

EPWP Phase 2 Performance

November 2014



Outline

EPWP PHASE 2 PERFORMANCE

- Background of EPWP Phase 2
- EPWP Phase 2 Performance
- Impact of EPWP on beneficiaries
- Evaluation of the Growth and Development Impact of EPWP
- EPWP Proposal



Background: EPWP Phase 1 and 2

- ❑ EPWP Phase 1 which was launched in 2004 was designed to bridge gap between 1st and 2nd economy.
- ❑ The objective of EPWP Phase 1 was to create one million work opportunities by 2008/9 and to provide training to all beneficiaries to be exited into the mainstream economy.
- ❑ During Phase 1, the programme had achieved its targets 1 million target a year ahead of schedule.
- ❑ Due to the realisation that unemployment in the country was still high at the end of EPWP Phase 1, an approval for continuation of EPWP into Phase 2 was granted.
- ❑ Therefore, EPWP Phase 2 was launched in 2009 with a target of 4.5 million work opportunities to be created across all EPWP sectors in all spheres of government and Non-state entities.



EPWP Phase 2 (April 2009- March 2014) Performance



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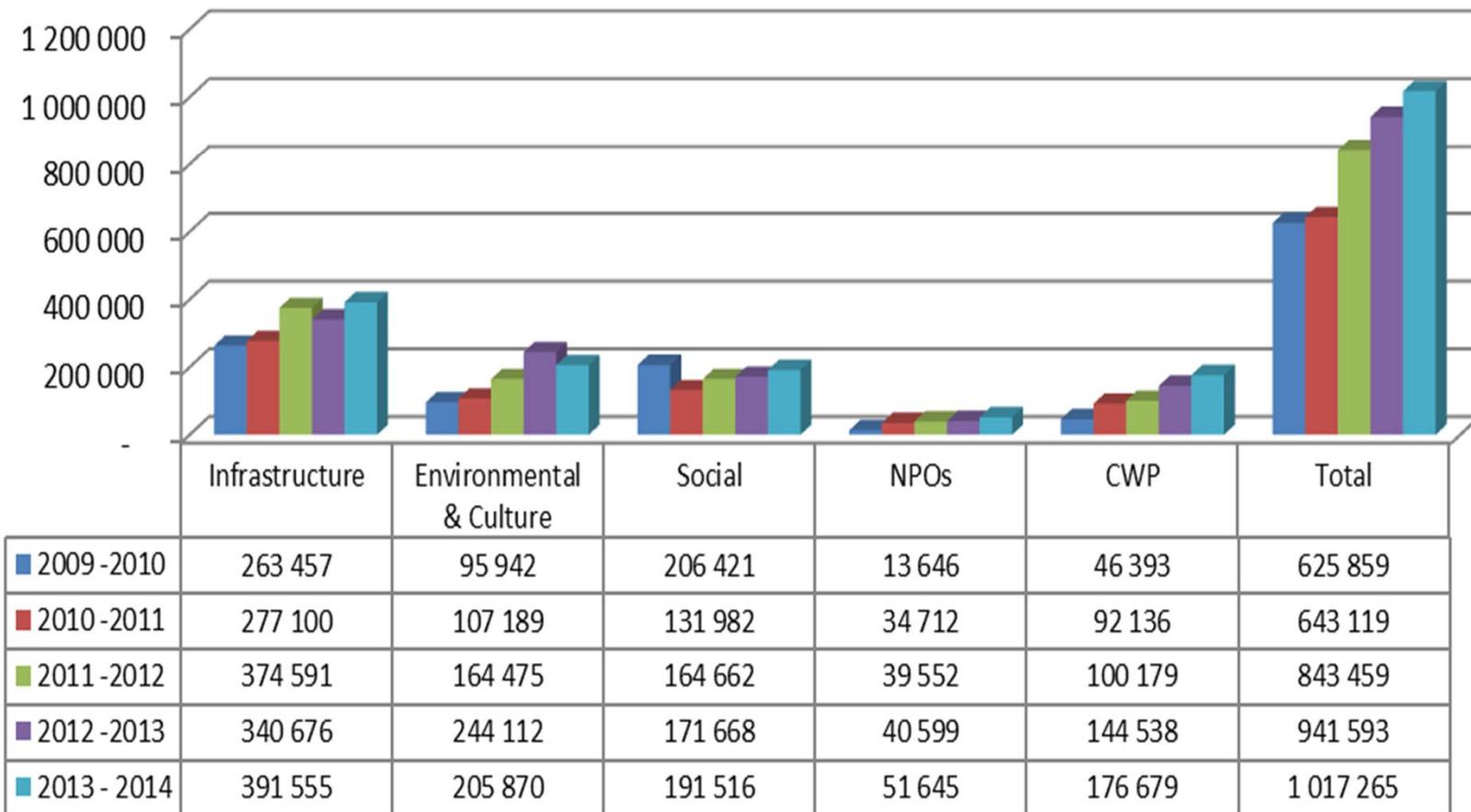
EPWP Phase 2 Overall Performance against Target

Sector	Targeted Work Opportunities	Work Opp Reported	% Progress (Work Opp)	Targeted FTE	FTE Reported	% Progress (FTE)
Infrastructure	2 374 000	1 647 379	69%	903 478	469 206	52%
Environment	1 156 000	817 588	71%	325 652	235 388	72%
Social	750 000	866 246	115%	513 043	314 944	61%
Non-State: Non-Profit Organisations	256 000	180 154	70%	111 304	49 454	44%
Non-State: Community Work Programme	384 000	559 925	146%	166 957	78 708	47%
Total	4 920 000	4 071 292	83%	2 020 435	1 147 699	57%
Total against 4.5 m WO and 2 m FTE	4 500 000	4 071 292	90%	2 000 000	1 147 699	57%

