



public works

Department:
Public Works
REPUBLIC OF SOUTH AFRICA



EXPANDED PUBLIC WORKS PROGRAMME

Expanded Public Works Programme (EPWP) of South Africa (Phase 3)

The Expanded Public Works Programme as a Catalyst for Work Opportunities, Growth And Development

NCOP - Fri, 15 Sept 2017



Outline

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- ❖ **Policy Context**
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1. Overview

- ❑ **Objective EPWP Phase 3**
 - *To provide **work opportunities** and **income support** to poor and unemployed people through the labour-intensive delivery of **public and community assets and services**, thereby contributing to development.”*
- ❑ *One of the main problems in SA is that there are many poor people in the social security system, but no grant for those who are willing and able to work. This is, perhaps the key link between the **EPWP and Social Protection**.*
- ❑ **Target group:** lowly skilled and poor unemployed
- ❑ **Funding:** Leverage on Public Sector Budgets. This includes:
 - Equitable Share, such as Non-State Sector (CWP & NPO Components)
 - Conditional Grants under DORA
 - EPWP Integrated Grants (Provincial: Infrastructure & E&C Sectors); Municipal (Infrastructure, E&C, as well as Social Sectors)
 - Provincial Social Sector Grant
 - Others: HCBC; Sports & Recreation; National School Nutrition Programmes
 - In the case of NPOs, Government piggy-backs on donor funding to support creation of work opportunities
- ❑ **Year initiated:** 2004
 - Working in 5 year phases; currently in 3rd phase of implementation (2014/15 – 2018/19)

2. Policy Context

❑ How does the programme fit into the broader policy and legal framework?

The policy perspective of the EPWP is informed by the following:

- Reconstruction & Dev Programme (RDP) (1994);
- “White Paper for Social Welfare” (1997);
- National Dev Plan (NDP), Chapter 11; and
- NDP: *“The provision of WO’s is one of the most effective forms of social protection...There is no special grant for the unemployed working age population. But various labour market activation schemes exist, these include the public works programmes as well as training and skills development programmes.”* (p.360)
- Department of Social Dev (DSD’s) 2016 “Comprehensive Report on the Review of the 1997 White Paper”

❑ Does policy context shape programme design and/or implementation?

- NDP emphasises long-term role of PEPs in an environment of structural unemployment; hence the need for programmes over a longer term

❑ How do other sectors influence the outcome of the programme either positively or negatively

- Given the limitations of PEPs, the EPWP is designed to dovetail and augment other development initiatives



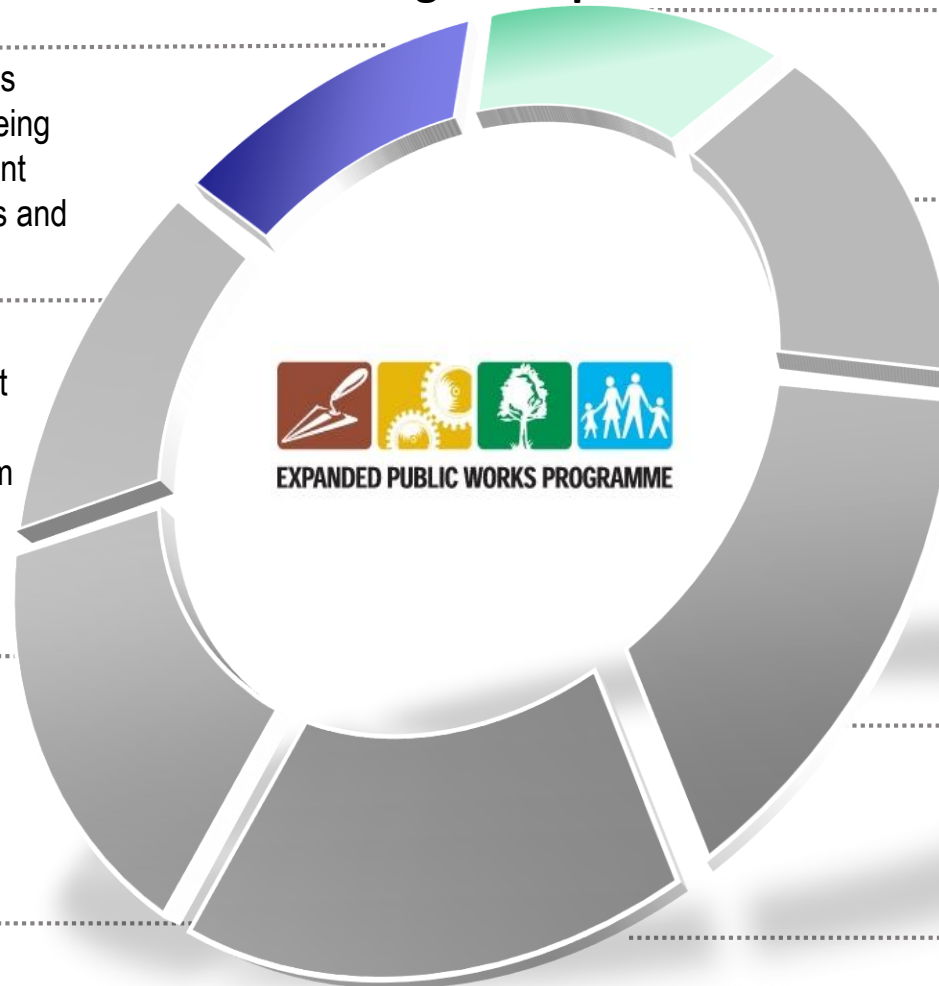
Strategic Intent of EPWP in Context of Public Employment Programmes (PEPs)

