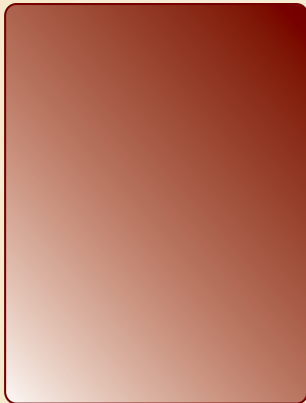


# REPORT OF THE HEAD OF DEPARTMENT

## Strategic Planning



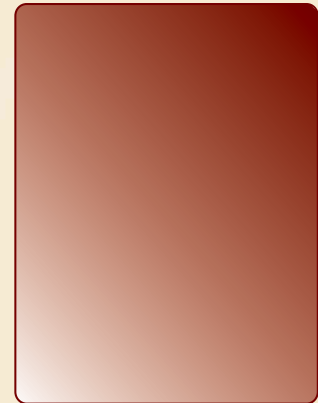
**Head:  
Strategic Planning  
Mr. James Mlawu**



**Director:  
Policy Planning  
(Vacant)**



**Director:  
Development  
Ms. Jabu Bhengu**



**Director:  
Monitoring & Evaluation  
(Vacant)**

# REPORT OF THE HEAD OF DEPARTMENT

## Strategic Planning

### Mission Statement

To lead Departmental Programmes, facilitate development and ensure value for money

### Executive Summary

The Chief Directorates “role of client” has extended the responsibility to research and develop policy directives that inform integrated development, enhance democratic governance, promote equity and secure the social and Black Economic Empowerment of disadvantaged populations and communities in all aspects of transport planning, through outputs that are set against clear developments goals and outcomes which are consistent with the Provincial Growth and Development Strategy.

Within this Chief Directorate the performance of the department will be monitored and reviewed to ensure efficiency, transparency and compliance to the strategic objectives of the Department. The activities of the Chief Directorate: Strategic Planning are organised in the following three programmes:

- Development
- Policy and planning
- Monitoring and Evaluation

The Chief Director: Strategic Planning is also responsible for the African Renaissance Roads Upgrading Programme (ARRUP) and the Rural Mobility Programme. He has The Directorate: Development and the Directorate: Monitoring and Evaluation to assist him in his functions.

### African Renaissance Roads Upgrading Programme (ARRUP)

The Department of Transport conducted a Road Needs Assessment in 1999 and quantified the extent of the backlog in road infrastructure development. It was revealed that the poor condition of parts of the rural road network results in abnormally high vehicle operating costs amounting to R 1,29 billion per annum above the norm. This reflects a cost to the economy that is largely borne by poor people as 75% of the province’s poor reside in rural communities.

The Road Needs Assessment identified 800 km of gravel roads carrying more than 500 vehicles per day though it is a known fact that it is economically justifiable to surface roads carrying more than 300 vehicles per day.

The Department has identified a number of key roads that serve to link potential development nodes to major economic centres. Most of these roads are well below acceptable standards and unless improved will inhibit economic activity and agricultural potential forever. From this the African Renaissance Upgrading Programme (ARRUP) was developed.

ARRUP concerns the upgrading of critical transport corridors, which link rural communities to the main stream of KZN economy. Seven roads totalling 364 km’s have been identified, to be completed over a 4 to 5 year period at a cost of R 724 million. This investment is possibly the single biggest capital investment ever in rural infrastructure by provincial government.

# REPORT OF THE HEAD OF DEPARTMENT

## Strategic Planning

The ARRUP projects contract opportunities are packaged in a way to ensure cooperation between established and emerging consultants and contractors in the design construction and supervision of the projects.

The Integrated Sustainable Rural Development Strategy (ISRDS) and the municipalities Integrated Development Plan (IDP) will depend on all the role players' meaningful contribution to their implementation. The development of the road infrastructure is critical and the Department will pursue a policy of working with local government to identify critical large road infrastructure projects and to jointly motivate for appropriate budgets to fast track road development investment programmes as undertaken in ARRUP projects.