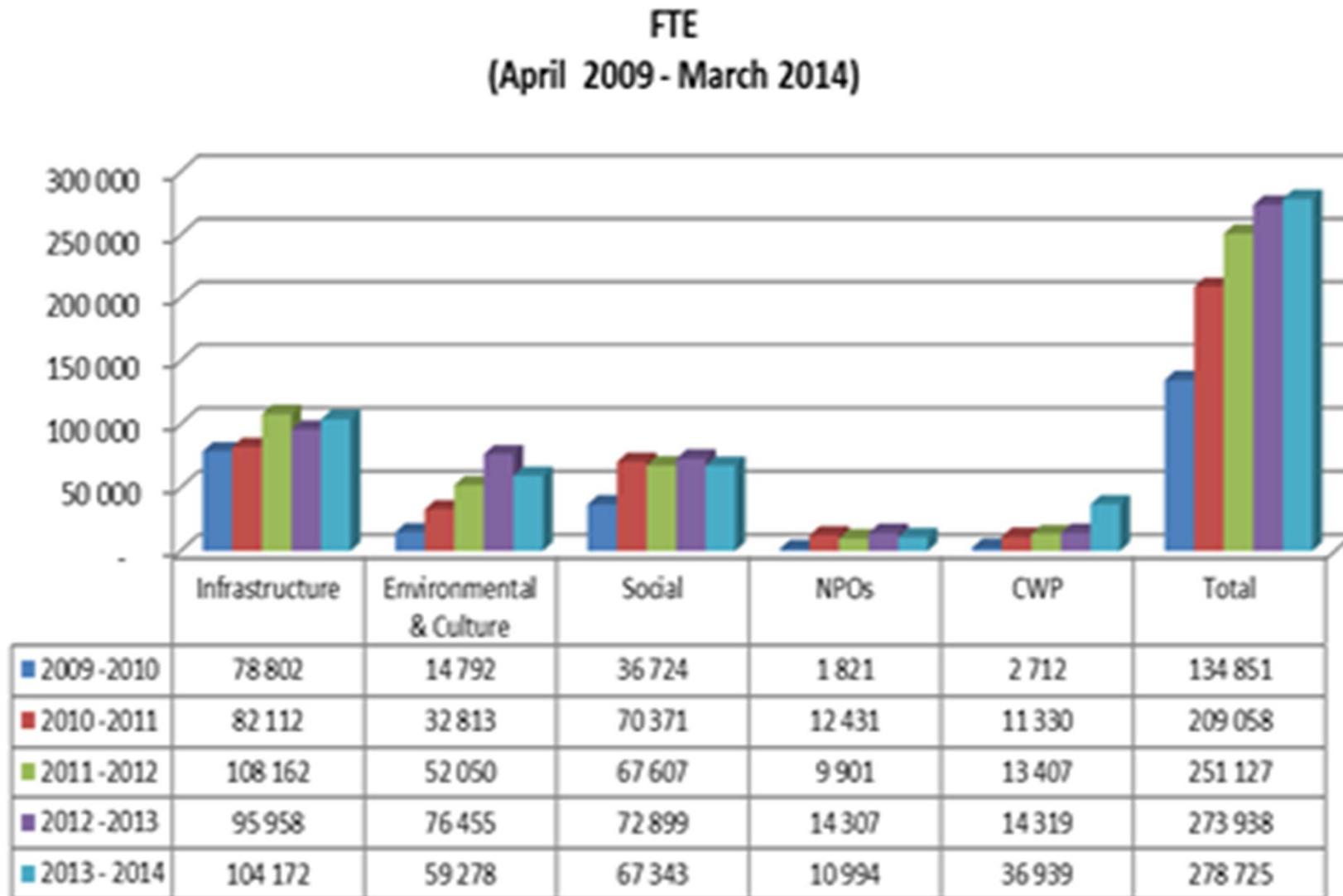


EPWP Phase 2 Work opportunities reported per year

Work opportunities
(April 2009 - March 2014)



EPWP Phase 2 FTE reported per year



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Infrastructure, Environment and Culture and Social Sectors (TOTAL)
(Prov Govt Depts & Municipalities):
Work opportunities against Phase 2 targets by Province
(1 April 2009 - 31 March 2014)

	Provinces			Municipalities *			Total		
	Target	Wk Opp Reported	%	Target	Wk Opp Reported	%	Target	Wk Opp Reported	%
EC	258 741	266 696	103	225 996	171 358	76	484 738	438 054	90
FS	150 295	77 316	51	92 278	40 703	44	242 574	118 019	49
GP	344 717	178 311	52	254 840	258 095	101	599 557	436 406	73
KZN	424 089	446 159	105	302 293	180 622	60	726 382	626 781	86
Lim	250 498	223 225	89	179 144	88 757	50	429 642	311 982	73
Mp	161 488	126 245	78	103 434	57 635	56	264 922	183 880	69
NC	106 193	82 871	78	37 176	29 074	78	143 369	111 945	78
NW	183 066	121 603	66	113 023	47 800	42	296 089	169 403	57
WC	204 769	117 124	57	91 187	147 326	162	295 956	264 450	89
Total	2 083 856	1 639 550	79	1 448 549	1 021 370	71	3 532 405	2 660 920	75

Infrastructure Sector (Prov Govt Depts & Municipalities): Work opportunities against Phase 2 targets by Province (1 April 2009- 31 March 2014)

	Provinces			Municipalities *			Total		
	Target	Wk Opp Reported	%	Target	Wk Opp Reported	%	Target	Wk Opp Reported	%
EC	154 687	216 943	140	225 996	130 738	58	380 684	347 681	91
FS	67 032	31 515	47	92 278	24 211	26	159 311	55 726	35
GP	145 194	42 415	29	254 840	205 993	81	400 034	248 408	62
KZN	205 053	265 239	129	302 293	161 452	53	507 346	426 691	84
Lim	131 433	90 020	68	179 144	75 390	42	310 577	165 410	53
Mp	72 831	44 775	61	103 434	34 184	33	176 265	78 959	45
NC	51 728	40 894	79	37 176	19 799	53	88 904	60 693	68
NW	82 030	40 950	50	113 023	31 330	28	195 053	72 280	37
WC	65 130	52 590	81	91 187	72 892	80	156 317	125 482	80
Total	975 118	825 341	85	1 399 373	755 989	54	2 374 491	1 581 330	67