National Growth Plan and the National Development Plan envisages PEPs as a vehicle to contribute to Government's goals of alleviating poverty, developing local communities, providing work opportunities and enhancing social protection.

Public Employment Programmes (PEPs) have a long history of being utilised to address unemployment due to labour market disruptions and recession.

Internationally, PEPs are seen as part of on-going employment and social protection policies. PEPs create short-medium term employment opportunities for vulnerable groups in society.

The EPWP is a nationwide programme implemented at all spheres of government and by state-owned enterprises.



EPWP was introduced in 2004 as one of government's major public employment programmes under the Anti-Poverty Strategy.

Aims to draw significant numbers of unemployed people into productive work (of varying duration) accompanied by training.

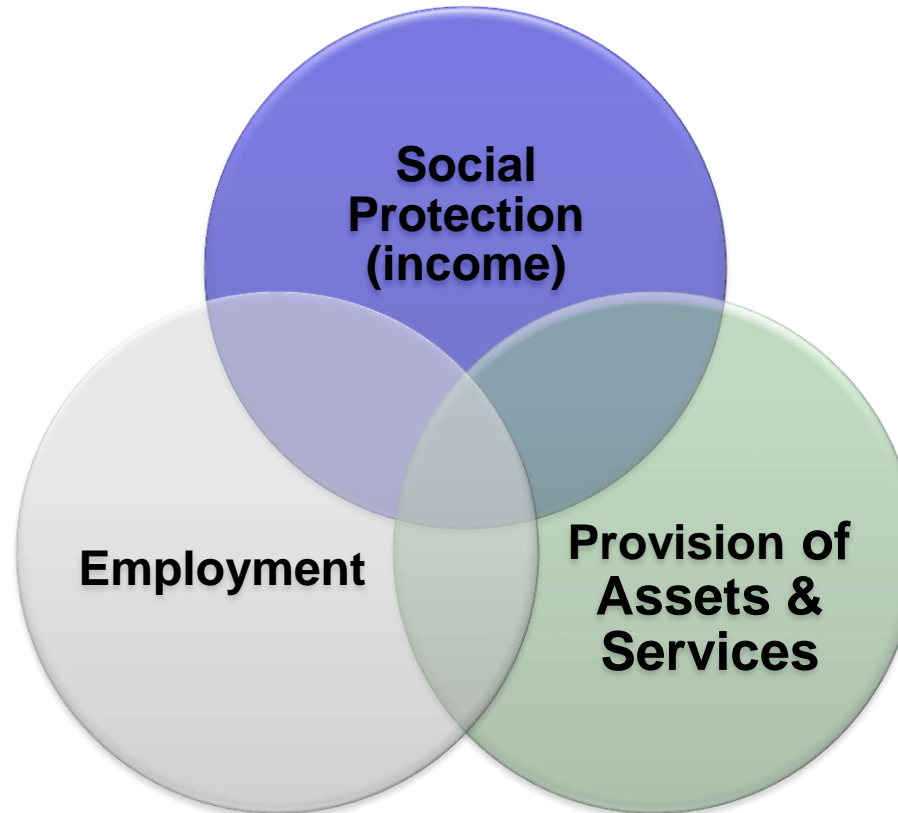
The programme involves re-orientating line function budgets & conditional grants for govt. expenditure to result in creation of work opportunities

EPWP must not displace existing permanent jobs and opportunities must be on real demand for services.

Background on the EPWP

The “trilemma” facing EPWP

EPWP’s development contribution comes through providing all three of these outcomes- but there are trade-offs involved when one tries to maximize one



For different sub-programmes and sectors the balance between these three outcomes varies quite considerably

Increasing one output- results in decreases in the other- the nature of these trade-offs differ between Sectors and Sub-programmes

Key EPWP Design Issues (1 of 4)

- ❑ **Key programme components:**
 - Implemented across 4 sectors; key cross-cutting functions
 - Leverage on budgets of public bodies to optimise creation of work opportunities
 - Delivering services and create assets for the public good
 - On-the-job training, as well as focused skills training in sub-programmes
 - Limited graduation into partnership with private and public sector partners (placement)

- ❑ **Eligibility:** focus on transparent recruitment of local employment of unemployed.
- ❑ Recruitment Guidelines in last stage of approval
- ❑ Seen as Employer of Last Resort (ELR)
- ❑ **Coverage (total number and geographical):** target of 6 million work opportunities over EPWP Phase 3 (5 years, up to March 2019) across three spheres of government (national, provincial and municipal); targets for designated groups (women, 55%; youth, 55% & PWDs, 2%)
- ❑ **Key innovations:** partner with NPOs and private sector; explore pathways into sustainable livelihoods; introduction of incentive grant

EPWP Sectors & Participating Departments/Bodies

(Training, Enterprise Dev & Convergence Imperatives are Cross-Cutting) – (2 of 4)



Infrastructure Sector: is led by the Department of Public Works and includes other infrastructure departments. Programmes in this sector are funded through different funding sources such as grants and equitable share component.