The department has established seven Project Liaison Committees to assist with the planning and implementation of the projects. These democratically elected structures comprise stakeholders representing traditional authorities, business, the taxi industry, public transport, organised agriculture, health and education professionals, and community-based organisations. These PLC's have allowed the Department to conduct extensive consultation with rural communities and their leadership on a variety of matters ranging from prioritisation and policy formulation to identification of emerging contractors and implementation strategies.

The department decided to carry out a scoping exercise with the intention of achieving the maximum economic benefit for the communities affected by the road upgrading projects. In this regard workshops were held with each of the seven Project Liaison Committees after gathering research data relevant to each of the project areas.

As a measure to advance the developmental initiatives identified through the Development Scoping Exercise it is intended to focus on inter-governmental liaison and in particular to work more closely with the Department of Agriculture & Environmental Affairs.

In order to achieve the transfer of technical skills to recently established firms with PDI status, the Department interviewed consultants and facilitated the establishment of 13 joint ventures with established firms. The Department continues to monitor their progress to ensure transfer of skills to emerging firms.

In order to achieve maximum participation of local suppliers, each project has a database of local suppliers that can be utilised to supply material, vehicles and plants during the construction phase.

### Rural Mobility



One of the many functions of the Tricycle.

The Department is responsible for the development, construction and maintenance of transport modes and services to meet Provincial needs. In July 1998 the Department initiated the KwaZulu Natal Rural Mobility Study to identify rural provincial mobility patterns and needs in each of the Province's seven Regional Council areas. The study recommended changes to the existing rural transport services and the promotion and coordination of intermediate modes of transport in the deep rural areas of the province. One of the recommendations made by the study was that bicycles should be one of the modes of transport in the Province.

# REPORT OF THE HEAD OF DEPARTMENT

## Strategic Planning

In May 2002 the Department employed Messrs Afrikbike for a period of 9 months to provide a pilot project on the use of bicycles. The company has made substantial progress in the development and testing of 4 prototypes. It is envisaged that the piloting of the project will commence in 2003/04.

### Programme 1: Development

The development Directorate is responsible for researching and developing programmes that inform integrated development, enhance democratic governance, promote equity and secure the social and economic empowerment of disadvantaged communities.

Programmes are initiated and piloted by the Development Directorate. After piloting stage the programmes are rolled out for implementation in the regions.

The Development Directorate has 3 programmes

- Community Liaison
- Contractor Development
- Social Development

### Community Liaison

#### Rural Road Transport Forums (RRTF)

In consultation with rural stakeholders, 31 Rural Roads Transport Forums were established. Each RRTF is democratically elected by the people who live within the boundaries of each RRTF area (see Map). The RRTF is constituted in a manner which is fully representative of all rural stakeholders.

Sectors represented on the RRTF include Amakhosi, business community, district and local municipalities, public transport, farmers and community based organizations inclusive of women and youth.

RRTF's receive ongoing training in a programme that has been specifically designed to build their capacity to engage the KwaZulu-Natal Department of Transport in an informed and orderly way and, at the same time, act as a resource to their communities.



RRTF MTEF Planning Workshop

The training programme is designed in modular form and covers the following topics: Developing Good Governance in communities, Effective and Efficient Meetings & Development Planning. They are therefore in the best position to identify and prioritise needs of their communities, and hence are consulted in the preparation of business plans and prioritisation of projects for the Department.

# REPORT OF THE HEAD OF DEPARTMENT

## Strategic Planning

In June 2002 for the first time in the history of the Department, CRSC & RRTF held a joint planning workshop to assist the Department in preparing an MTEF business plans for the next three years.

The municipal Integrated Development Planning (IDP) managers were also invited to participate in these workshops.

RRTF's and CRSC also started having joint planning meetings in July 2003. These planning meetings are being held bi-monthly.

The last financial year saw an increase in the number of RRTF report back meetings to the communities. The communities showed a great interest and participated actively in these meetings.

The Map below indicates the new RRTF Boundaries



# REPORT OF THE HEAD OF DEPARTMENT

## Strategic Planning

### Social Development

Social Development manages the Zibambele and Labour Intensive Construction programmes.

