


CIDB NATIONAL STAKEHOLDER FORUM GROWTH AND SUSTAINABLE EMPOWERMENT

12 SEPTEMBER 2008


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Programme Manager:
Growth and Contractor
Development (GCD)



construction industry development board

NATIONAL STAKEHOLDER FORUM (NSF)

- CIDB Act 38 of 2000 mandates that the CIDB convene a NSF annually
- Comprises individuals who have experience, expertise or the necessary skills to advise the Board appropriately; and who represent stakeholders in the construction industry.
- Nominations of persons to serve on NSF was completed in 2007 (list of the members available on the CIDB website)
- Members serve for a period of 2 years
- Call for nomination of new members in 2009




THEME NSF HELD ON 1 JUNE 2007

“How best can empowerment, transformation, promotion of contractor development, skills development and improved delivery be achieved in the construction industry within the framework of performance and compliance?”




RECOMMENDATIONS - NSF HELD ON 1 JUNE 2007

- Endorsement of National Contractor Development Programme
- Differentiate between Grades 1-5 and Grades 6-8
- Simplify the grade 1 registration process
- Develop suitable mentoring and empowerment/capacity building models
- Women and youth should be targeted for development programmes
- Promotion of access to finance and simplification of the sureties/guarantees
- Promotion of standardization, simplification and contractor empowerment through tender design, specifications, drawings & contract documents
- Delivery and procurement models which create the right balance between the delivery performance requirements (i.e. projects delivered on time, in budget and to specified quality) and the socio economic objectives of emerging contractor development, job creation, skills development and use of local labour
- Develop contractor performance and reporting mechanisms within the cidb Register of Contractors and Register of Projects
- Combined efforts of stakeholders both within the private and public sector, to optimize the use of limited resources
- The cidb should focus on ensuring cohesion of initiatives between the public and private sectors with regard to skills development with the CETA and private sector initiatives, contractor development, access to information, improvement of the public sector infrastructure delivery and investment in research.



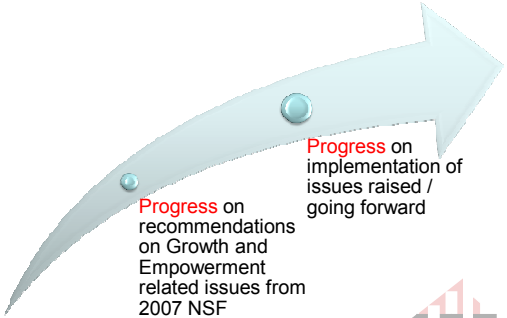
GCD HEAD OFFICE AND TASK TEAMS



Review the findings and recommendations of the 2007 SHF and plan on methods to determine progress towards meeting the expected outcomes required by the 2007 SHF.


Also review emerging / current Growth and Sustainable Empowerment issues not captured.

REPORT-BACK TO 2008 NSF



Progress on implementation of issues raised / going forward

Progress on recommendations on Growth and Empowerment related issues from 2007 NSF



RECOMMENDATIONS and ACTIONS	
RECOMMENDATION	ACTION
- Endorsement of NCDP	- Buy-in from clients and stakeholders
- Differentiate between Grades 1-5 & Grades 6-8	- NCDP revised manner of addressing
- Simplify the grade 1 registration process	- Implemented- CCC's and grade 1 'over counter 48 hour service'
- Develop suitable mentoring and empowerment/ capacity building models	- Work in Progress
- Women and youth should be targeted for development programmes	- Inclusion into NCDP provincial target setting
- Promotion of access to finance and simplification of the sureties/guarantees	- Agreements and roll-out via finance intermediaries and formal banks
- Promotion of standardization , simplification and contractor empowerment through tender design, specifications, drawings & contract documents	- PDM and Outreach rollout and capacitation
- Delivery and procurement models to support contractor development	- Practice notes and client capacitation and training – PDM work in progress
- Develop contractor performance and reporting mechanisms	- CIP Work in progress
- Combined efforts of stakeholders both within the private and public sector	- Co-ordination via CCC's NCDP, Stakeholder prov. and national forums, Task teams, etc.
- Cohesion of initiatives between the public and private sectors - skills development with the CETA and private sector initiatives.	- Facilitated links via cidb (GCD-CCC's, CIP, PDM)

GROWTH AND SUSTAINABLE EMPOWERMENT: IMPLEMENTATION



DEVELOPING THE SA CONSTRUCTION INDUSTRY

National Contractor Development Programme

Contractor development promotes sustainable empowerment and industry growth



Thabo Gideon Mphahlele
Minister of Public Works, Transport and Infrastructure

"South Africa is finally ready to take to another level of greatness and achievement. The world has come down on the Soccer World Cup 2010 and the attention of the world has now shifted on to 2010. It is a historic special place and the global focus and where we find ourselves today marks the construction industry with an enormous potential on the one hand and significant challenges on the other hand. Together with the CIDB we have mapped a critical path to transform and harness this rich sector at the heart of the South African economy."