Environment and Culture Sector: is led by the Department of Environmental Affairs. Creation of work opportunities in the sector will be achieved through the implementation of public environmental programmes.



Social Sector: is led by the Department of Social Development and includes the Departments of Health, Basic Education, Sports and Recreation; related Provincial Departments and Municipalities. The sector create work opportunities through public social programmes.



Non-State Sector: consists of two sets of programmes (i.e. Community Work Programme and Non-Profit Organisations). Programmes in this sector are implemented by non-state sector agencies like NGOs, NPOs, FBOs in communities.

EPWP Phase 3 – Strengthening & Deepening Earlier Innovations (3 of 4)

❑ Strengthening community participation

- The approach is to **move beyond public sector funding** only by contracting community-based organizations for implementation (such as in the Non-State Sector – CWP and NPO Programmes).
- The objective is to work towards closer cooperation with civil society through community participation and an active citizenry to deepen development impacts across all sectors of the EPWP (e.g., through active participation in municipal IDPs).

❑ Forging partnership with private sector:

- **Pharmacist Assistant Programme:** *a public-private partnership between the pharmaceutical industry and government to address skills shortages for improved pharmacist service delivery.*
- Partnerships in distressed mining communities – in both labour-sending and labour-receiving areas; chambers of commerce (Sibanye Gold, Anglo American, Afrikaanse Handelsinstituut)

❑ Exploring pathways into Sustainable Livelihoods:

- **Enterprise Development - Vuk'Uphile Contractor Development Programme:** *Aims to build capacity amongst emerging contractors to execute the increasing amount of labour intensive work.*
- **NYS:** A government skills development programme. The NYS programme engages youth in service delivery, promote youth participation in the construction sector and assist youth to gain work-related skills necessary to access sustainable livelihood opportunities. Artisan development; placed in government departments, as well as in private sector



Design Issues (4 of 4)

❑ Challenges

- Lack of technical capacity in public bodies to implement the EPWP
- Data integrity challenges
- Non attainment of designated target for people with disabilities
- Non-attainment of FTEs targets – due to shorter duration of work opportunities.
- Non-adherence to EPWP minimum daily wage

❑ Learning points and recommendations

- Community participation is crucial to ensure buy-in and sustainability and contribute towards social cohesion
- Accountability should be build in at all levels, e.g., indicators in managers' performance agreements
- Develop clear SOPs and guidelines to ensure consistent implementation
- Programme design should not create expectations that could become a reputational risk for implementation



Background on the EPWP

EPWP Phase III Universal Principles

Adherence to the EPWP Minimum wage and employment conditions under the Ministerial Determination

- The EPWP Ministerial determination of 2012 sets out a minimum wage for the EPWP and the EPWP must seek to achieve full compliance with this determination. There is currently substantial non-compliance with the minimum wage.

Selection of workers based on a clearly defined process and defined criteria

- The selection of each worker should be done on a clear set of criteria to minimize patronage and abuse during selection and ensure target group benefits. The selection should also happen in accordance with clear transparent and fair procedures.

Work provides or enhances public goods and community services

- The work output of each EPWP project should contribute to enhancing public goods or community services.

Minimum labour intensity appropriate to sector

- A minimum labour-intensity benchmark appropriate to each sector should be set as sectors differ too much to apply a common standard across all sectors. Furthermore programmes within each sector would also be encouraged to set their own benchmarks.

Examples of EPWP Projects



High Level Governance Structure



PEP IMC: Convened and Chaired by the Deputy President.

- Comprised of relevant Ministers and meet at least bi-annually
- Unblock strategic constraints for the successful implementation of PEPs.



Technical Secretariat: Chaired by the DG DPW
- Made up of DGs DEA, DSD, Presidency & COGTA

- Provide support to the IMC;
- Endorse reports to be submitted to the IMC.

