provided funding for state-owned companies, namely Denel and South African Airways Technical (SAAT), Eskom and Transnet, which has together amounted to R430 679 128. The total number of beneficiaries is 2 583evenly spread across all nine provinces of South Africa.

Eskom will train 1 250, Transnet 1 000, Denel 197 and SAAT 136 artisans. Eskom and Transnet will train artisans in various trades, such as welders, electricians, fitters, tool makers, and mechanics, whereas Denel and SAAT will train artisans in aircraft related trades such avionics, aircraft structures and aircraft electricians.

The apprenticeship training is in progress and at various completion phases. The majority of learners at Denel and Transnet will be preparing for trade tests in 2015.

* **Maritime Skills Development**

Furthermore, the NSF made a grant for maritime skills development, which commenced on 21 August 2012. The South African Maritime Safety Authority (SAMSA) project seeks to unlock the potential opportunities lying in the maritime sector.

The total funding for SAMSA amounts to R93 610 300 targeting 420 beneficiaries across various programmes, which include the following:

* National Cadetship Programme for 150 learners;
* Conversion of unemployed mechanical engineers, targeting 100 learners;
* Training on board the SA Agulhas for 120 learners;
* Subvention for 30 lecturers;
* Assisting 20 learners with disabilities across the programme.
* **TVET College Infrastructure**

The TVET Infrastructure Programme entails the building of 12 new campuses and refurbishment of 2 existing campuses. The new campuses are evenly spread across the Eastern Cape, KwaZulu-Natal, Limpopo and Mpumalanga. The total funding of the programme is R2.5 billion.

Ingwe TVET College campuses in the rural part of the Eastern Cape are also receiving new and refurbished workshops and trade testing centres. Funding for infrastructure and capacity building is R187 000 000.

No funding for recapitalisation was allocated to TVET colleges in the 2012/13, 2013/14 and 2014/15 financial years. The Recapitalisation Project started in 2005 with the planning phase and an allocation of R50 million. Over the 2006 Medium Term Expenditure Framework (MTEF), R1.860 billion was allocated to fund and recapitalise 50 TVET colleges:

| **Strategic Objectives** | **2006/07** | **2007/08** | **2008/09** | **Total** |
| --- | --- | --- | --- | --- |
| **R’000** |
| 1. Human Resources Development
 | 23 025 | 23 323 | 25 676 | 70 724 |
| 1. Development of Systems and Procedures
 | 27 905 | 28 020 | 36 345 | 92 270 |
| 1. Upgrading of Infrastructure
 | 174 312 | 174 622 | 195 368 | 544 302 |
| 1. Upgrading of College Sites
 | 25 603 | 38 118 | 16 836 | 80 557 |
| 1. Buying or building of infrastructure
 | 59 406 | 136 364 | 283 862 | 479 632 |
| 1. Purchase of Equipment
 | 118 739 | 153 913 | 183840 | 456 492 |
| 1. Develop programme/curriculum material
 | 41 011 | 40 640 | 53 242 | 134 893 |
| **Total** | **470 001** | **595 000** | **795 169** | **1 860 170** |

Of the total budget allocation (R1.860 billion) indicated in the table above, 98 percent had been spent by the end of the project (2008/09). The unspent committed funds at the end of the project were rolled over and transferred to TVET colleges in the following financial year (2009/10) to complete these projects.

* **National Rural Youth Service Corps Programmes (NARYSEC)**

The National Rural Youth Service Corps (NARYSEC) project aims to recruit and develop youth aged 18-35 years to be trained as para-professionals in the rural areas. The specific objectives of the programme are:

* Skills development of the rural youth through the TVET colleges which will result in the youth obtaining a National Qualifications Framework (NQF) level certificate;
* Practical work experience for 6 months at the workplace;
* Ensuring that participants obtain NQF credits after completion of each training phase; and,
* Exit strategy linked to further study, increased employment opportunities, deployment opportunities, cooperatives or business opportunities.
* **Expanded Public Works Programme**

One of the most notable initiatives undertaken is the implementation of the third phase of the Expanded Public Works Programme (EPWP), which began on 1 April 2014, and which aims to create 6 million work opportunities by 31 March 2019.