public works
Minister of Public Works, Transport and Infrastructure

cidb
development through partners

Construction Centre
Support Services eg IP, Training, Enterprise Development & Business Development, Supporting Provincial Contractor Development Programmes

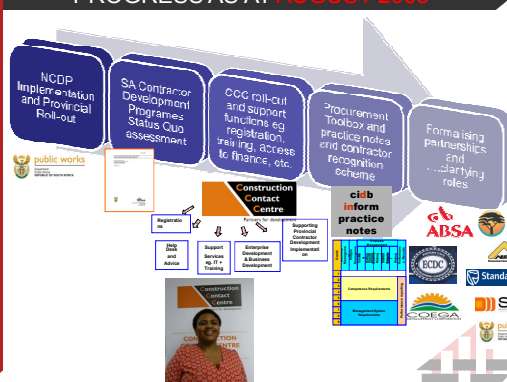
cidb inform practice notes

ABSA, **FNB**, **Standard Bank**, **sedo**, **public works**

Key Success Factors:

- Timely access to information, knowledge systems and training
- The cooperative effort of government and industry, formulating the standard guide of the Construction Centre
- Targeted interventions to grow registered contractors
- Mobilising of growth and enterprise development
- CIDB practical roadmap to support contractor development.

PROGRESS AS AT AUGUST 2008



NCDP Implementation and Provincial Roll-out

SA Contractor Development Programmes Status Quo assessment

CCC roll-out and support functions eg registration, training, access to finance, etc.

Recruitment of contractors and contractor registration scheme

Formalising partnerships and clarifying roles

Construction Centre

cidb inform practice notes

ABSA, **FNB**, **Standard Bank**, **sedo**, **public works**


SOME CRITICAL SUCCESS FACTORS...

(IDENTIFIED BY TASK TEAM TO GUIDE 2008 NSF BREAKAWAYS)

CONTRACTOR DEVELOPMENT PROGRAMMES: CONTINUITY OF WORK, PROCUREMENT/ PRACTICES, CONTINUITY OF WORK

EDUCATION, TRAINING, & ACCREDITATION

FINANCE



BUT CIDB DOES NOT OFFER


CONTRACTS

TRAINING

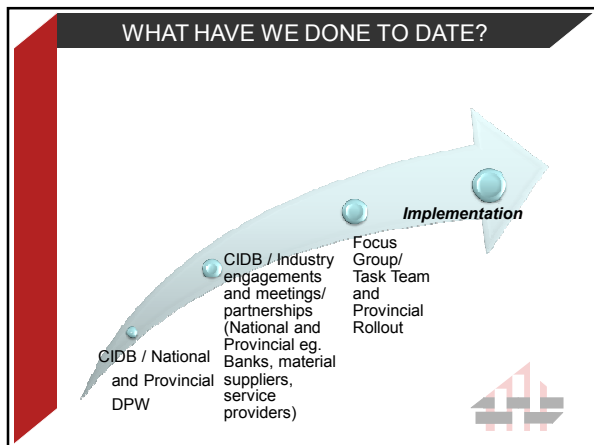
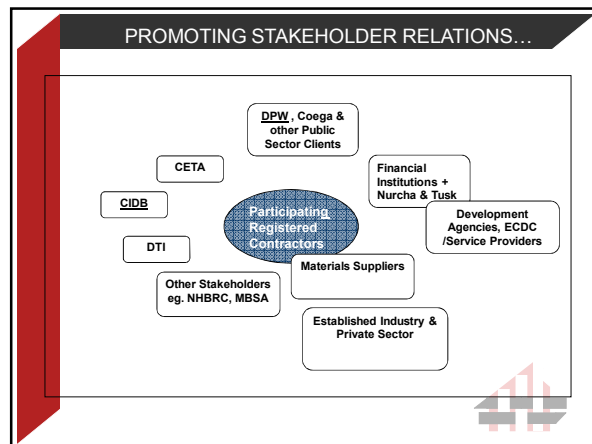
FINANCE


CIDB DOES:

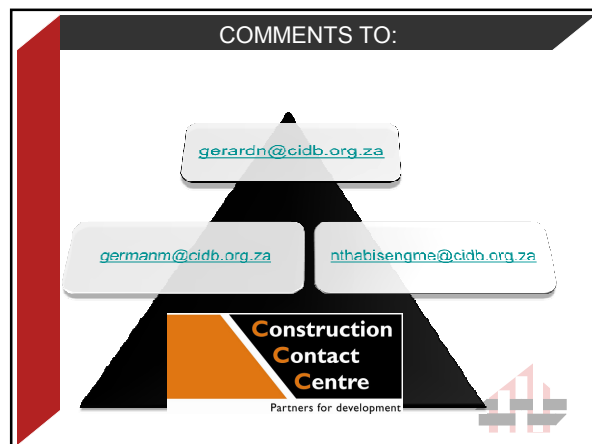
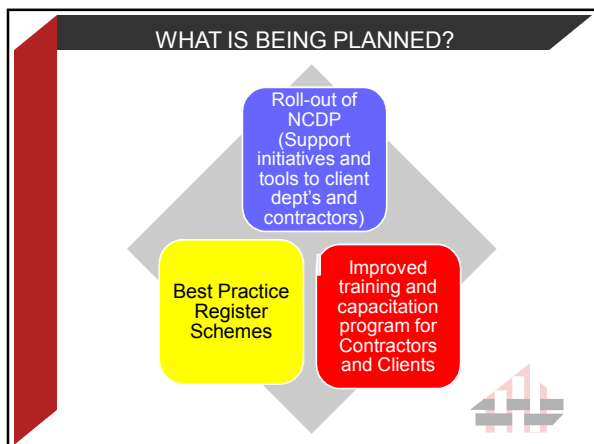
- SET DEVELOPMENTAL PLATFORM
- PROVIDE TOOLS, ADVICE, INFORMATION & SUPPORT
- PROVIDE REGULATORY PLATFORM
- FACILITATE LINKS BETWEEN CLIENT DEPARTMENTS, OTHER GOVERNMENT ENTITIES AND TRAINING AUTHORITIES AND STRATEGIC PARTNERS AND ESTABLISHED AND INDUSTRY PLAYERS



INDUSTRY / CIDB PARTNERSHIPS

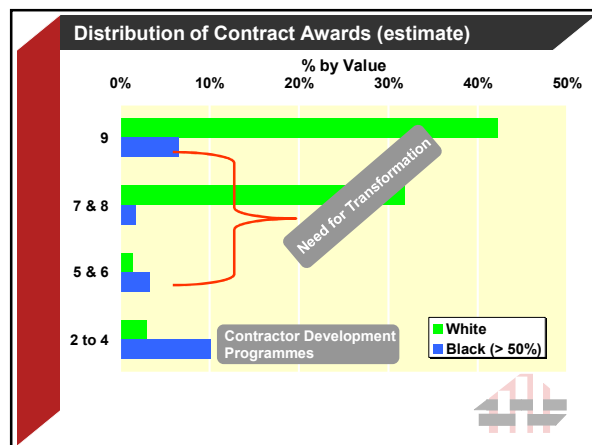
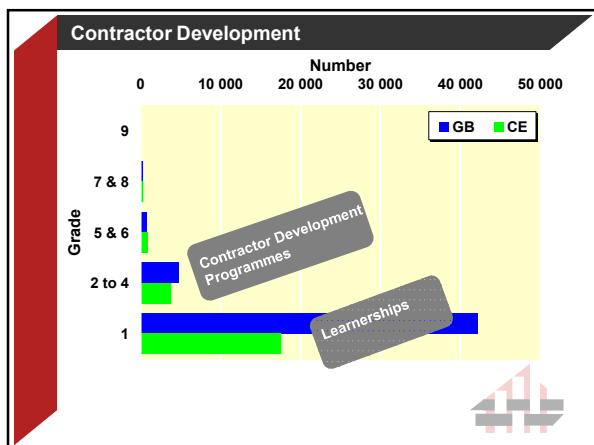
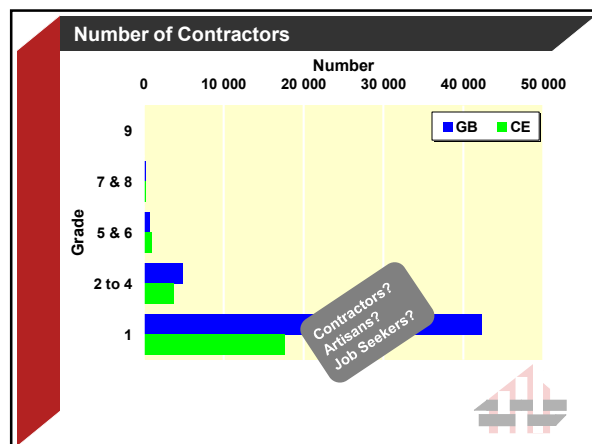
- ### CONTRACTOR DEVELOPMENT PRODUCTS
- Specification for HIV/AIDS Awareness
 - The 3Rs Basic Guides for SMMEs
 - Labour-based methods and technologies for employment-intensive works
 - GCC / JBCC
 - Employment Intensive Road Works
 - Construction Tendering & Contract Management
 - "Star" Rating System
 - Practice Notes
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SESSION 2 - BREAKAWAY GROUP 4 BRIEFING