Implementation of the EPWP

❑ Implementing Agencies

- National government departments
- Provincial government departments
- Municipalities
- NPOs

❑ How is the programme delivered (delivery institution & mechanisms):

- Through service providers (e.g., contractors) commissioned by the above-mentioned spheres of government
- Focus on employing local labour

Implementation issues

❑ Challenges

- Lack of capacity (and understanding) to design and implement PEPs
- Mainstreaming of PEPs across all budgets
- Danger of job displacement and substitution

❑ Learning points and recommendations

- Clear manuals and guidelines for implementation in different sectors are invaluable
- Accountability at the appropriate levels where PEPs are implemented
- Deepening and strengthening of community participation are crucial

Results/Impact

Results – headline evaluation findings / progress

❑ Key Findings of Cross-Sectional Evaluation study in 2011 - no doubt that the EPWP is having a significant impact on the lives of participants and their families alike:

- 62% of all participants were unemployed and actively looking for work before participating in EPWP projects
- 47% of the participants indicated that their financial situation and that of their families have improved
- More than 80% of the participants were in employment after EPWP project - vast majority were still being employed in an EPWP project
- Benefits of EPWP to participant communities such as job creation, improved infrastructure and services delivery, training and assets created in the community

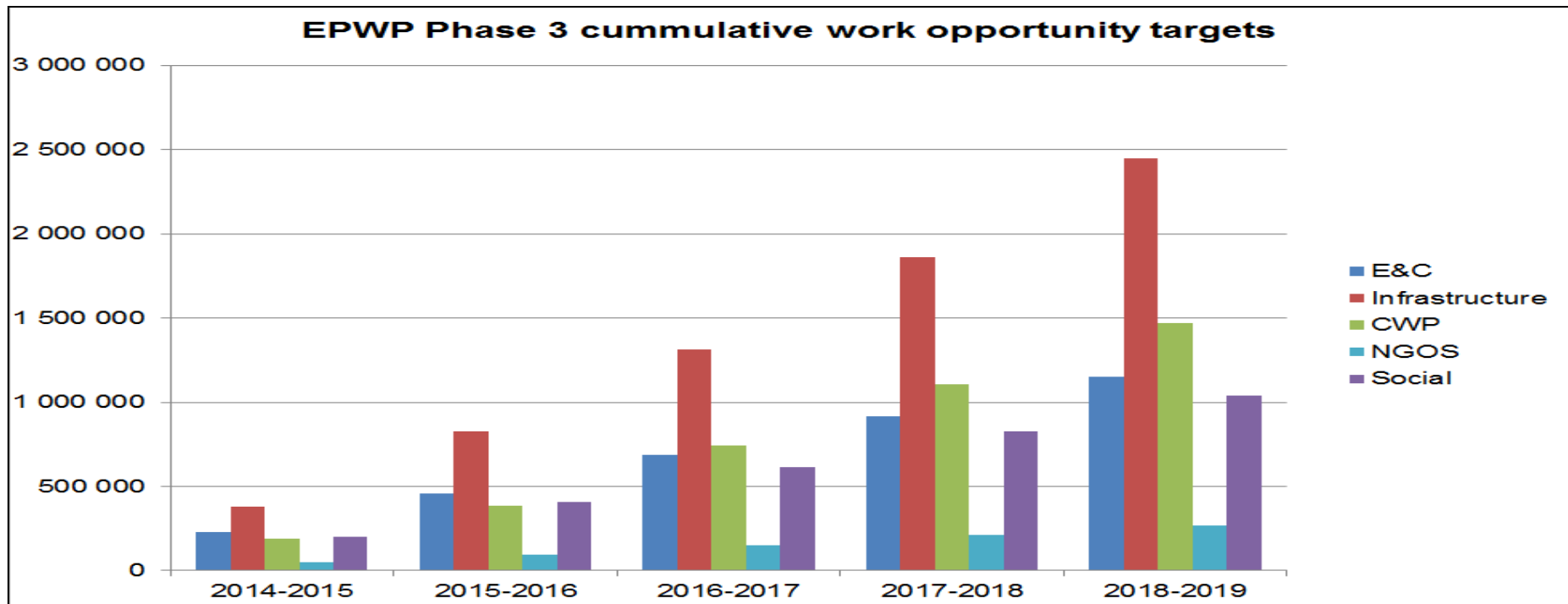
❑ Stats SA 2015 Quarterly Household Labour Surveys

- Of those who had participated in an EPWP-type programme in previous 12 months:
- 12,4% were now in permanent work
- 4,8% had set up an own business
- 47,8% had found temporary work
- = 65% plus a further 14% were in further training.

EPWP is proving to be a significant pathway for the majority of participants – however: 21% back into unemployment