The EPWP created 1,103,983 work opportunities in the 2014/2015 financial year. Of these, 563,031 were taken up by the youth. To intensify efforts for the participation of youth in the EPWP, the Non-State Sector (NPO Programme) has collaborated with the National Youth Development Agency (NYDA) to bring 2 000 young people to participate in the programme for a duration of three years starting from the 2014/2015 financial year.

The training provided by EPWP targets skills that the economy demands. It is envisaged that the youth from the Supervision of Construction Processes Learnership Programmes and Artisan Development Programmes will be absorbed into the formal economy.

* **Small Business Development**

The Department of Small Business Development has undertaken the following initiatives as measures to reduce poverty and to create opportunities for poor and marginalised individuals to begin to earn decent incomes through jobs or self-employment:

* The establishment of Centres for Entrepreneurship at further education and training institutions and higher education institutions funded by DHET to educate students in entrepreneurship. The department is in collaboration with five institutions of higher learning: Ekurhuleni West College in Gauteng, False Bay Technical Vocational Education and Training (TVET) in Western Cape, Gert Sibande TVET in Mpumalanga, Orbit College in North West and the Durban University of Technology in KwaZulu-Natal to host and implement the Centres for Entrepreneurship. The colleges are rolling out awareness campaigns to students on self-employment and entrepreneurship as career options.
* The National Informal Businesses Upliftment Strategy, which was launched in 2014, supports local chambers, business associations and municipal local economic development offices to deliver and facilitate access to upliftment programmes that will provide business skills and infrastructure support to informal businesses.
* The Department of Small Business Development collaborated with the Department of Energy to undertake the Renewable Energy Youth Cooperatives initiative, which focused on establishing youth cooperatives in the rural Eastern Cape and KwaZulu-Natal. Eight youth cooperatives were trained at the Engcobo, Mbashe, Ubuhlebezwe and Ingwe local municipalities in technical skills to install, repair and maintain solar water heating equipment, as well as business skills to run a cooperative enterprise.
* The department developed the Mass Youth Enterprise Creation programme (MYECP) and the Youth Business Support Development (YBSD) initiatives designed to provide non-financial and financial business support to youth enterprises.
* **Jobs Fund**

The Jobs Fund leverages on existing capacity in the public and private sector through co-financing projects with the potential to contribute significantly to sustainable job creation. Through this collaboration, the Fund aims to improve the employment prospects of young people and foster innovative approaches to job creation. The Jobs Fund complements rather than displaces other public funding programmes. The Fund offers once-off grants in the areas of enterprise development, infrastructure, support for work seekers and institutional capacity building.

About 40 259 permanent jobs were created by Jobs Fund supported projects in 2014/15. Of these, 18 567 went to youth and 24 522 went to women. About 46,348 persons received training over this period. Of these 26,561 were youth and 29,825 were women.

* **Entrepreneurship**

The Economic Development Department worked with the Industrial Development Corporation (IDC) and its subsidiaries to provide funding for young entrepreneurs, with R144 million approved by the IDC for youth-led investment projects in the past 12 months. In the same period, the Small Enterprise Finance Agency (SEFA) disbursed R310 million to youth-owned businesses.

The Presidential Infrastructure Coordinating Commission (PICC) is now tracking jobs on about 40 infrastructure projects, which currently employ an estimated 95 000 young workers.

While the youth unemployment rate has not decreased in this period, the number of new jobs created for young people rose by 240 000 in the past 12 months. However, 500 000 young people entered the labour market, so while jobs are being created for young people, they are not yet on the scale required.

The collective measurable impact of the initiatives that have been undertaken as part of the anti-poverty programme in lowering youth unemployment is yet to be determined with the assistance of Statistics South Africa.