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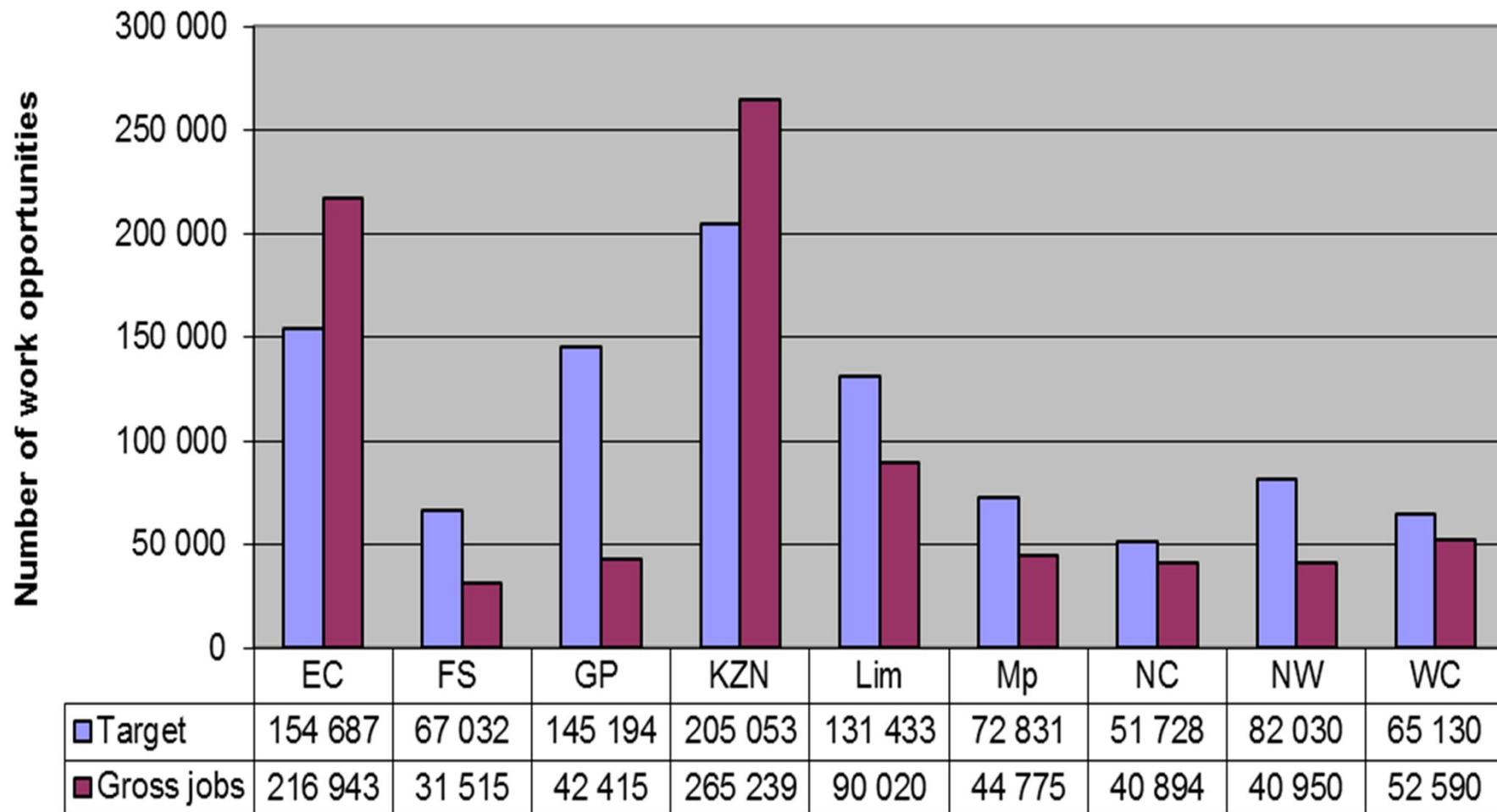
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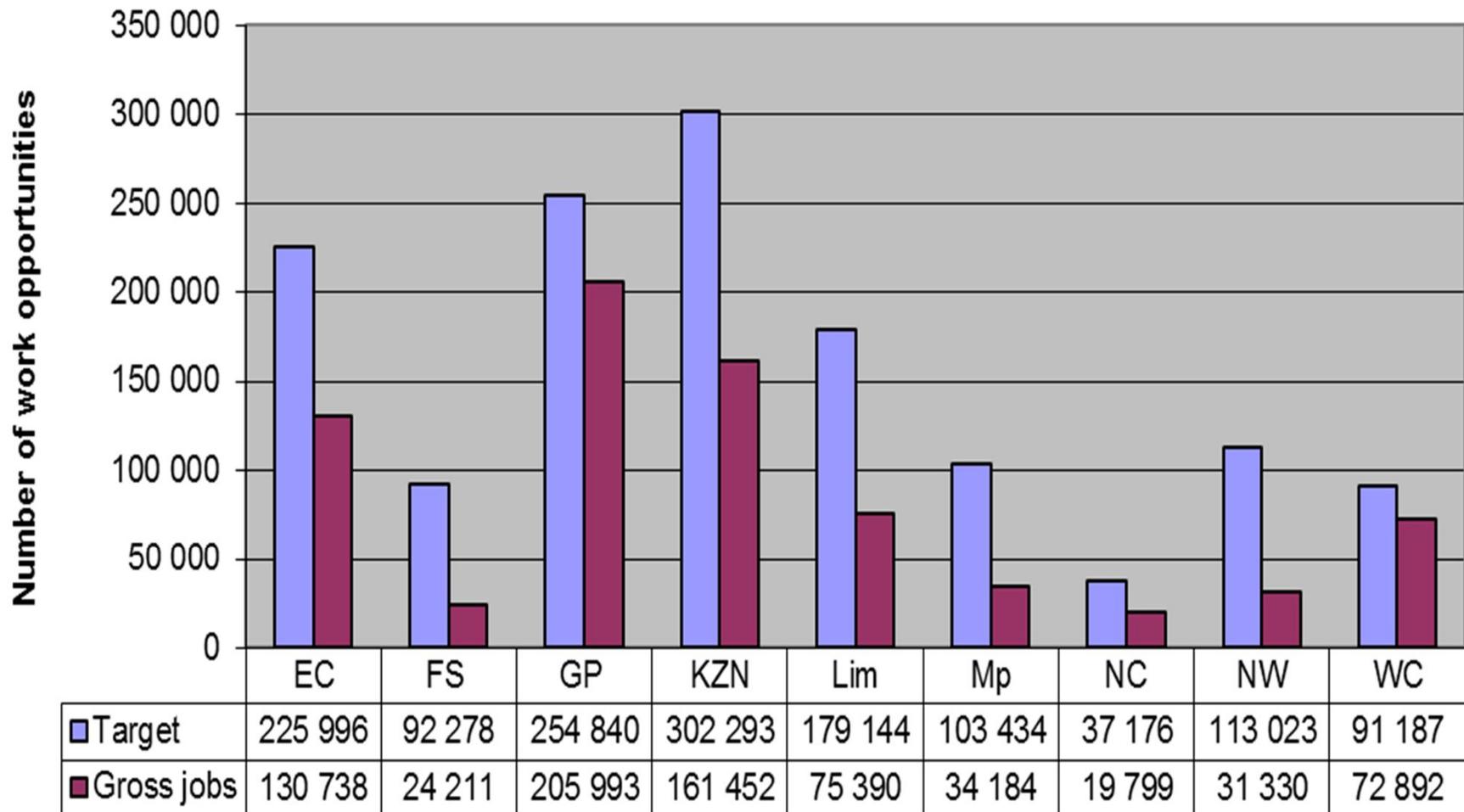
Infrastructure Sector (Prov Govt Depts)