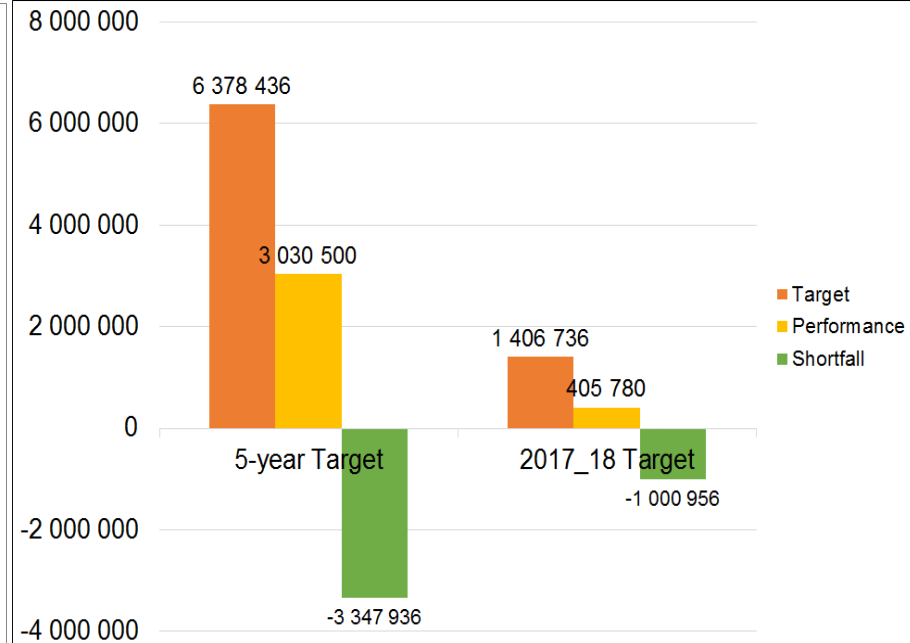
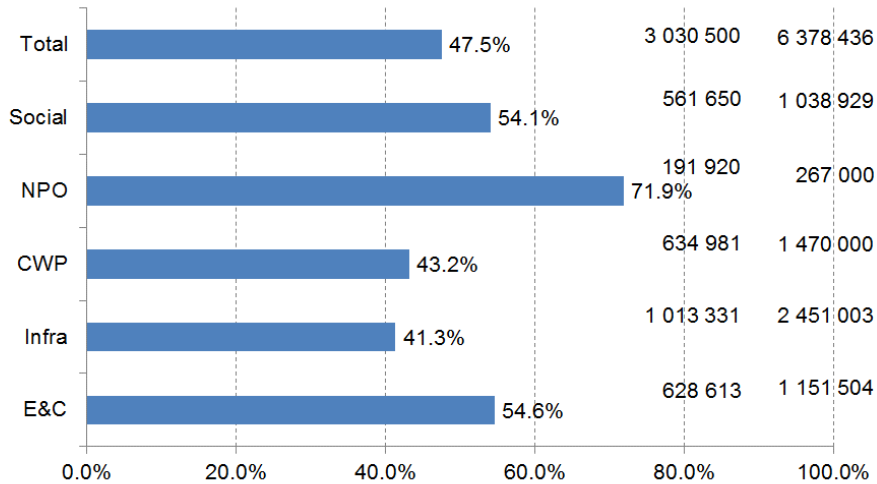
EPWP Phase 3 WO targets

	E&C	Infrastructure	CWP	NGOS	Social	Total
2014-2015	227 650	379 156	187 000	49 000	202 714	1 045 520
2015-2016	229 208	447 671	197 000	48 000	205 307	1 127 186
2016-2017	230 550	488 636	362 000	56 000	205 968	1 343 154
2017-2018	231 173	546 067	362 000	57 000	210 496	1 406 736
2018-2019	232 923	589 473	362 000	57 000	214 444	1 455 840
Total	1 151 504	2 451 003	1 470 000	267 000	1 038 929	6 378 436



Performance against 5-year WO targets by sector

Performance against EPWP Phase 3 Target

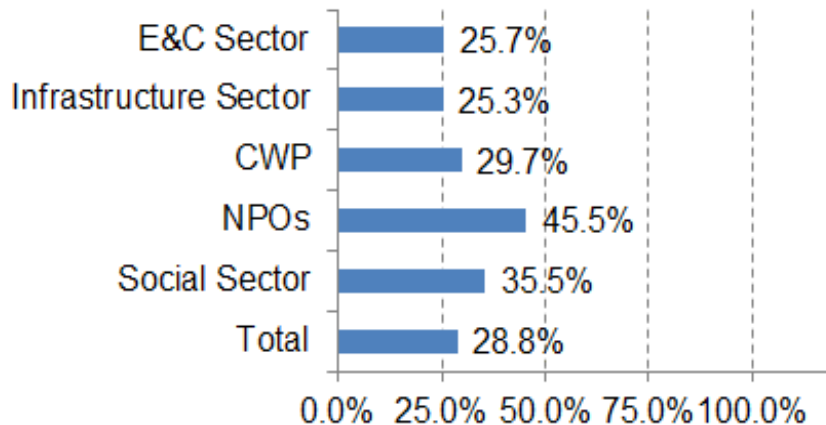


- To date the programme achieved just above 3 million work opportunities against the 5 year target, which translates to 47.5% against the 6 million target.
- The least performing sectors are the Infrastructure sector and the Non-State Community Works Programme, at 41.3% and 43.2% respectively.