### Zibambele Programme



Zibambele Supervisors Training Workshop:  
28 November 2002

Zibambele is the KwaZulu-Natal Department of Transport's flagship poverty alleviation programme. This is a labour intensive road maintenance programme in which a household is contracted to maintain a specific length of road.

This programme provides sustainable contract opportunities to destitute families particularly women headed households. By the end of 2002/2003 financial year 14 825 Zibambele contractors were appointed.

An independent evaluation of Zibambele by South African Labour and Development Research Unit (SALDRU) (University of Cape Town) found Zibambele to be both a cost efficient road maintenance system and cost effective poverty alleviation programme. The SALDRU found that in 2002/2003, seventy-three cents of every rand spent within the programme accrued to Zibambele contractors, this compares very favourably with other poverty alleviation programmes both in South Africa and internationally.

Amendments have been made to the Zibambele manuals, which were developed to guide the further implementation of the programme and train KwaZulu-Natal Department of Transport staff in their supervision responsibilities. Training of Zibambele managers on the use of the manual commenced in November 2002.

A Zibambele annual conference was held in June 2002. The theme of the conference was "pledging our commitment to the Zibambele Programme". During the second day all the people who attended made their pledge to commit themselves to the programme.



Zibambele Contractors: Drain Cleaning



Zibambele Contractors : Pothole patching

# REPORT OF THE HEAD OF DEPARTMENT

## Strategic Planning

In 2002 the Minister of Transport Mr Ndebele announced that Zimbabwe contractors are to be organised in saving clubs. This clustering of Zimbabwe will facilitate the cost efficient supervision and training of such a large number of contractors. A Saving Club constitution was prepared in consultation with the contractors.

The savings clubs will enable the Zimbabwe contractors to save as a collective group, which will in turn give them access to loans, and credit facilities. This will also strengthen their role in rural enterprise development and provide the institutional framework to create wealth amongst the poor. Four pilot projects were carried out in the four areas Vulindlela, Ubhlebamakhosi, Nseleni, and Umbumbulu. The pilot projects gave the clubs insight into the advantages of saving as a collective group and the dynamics of the banking industry. It also proved that it is possible to inculcate the culture of savings amongst the poor.

### Labour Intensive Construction Programme



Belgrade Project: Headwall Construction



Belgrade Project: Employment of Local Labour

There is a strong lobby by the International Labour Organisation (ILO), the World Bank and others, particularly in developing countries, to encourage governments to accept and endorse labour-based technology as an effective means of combating poverty.

The Department has acknowledged the importance of labour-intensive road construction. Many labour-intensive projects have been completed by the Department in recent years, these have generally been tackled on an adhoc basis using a variety of methods. The department wants to formalise the approach adopted and introduce a uniform "best practice method". This will ensure that departmental job creation objectives, work quality and cost effectiveness are safe guarded, and in particular strengthen programme sustainability.

A project, with a budget allocation of R500 000, was undertaken at Belgrade near Pongola. The work involved upgrading a 4Km road, an existing pipe culvert and the replacement of two road pipe crossings with larger portal culvert structures, 150 jobs were created within the local community and certain skills were imparted.

The programme involves identification and training of dedicated departmental personnel who will develop and drive the programme.

# REPORT OF THE HEAD OF DEPARTMENT

## Strategic Planning

### Programme 2: Policy and Planning

Policy and Planning is a newly established directorate in terms of our restructuring. We are therefore initiating a process of reviewing existing policies within the department to ensure compliance with legislation as well as ensuring that the developed policies support the strategic objectives, outputs and the overall strategic plan of the Department.

Planning initiatives will address spatial aspects, the determination of appropriate planning frameworks to guide effective implementation, and the alignment of planning with local, provincial and national processes. The Integrated Development Plans, Integrated Transport Plan and Integrated Infrastructure Plan are some of the areas where appropriate alignment is necessary in order to ensure that the services of the Department complement broader initiatives and contribute to value for money, service and delivery at all interface levels.

The Directorate is currently planning to review all policies within the Department, as a large number of these policies are no longer appropriate in light of the strategic direction of the Department.