Work opportunities against annual targets (1 Apr '09 - 31 March '14)



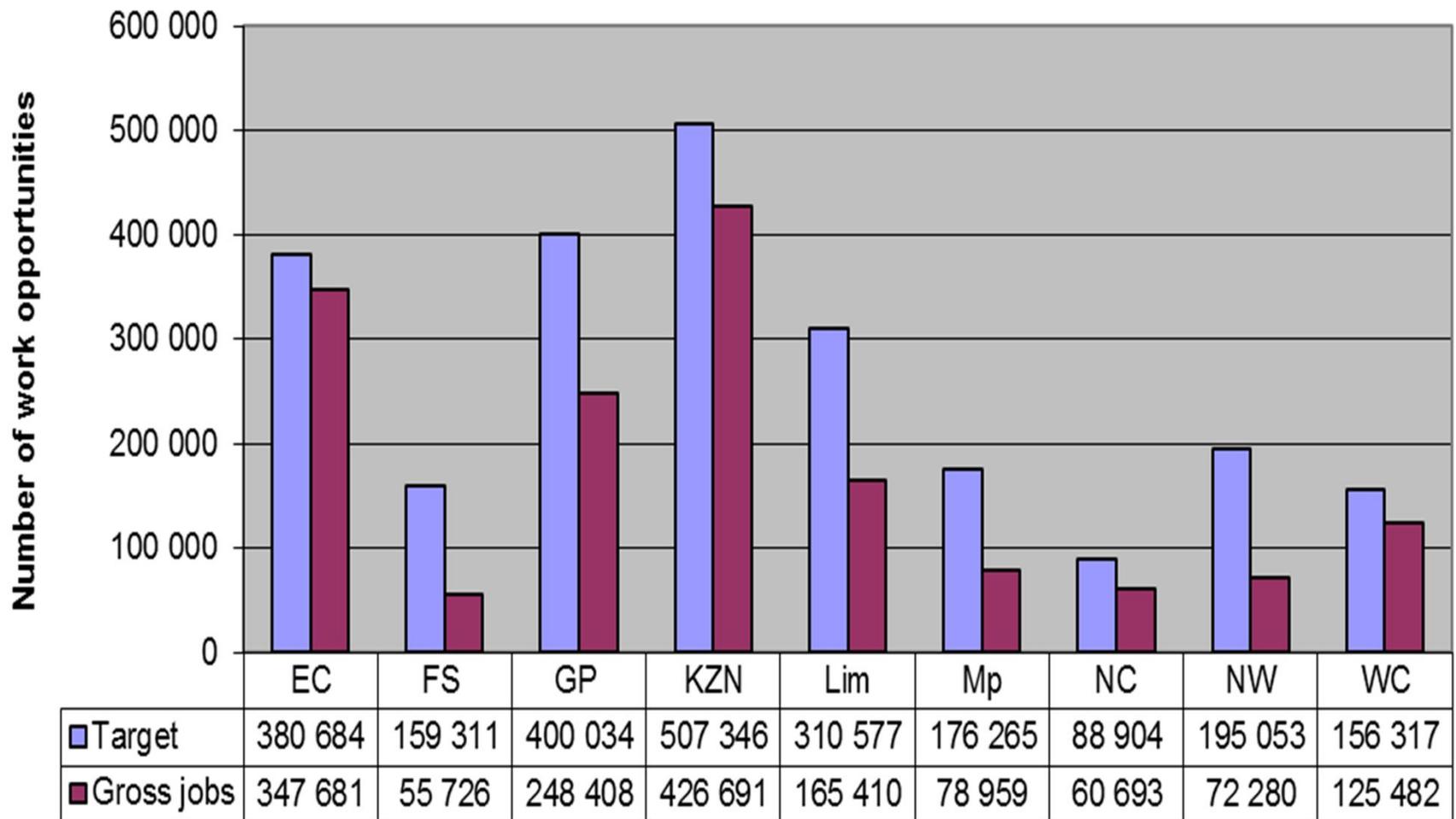
Infrastructure Sector (Municipalities)

Work opportunities against annual targets (1 Apr '09 - 31 March '14)



Infrastructure Sector (Prov Govt Depts & Municipalities)

Work opportunities against annual targets (1 Apr '09 - 31 March '14)



Environment & Culture Sector (Prov Govt Depts & Municipalities): Work opportunities against Phase 2 targets by Province (1 April 2009 - 31 March 2014)