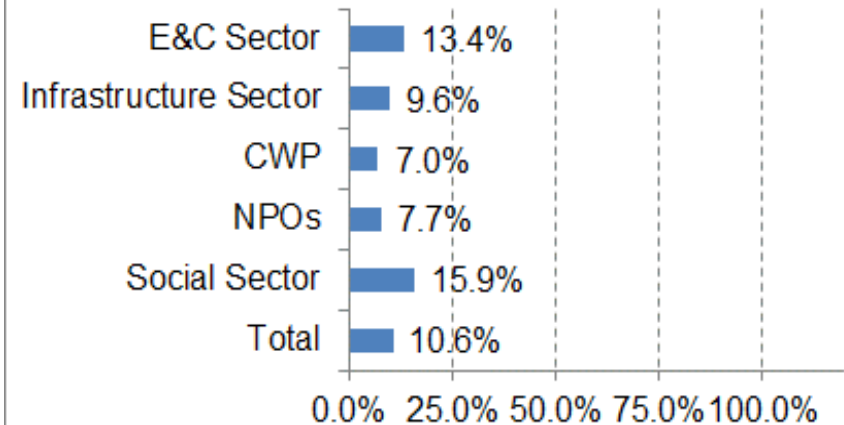
Performance against annual work opportunity targets by sector (2017/18 – Quarter 2 to Date)

Sector	# Projects	Annual WO Target	WOs	Annual FTE Target	FTEs
E&C Sector	1 358	231 173	59 329	91 957	12 368
Infrastructure Sector	2 226	546 067	138 185	178 147	17 071
CWP	216	362 000	107 581	157 391	11 049
NPOs	199	57 000	25 942	31 602	2 419
Social Sector	2 200	210 496	74 743	114 992	18 233
Total	6 199	1 406 736	405 780	574 089	61 139

% Achievement against annual WO target

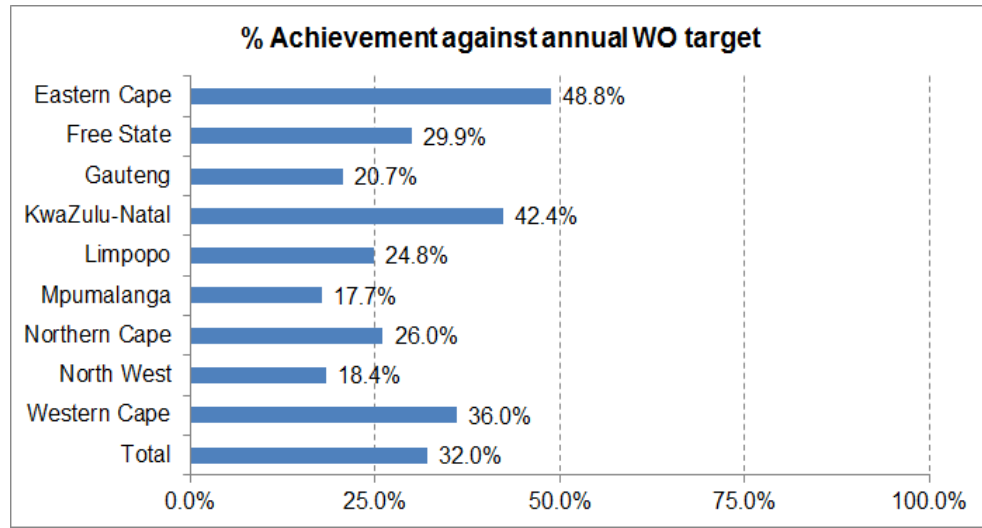


% Achievement against annual FTE target

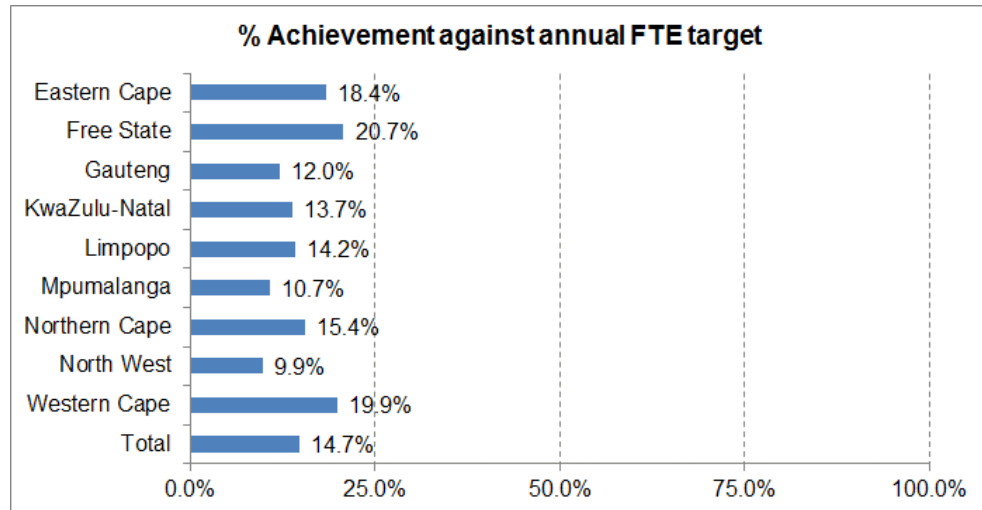


Performance against annual (municipal and provincial) work opportunity targets (2017/18 – Quarter 2 to Date)

Province	WO Target	WOs Reported
Eastern Cape	109 012	53 169
Free State	49 282	14 759
Gauteng	130 946	27 046
KwaZulu-Natal	181 117	76 715
Limpopo	84 842	21 059
Mpumalanga	60 222	10 673
Northern Cape	28 377	7 391
North West	57 701	10 597
Western Cape	82 973	29 870
Total	784 472	251 279