In preparation for the 2002/2003 financial year, a planning conference was held to align all departmental components Business plans to the strategic objectives of the department. The representation in the conference included Chief Director, Directors, Program managers, field personnel and consultants.

### Contractor Development

The Departments contractor development programme called the Vukuzakhe programme is responsible for developing policies, procedures and training programmes to secure a sustainable and viable emerging business sector in KwaZulu-Natal. This is done through a four staged advancement programme for contractors who are registered on the Department's database.

### Vukuzakhe Policy

In February 2000 the Head of the Department approved the first Vukuzakhe policy, which was used as the guideline for the Tender Board exemption approval for the development of emerging contractors. That policy had the following limits:

#### Contract value limitation per stage

Stage	Max Value	Year of Approval
1a	R 200,000	1998
1b	R 200,000	1998
2	R 400,000	1998
3	R 600,000	1998
4	R 1,500,000	2001



# REPORT OF THE HEAD OF DEPARTMENT

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The new changes in the Procurement Act and the lessons learnt, in the programme necessitated the revision of the policy, which was approved by the Head of the Department and the CPC in October 2002. The revised contract limits are as follows:

### Contract value limitation per stage

Stage	Max Value
Stage 1a	R 50,000
Stage 1b	R 200,000
Stage 2	R 500,000
Stage 3	R 1,000,000
Stage 4	R 5,000,000
Stage 4 JV	above R 5,000,000

### Vukuzakhe Outputs

The table below indicates the growth in the Vukuzakhe opportunities from 1988 to March 2003

R' Million	Financial Years					
	98/99	99/00	00/01	01/02	02/03	03/04
Total budget spent (operational budget):					520.0	736.1
No. of contracts - Stage 1	126	232	295	488	563	512
No. of contracts - Stage 2	54	142	106	138	232	292
No. of contracts - Stage 3	8	17	101	82	78	111
No. of contracts - Stage 4	0	0	0	18	18	40
<b>ALL STAGES</b>	<b>188</b>	<b>391</b>	<b>502</b>	<b>726</b>	<b>891</b>	<b>955</b>
Value of contracts - Stage 1	R12	R21	R24.4	R20.5	R40.7	42.4
Value of contracts - Stage 2	R9	R15	R17.4	R18.1	R48.5	87.4
Value of contracts - Stage 3	R6	R54	R62.6	R66.8	R42.1	66.5
Value of contracts - Stage 4	N/A		N/A	N/A	R40.0	121.5
<b>VALUE OF CONTRACTS: ALL STAGES</b>	<b>R27</b>	<b>R90</b>	<b>R104.4</b>	<b>R105.4</b>	<b>R171.3</b>	<b>317.8</b>

- Note
- Total budget (Operational budget): refers to allocation for road construction including professional fees.
  - Percentage of allocation to Vukuzakhe programme compared to Total Budget
    - (i) 2002/03: 33%
    - (ii) 2003/04: 43%

# REPORT OF THE HEAD OF DEPARTMENT

## Strategic Planning

### Training

The Department has initiated a province-wide training and mentorship programme for the Vukuzakhe contractors. Intensive training programme commenced in July and the following aspects were covered

- Train the trainer programme
- Mentorship
- Organisational training



Do-It-Wise Construction receiving on-site mentorship on P100 ARRUP project



Stage 1 Pre Tender workshop at the Ndwedwe Community Hall

Workshops were held with relevant regional staff to ensure the understanding of the new policy and the standardisation of the training methodologies. The training offered covers Pre-Tender training, Post Award Training and mentorship programme. The mentorship programme covers contract, business, technical and financial skills.



**Asphalt sidewalks**  
constructed by Nombuso Lillian Construction (Stage 1) on P68-2, ST Faiths ARRUP project



**Initial Stage 1**  
Vukuzakhe Contractors carrying out manual road marking



**Completed road marking**  
by emerging contractor in the Ladysmith Region

In terms of organisational development, thirty Vukuzakhe Associations have been established throughout KZN to provide for efficient and effective communication and training for the Vukuzakhe contractors.