	Provinces			Municipalities *			Total		
	Target	Wk Opp Reported	%	Target	Wk Opp Reported	%	Target	Wk Opp Reported	%
EC	61 960	8 158	13		39 276		61 960	47 434	77
FS	33 051	7 976	24		14 270		33 051	22 246	67
GP	51 565	17 729	34		42 602		51 565	60 331	117
KZN	60 803	61 576	101		13 732		60 803	75 308	124
Lim	58 003	32 853	57		12 161		58 003	45 014	78
Mp	36 597	25 162	69		19 998		36 597	45 160	123
NC	29 626	8 752	30		9 168		29 626	17 920	60
NW	46 226	8 864	19		16 242		46 226	25 106	54
WC	29 543	13 042	44		61 675		29 543	74 717	253
Total	407 374	184 112	45	23 453	229 124	977	430 827	413 236	96



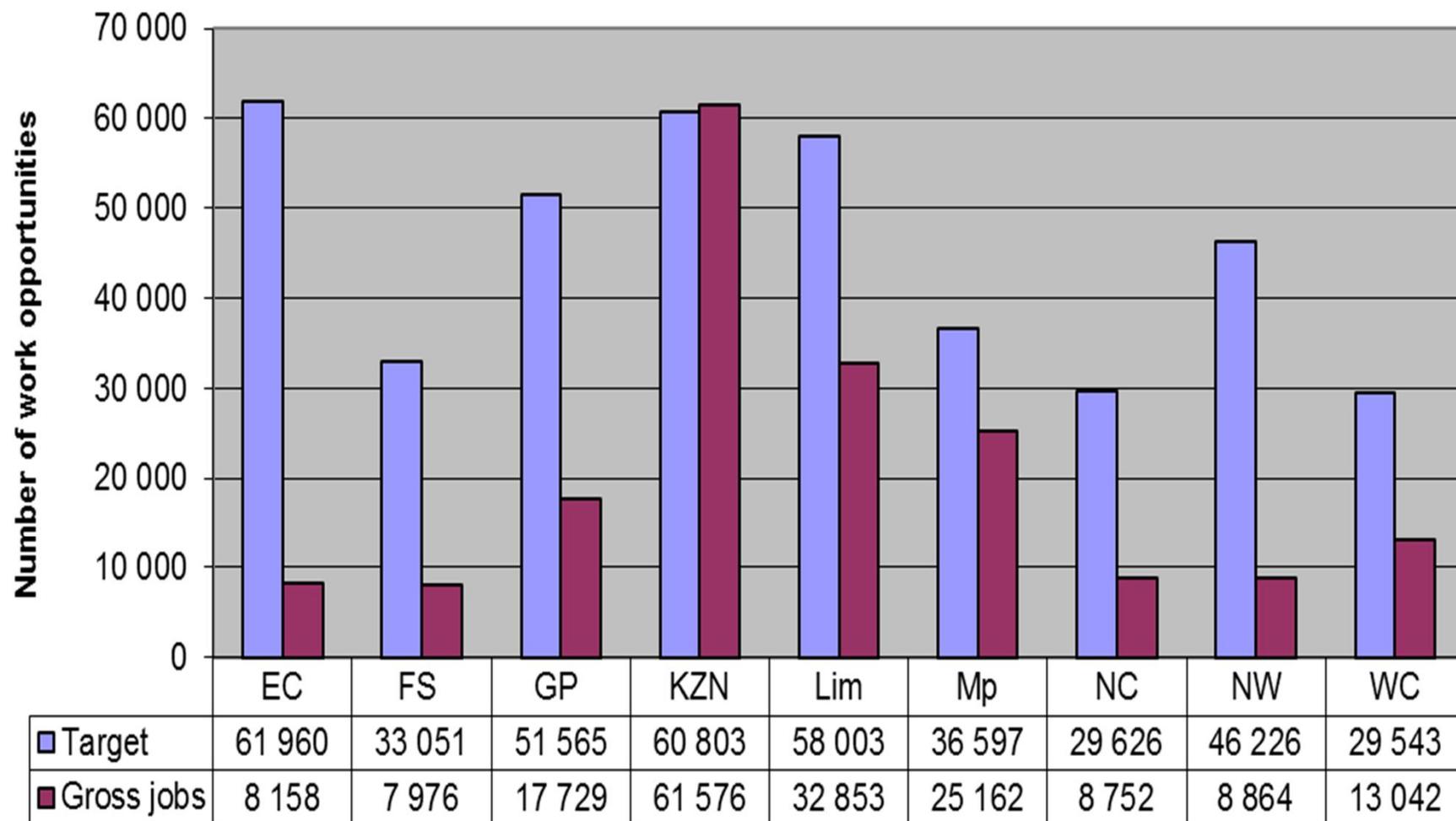
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Environmental & Culture (Prov Govt Depts) Achievement annual targets (1 April 2009 - 31 March 2014)



Social Sector (Prov Govt Depts & Municipalities): Work opportunities against Phase 2 targets by Province (1 April 2009 - 31 March 2014)

	Provinces			Municipalities *			Total		
	Target	Wk Opp Reported	%	Target	Wk Opp Reported	%	Target	Wk Opp Reported	%
EC	42 094	41 595	99		1 344		42 094	42 939	102
FS	50 212	37 825	75		2 222		50 212	40 047	80
GP	147 958	118 167	80		9 500		147 958	127 667	86
KZN	158 233	119 344	75		5 438		158 233	124 782	79
Lim	61 062	100 352	164		1 206		61 062	101 558	166
Mp	52 060	56 308	108		3 453		52 060	59 761	115
NC	24 839	33 225	134		107		24 839	33 332	134
NW	54 810	71 789	131		228		54 810	72 017	131
WC	110 096	51 492	47		12 759		110 096	64 251	58
Total	701 364	630 097	90	25 723	36 257	141	727 087	666 354	92