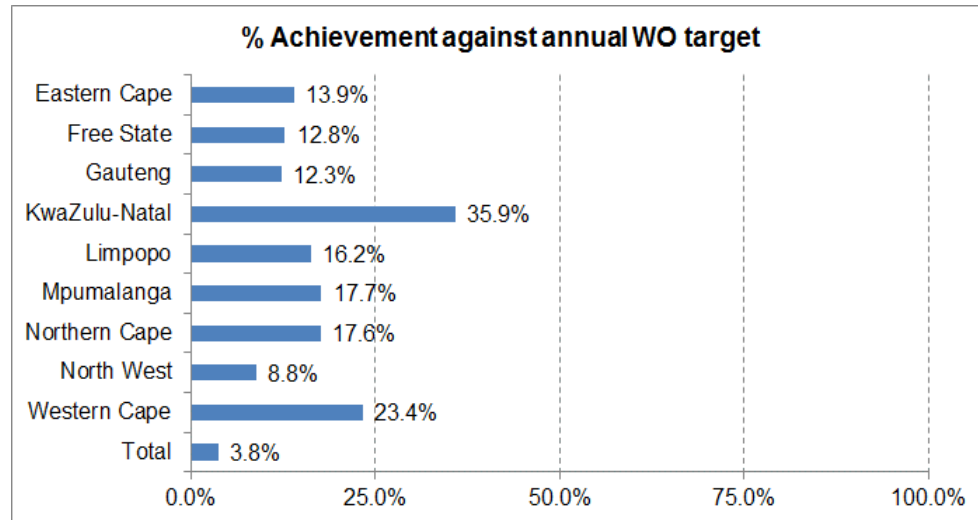


Province	FTE Target	FTEs Reported
Eastern Cape	38 946	7 168
Free State	17 925	3 713
Gauteng	52 638	6 336
KwaZulu-Natal	66 400	9 126
Limpopo	30 196	4 279
Mpumalanga	23 204	2 494
Northern Cape	10 058	1 554
North West	21 190	2 092
Western Cape	28 861	5 755
Total	289 419	42 517

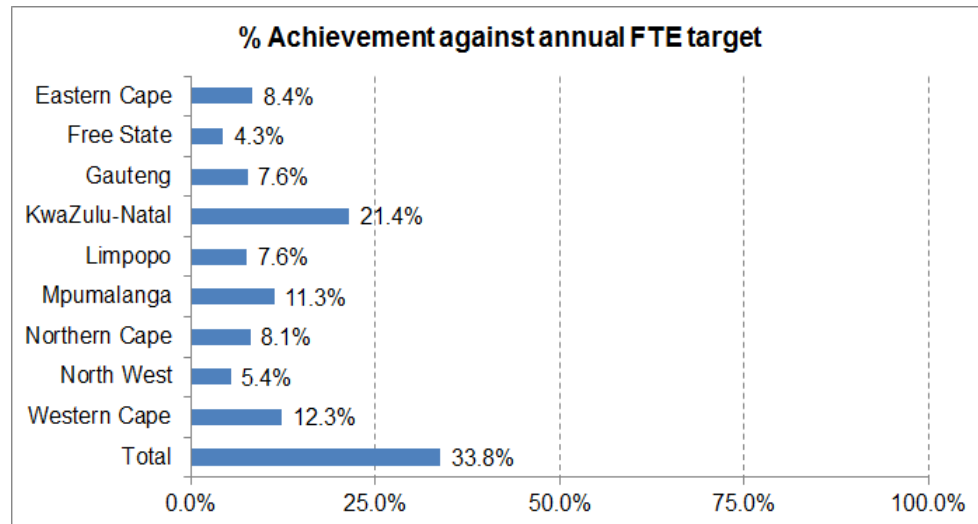


Performance against annual municipal work opportunity targets (2017/18 – Quarter 2 to Date)

Province	WO Target	WOs Reported
Eastern Cape	66 552	9 279
Free State	22 530	2 873
Gauteng	80 145	9 839
KwaZulu-Natal	71 923	25 795
Limpopo	42 110	6 840
Mpumalanga	29 475	5 214
Northern Cape	9 015	1 583
North West	26 336	2 327
Western Cape	47 227	11 029
Total	395 313	74 779