Organisational Development training for Vukuzakhe Associations executives was completed in September 2002. The training focused on the Associations' understanding of their roles, responsibilities and their mandate.

# REPORT OF THE HEAD OF DEPARTMENT

## Strategic Planning



Executive Officials of Vukuzakhe Associations :  
Discussion on their constitution.

During these workshops the concept of the formation of the Provincial Council was raised and agreed upon to ensure standardisation within the various associations. The creation of the Provincial Council will give the associations a forum to lobby government and other relevant stakeholders for a new dispensation in support of a fully representative construction industry.

### Vukuzakhe Database

The KwaZulu-Natal Department of Transport developed a database of emerging contractors in 1997. In September 1999 the registration of the new contractors was closed in order to eliminate duplications. When the database was reopened in January 2001 it consisted of 1 502 contractors. In March 2003 the number of contractors registered on the database had increased to 18 120 contractors.

Based on the changes in the Vukuzakhe Policy the department undertook to upgrade the database. This initiative is to assist in ensuring that the database:

- Can report accurately in the progression of contractors
- Correct placement of contractors within the new boundaries
- To ensure efficiency in the processing of applications
- To eliminate duplications
- To ensure better reporting
- To ensure that the database could be integrated with other departmental systems

At the end of the financial year the database statistics were as follows:

Stage1	17,823
Stage2	222
Stage3	56
Stage4	19
Total	18,120

Progression of contractors on database to end of March 2003 are:

Stage 1 to 2	77
Stage 2 to 3	22
Stage 3 to 4	19
Stage to Open	0

# REPORT OF THE HEAD OF DEPARTMENT

## Strategic Planning

### Partnerships in Vukuzakhe Programme

In September 2002, the Department of Transport entered into partnership with the Construction SETA (CETA), by launching its first hundred Construction Contractor Learnerships (NQF Level 2) the contractors nominated for the learnerships were nominated from stages 2 to 4, in order to expedite their development ability in the construction industry. The breakdown of the learnerships across the province is as follows:

Empangeni Region	31
Ladysmith Region	29
Pietermaritzburg Region	25
Durban Region	15

The Department also partnered with the South African Revenue Services (SARS) in providing contractors with information on VAT and Tax related issues, through the Vukuzakhe Associations. This initiative has removed a general threat from contractors in dealing with their VAT and Tax problems with SARS.



The Head of Department, Dr KB Mbanjwa & CEO of Construction SETA, Mr Dlamini at the signing of the Construction Contractor Learnership agreement.

### Programme 3: Monitoring and Evaluation

Monitoring and Evaluation was established specifically to assist the Department in monitoring performance and to develop appropriate evaluation criteria to measure the impact of various programmes and plans on the target audiences.

The establishment of the Monitoring and Evaluation Directorate will further promote the ethos of good governance in the KwaZulu-Natal Department of Transport.

In order to monitor the output of all components in the Department, a measuring instrument needs to be developed which will allow for the measurements of various diverse outputs.

# REPORT OF THE HEAD OF DEPARTMENT

## Strategic Planning

Monthly service delivery reports are submitted and these are used to monitor performance against the projected outputs in the approved Business Plans. Quarterly reports are also submitted to treasury. Although the monthly reports focus on outputs, overall macro expenditure is also recorded in order to determine unit rates for comparison with private sector agencies.

There is also monitoring required to ensure compliance with the strategic goals of the Department. Annually an evaluation exercise is conducted to advise management regarding the relative performance of the Department in relation to industry norms and standards.

Business plans for all components of the Department are submitted to the Chief Directorate: Strategic Planning prior to commencement of the financial year. These Business plans are scrutinised by the Directorate in order to ensure compliance to the strategic goals of the Department and to extract outputs to be delivered by each component. These outputs are then compiled showing annual targets for reporting within the Department. These annual targets are the programme outputs detailed in the Strategic Plan.

During the evaluation of Business plans duplication of functions and contradictions within policies are identified and eliminated in the approval process of the Business plans.

During field inspections, the staff of this component inspects work procedures to ensure compliance with all Departmental policies.