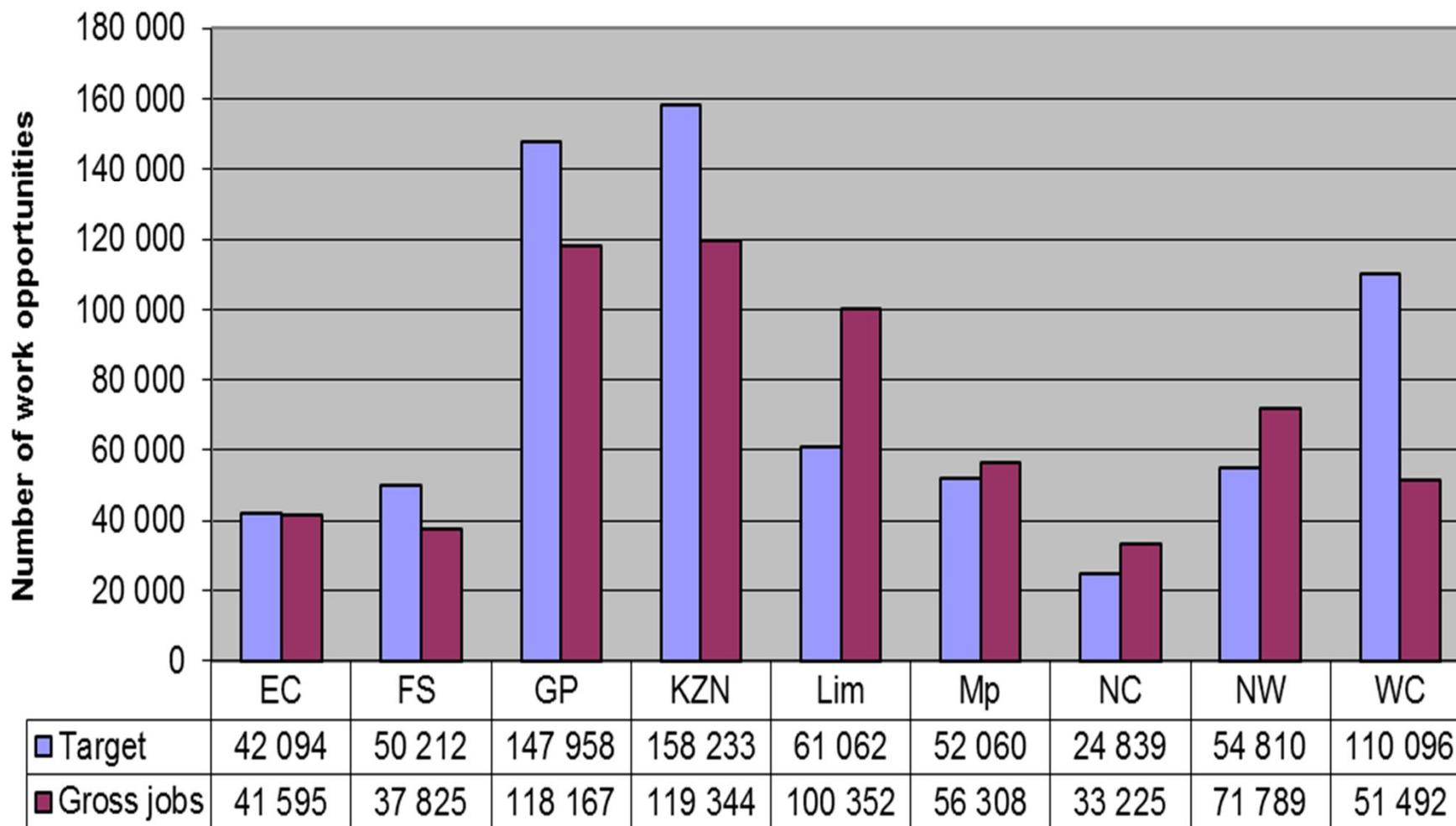
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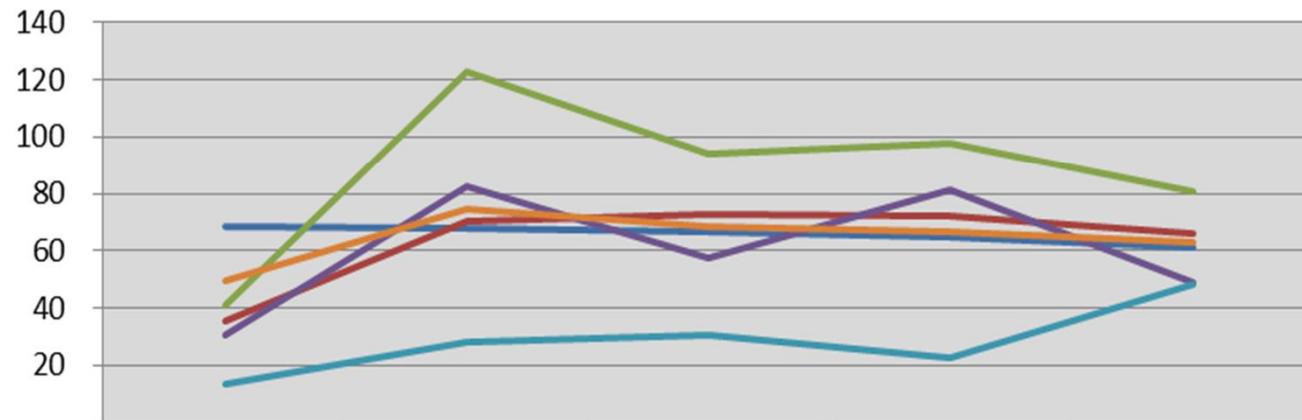
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Social Sector (Prov Govt Depts) Achievement annual targets (1 April 2009 - 31 March 2014)



EPWP Phase 2 Duration of Work opportunities

Duration of work opportunities
(April 2009 - March 2014)