Growth and Sustainable Empowerment:

- 1. Contractor Development, policies and the NCDP
- 2. Training and Mentorship
- 3. Finance
- 4. Role of Partners


cidb Draft Report – Status Quo report on SA CDP's

- A recent study commissioned by the cidb to look at the Contractor Development Programmes (Status Quo assessment of SA CDP's) noted the need for:
 - ... link between contractor development objectives and the and service delivery objectives of the organization
- What is the link?
 - is there a shortage of contractors?
 - is there a shortage of black contractors?
 - OR
 - is there a shortage of skilled artisans?
 - is there a shortage of Grade 7 & 8 Black contractors?



IMPLEMENTATION STRATEGIES FOR DEVELOPMENT

<p>Enterprise-level Strategies</p> <ul style="list-style-type: none"> • Developing constructors/ owners and employees • Harnessing Technology and Knowledge for Growth • Designing Business Models for Competitive Advantage 	<p>Programmes</p> <ul style="list-style-type: none"> • Mentoring by clients and industry • Technical training by ceta • Construction Contact Centres (B2B) by cidb and industry • Technology Network Programme by industry • Relevant Diagnostic Tools and appropriate intervention by industry
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IMPLEMENTATION STRATEGIES FOR DEVELOPMENT

Sector-level Strategies


- Facilitating Collaborative Partnerships and Strategic Alliances

Broad-based Strategies

- Facilitating support from big contractors to small contractors
- Strengthening Local Talent
- BEE implementation

Programmes

- Business groups for contractors to share knowledge, experience, ideas; leverage on each other's capabilities by clients and cidb*
- Benchmarking by cidb*
- Seminars by industry, cidb and clients*
- BEE ratings funded by industry/contractors*
- Rewards on BEE implementation by industry*



SESSION 2 - BREAKAWAY GROUP 4

1. Contractor Development, policies and the NCDP:

- With the NCDP as the policy and backdrop to Growth and Contractor development, and various stages of Provincial and client dept. roll-out, an analysis and co-ordination with other clients, departments and associations/ parties is being sought to ensure updated, relevant, and valid.
- An analysis of 'the status quo of contractor development programmes in SA' by the cidb has been commissioned and feedback contributes to NCDP and policy 'good' practice and refinements
- Challenges and seeking of support for implementation of best practice NCDP framework
- Role of Construction Contact Centres (CCC's) in supporting of provincial Contractor Development
- A co-ordination of information from various sources is needed to ensure that stats are available in terms of quantification of supply and demand
- Gaps in the current policies and frameworks
- Fragmentation in approaches
- How to ensure compliance with best/ good practice
- Challenge of targeting contractors for participation in CDP
- Setting targets and defining objectives of CDP
- Mindset shift from employment creation to sustainable contractors

SESSION 2 - BREAKAWAY GROUP 4

2. Training and Mentorship

- Training is a clearly defined gap
- Other breakaways may unpack and discuss this in detail
- Certain clients/ partners/ stakeholders/ associations/ established industry and service providers/ mentors have undertaken various levels and types of training- quantification, qualitiveness, as well as needs analysis and delivery/ roll-out needs to be explored and in instances where successes have been recognized, duplication and support needed
- Successes, failures and challenges in implementing mentorship initiatives
- Different approaches to mentorship provisioning
- training focus on phase 2 registration of contractors
- relationships and support by CETA and other training orientated entities towards emerging and levy paying organizations
- training to be facilitated/ rolled out by some organization eg SAFSEC, ESDLAs, etc

SESSION 2 - BREAKAWAY GROUP 4

3. Finance

- Certain banks/ financier have signed or entered into 'partnerships' or agreements offering services to contractors eg. FNB, ABSA, Nurcha, Isibane Capital, Standard Bank, etc.
- Are these addressing a demand and what are the critical factors related to challenges contractors face
- What can be done by financiers, cidb, clients (procurement departments), contractors, material suppliers, etc. in streamlining the access to finance and processes that usually result in contractor 'financing' challenges ie. Clarifying the role of clients, contractors, etc. in reducing the risk involved in financing contractors

SESSION 2 - BREAKAWAY GROUP 4

4. Role of partners

- Roles and responsibilities of Partners
- It is impossible to roll-out and operationalise the NCDP and CCC's without the support of partners
- Various offerings from industry and partners have to be considered in terms of value-add and mutual benefits
- Which are the partners that can offer support and need to be approached or commitment sought from in terms of support to emerging contractors and the industry
- Sharing of knowledge and experiences by clients, partners, stakeholders and contractors
- Incentives for private sector participation