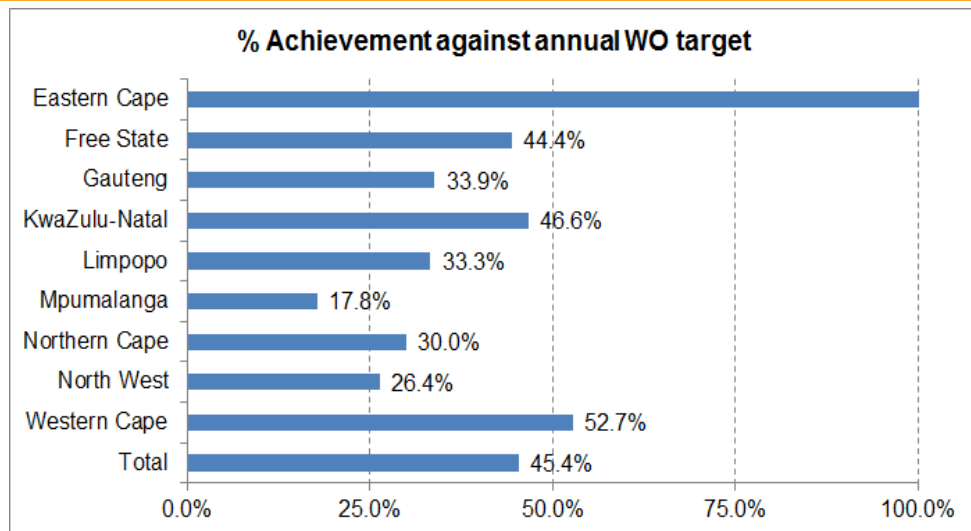


Province	FTE Target	FTEs Reported
Eastern Cape	21 203	1 778
Free State	6 621	283
Gauteng	27 700	2 115
KwaZulu-Natal	23 656	5 067
Limpopo	13 523	1 021
Mpumalanga	9 907	1 119
Northern Cape	2 643	213
North West	8 362	450
Western Cape	12 090	1 490
Total	125 704	13 536

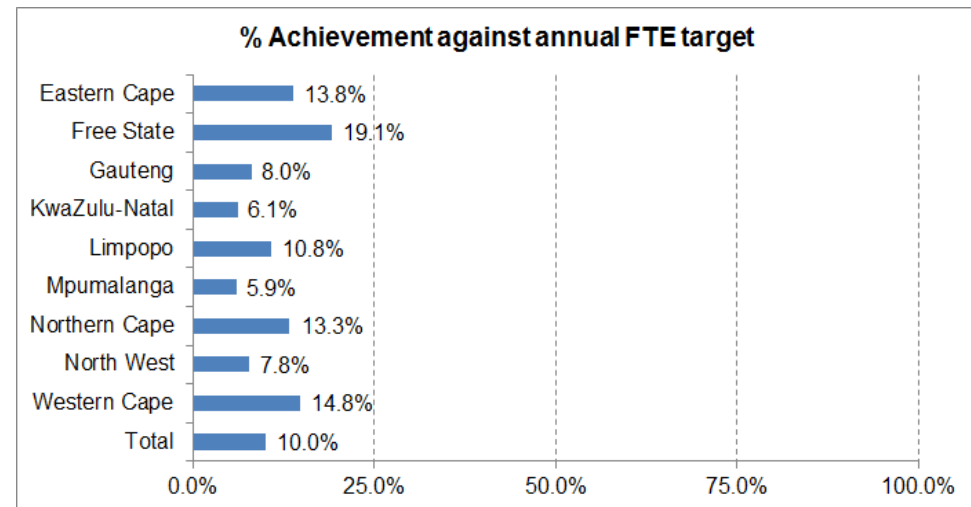


Performance against annual provincial work opportunity targets (2017/18 – Quarter 2 to Date)

Province	WO Target	WOs Reported
Eastern Cape	42 460	43 890
Free State	26 752	11 886
Gauteng	50 801	17 207
KwaZulu-Natal	109 194	50 920
Limpopo	42 732	14 219
Mpumalanga	30 747	5 459
Northern Cape	19 362	5 808
North West	31 364	8 270
Western Cape	35 746	18 841
Total	389 159	176 500



Province	FTE Target	FTEs Reported
Eastern Cape	17 742	5 389
Free State	11 304	3 430
Gauteng	24 938	4 222
KwaZulu-Natal	42 744	4 059
Limpopo	16 673	3 258
Mpumalanga	13 298	1 375
Northern Cape	7 415	1 341
North West	12 828	1 642
Western Cape	16 771	4 264
Total	163 715	28 980



Key Learning Points (1 of 2)

❑ **Pre-requisites for or barriers to success?**

- Community participation
- Political buy-in and political champions
- Potential for clientilism and rent-seeking behaviour holds reputational risks for PEPs
- Continuous building of a critical mass of development workers to facilitate implementation of programmes

❑ **Most important lesson other countries can learn from SA experience?**

- Projects need to be programmatized to improve sustainability through funding
- Inevitably various trade-offs have to be made in terms of focus of programme, e.g., individuals vs households; coverage vs deepening of quality for fewer participants
- A PEP approach must be institutionalised through public sector budgets to ensure sustainability
- Appropriate governance arrangements

Key Learning Points (2 of 2)

- ❑ **What do you wish you knew before you started?**
 - Complexities of cross-cutting programmes
 - Many difficulties to institutionalise cross-cutting programmes
 - Recipe for key trade-offs to be made between focus on *employment*, provision of *services & assets* and *social protection* in order to maximise development impacts
 - Role played by many interest groups with vested interests in the failure of PEPs

Siyabonga!

Baie dankie!

Thank You!

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