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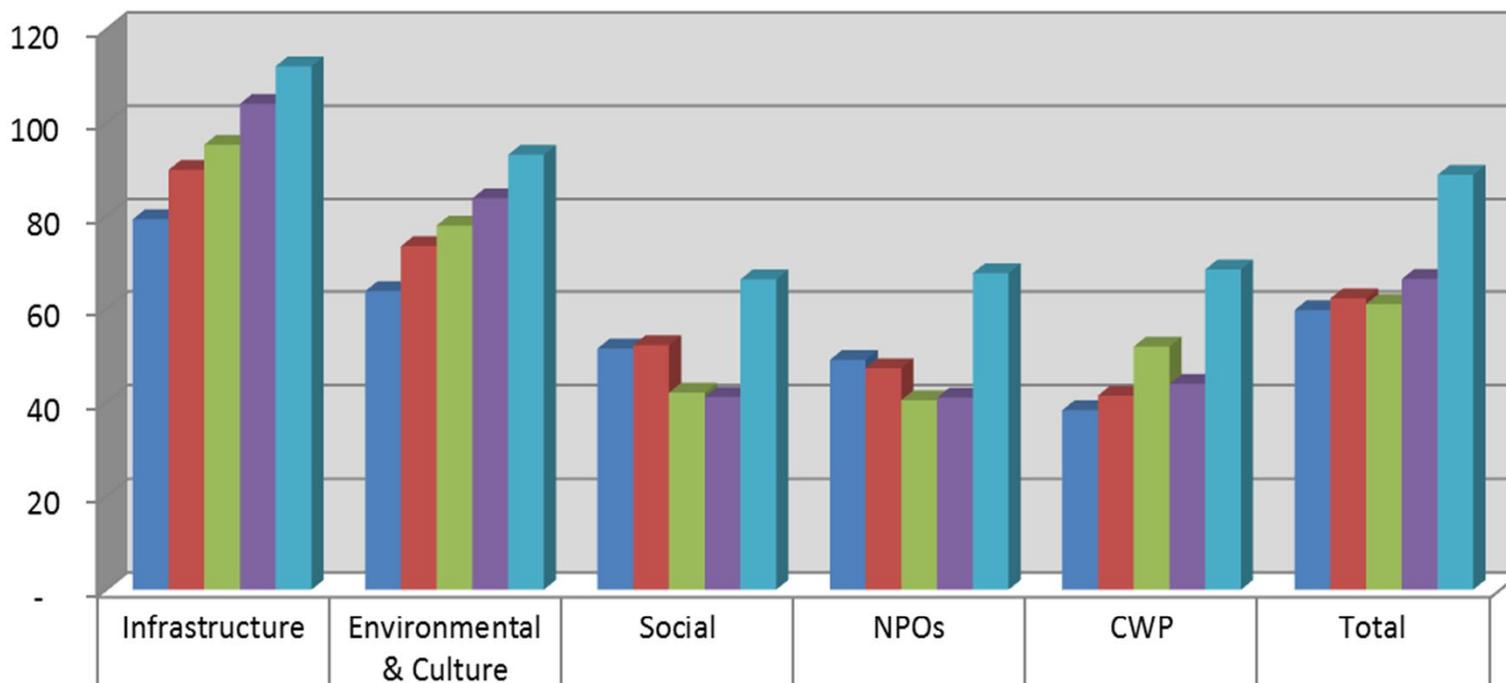
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EPWP Phase 2 Average minimum daily wages paid

Average minimum daily wages



	Infrastructure	Environmental & Culture	Social	NPOs	CWP	Total
2009 -2010	79	64	52	49	38	60
2010 -2011	90	74	52	47	41	62
2011 -2012	95	78	42	40	52	61
2012 -2013	104	84	41	41	44	66
2013 - 2014	112	93	66	68	68	89



EPWP Phase 2 Average Labour intensity

Sector	2009 -2010	2010 -2011	2011 -2012	2012 -2013	2013 - 2014
Infrastructure	6%	6%	12%	19%	16%
Environmental & Culture	15%	9%	40%	47%	53%
Social	17%	28%	37%	51%	58%
NPOs	114%	86%	70%	74%	89%
CWP	102%	36%	38%	70%	74%



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The Impact of EPWP



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Purpose and objectives of research

- ❑ The EPWP Evaluations and Research unit continuously conducts studies as per the M&E framework.
- ❑ The studies include:
 - ❑ Process evaluation which examines the efficiency and effectiveness of program implementation processes
 - ❑ Impact evaluations to determine the impact of the programme on beneficiaries and impact of the programme in reducing unemployment.
- ❑ A Mid Term Review (MTR) was conducted in 2011.
- ❑ The main objective of the MTR study was:
 - To assess the relevance, efficiency effectiveness, and impact (current and potential) of the EPWP to date against the business plan

Key Findings



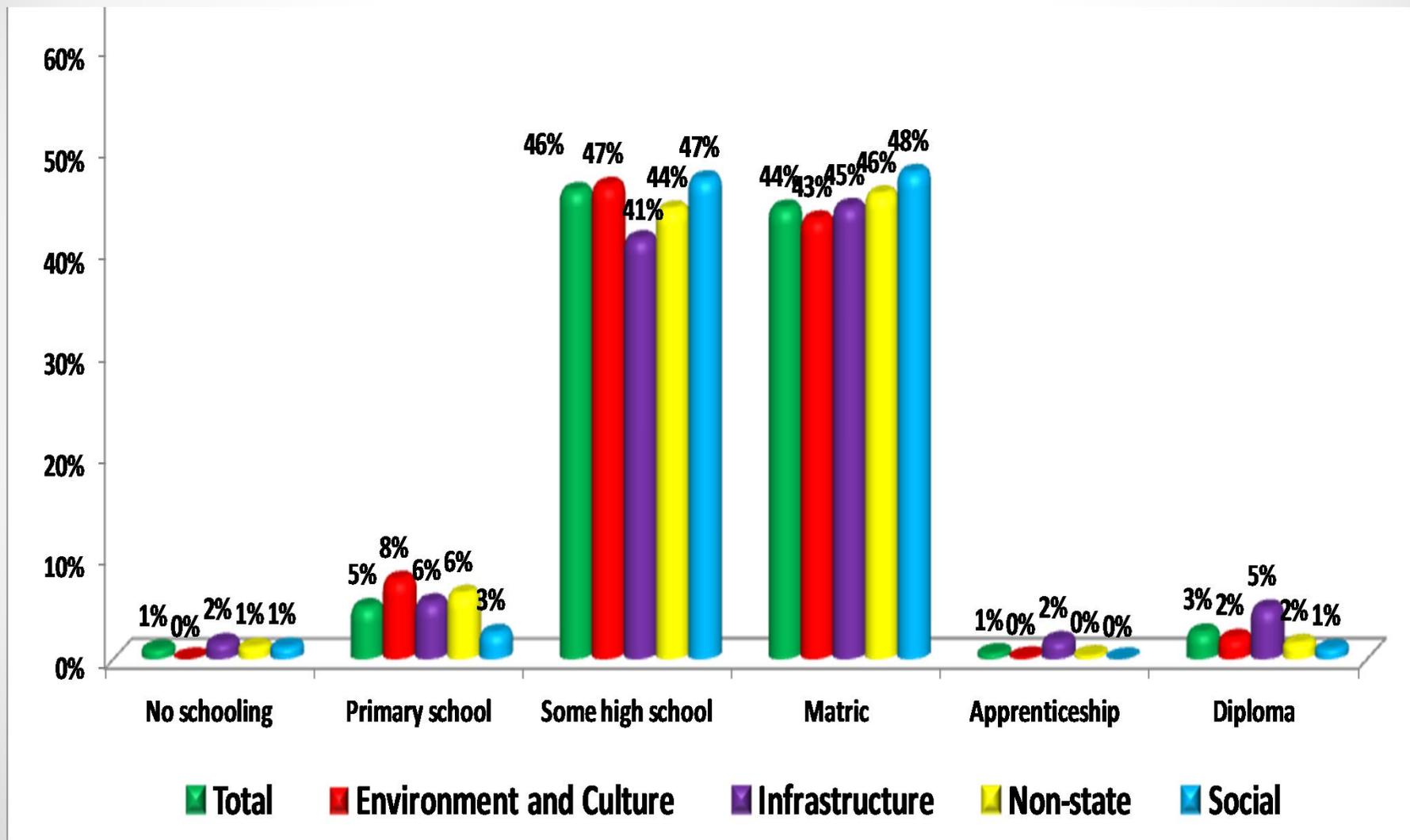
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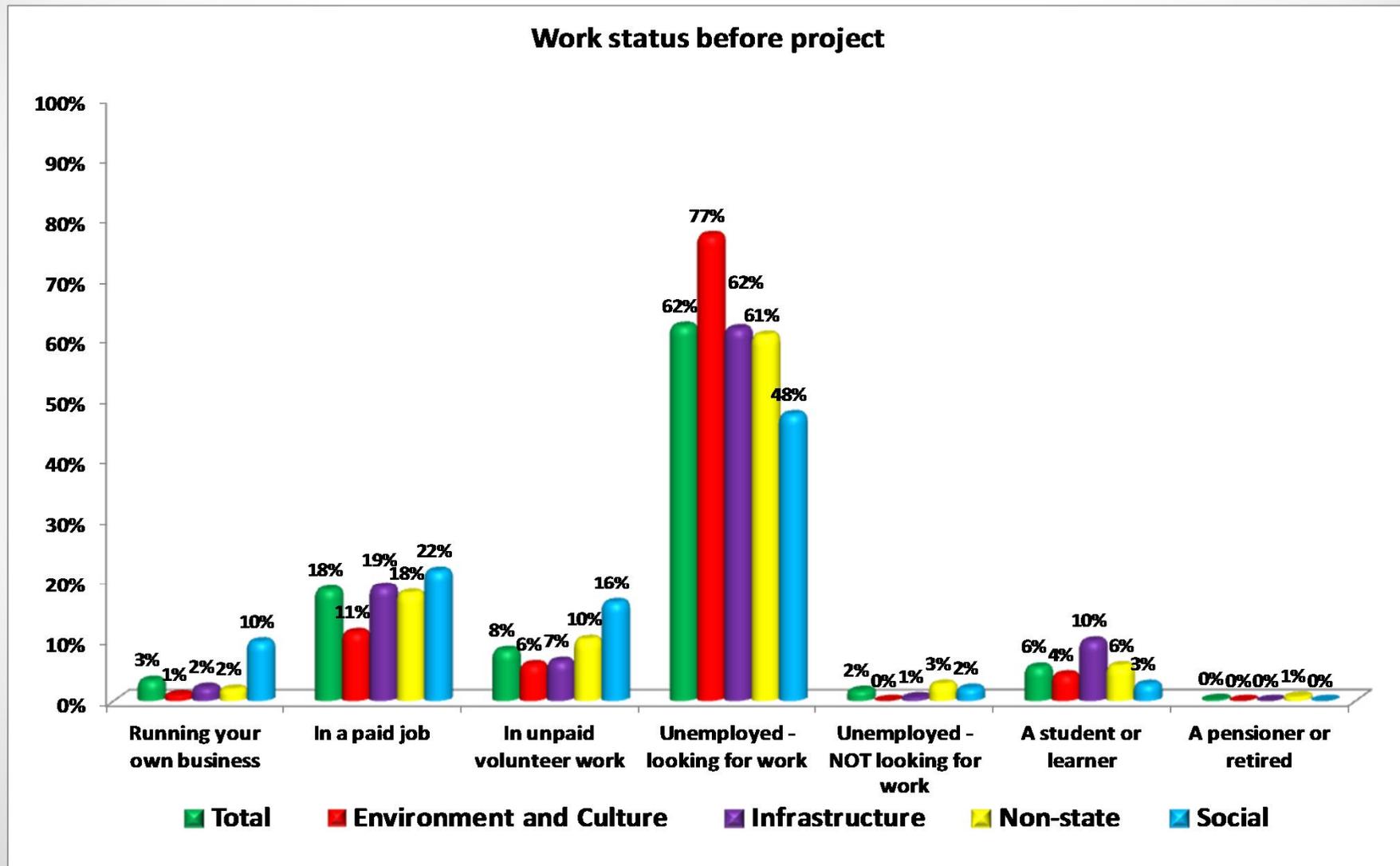


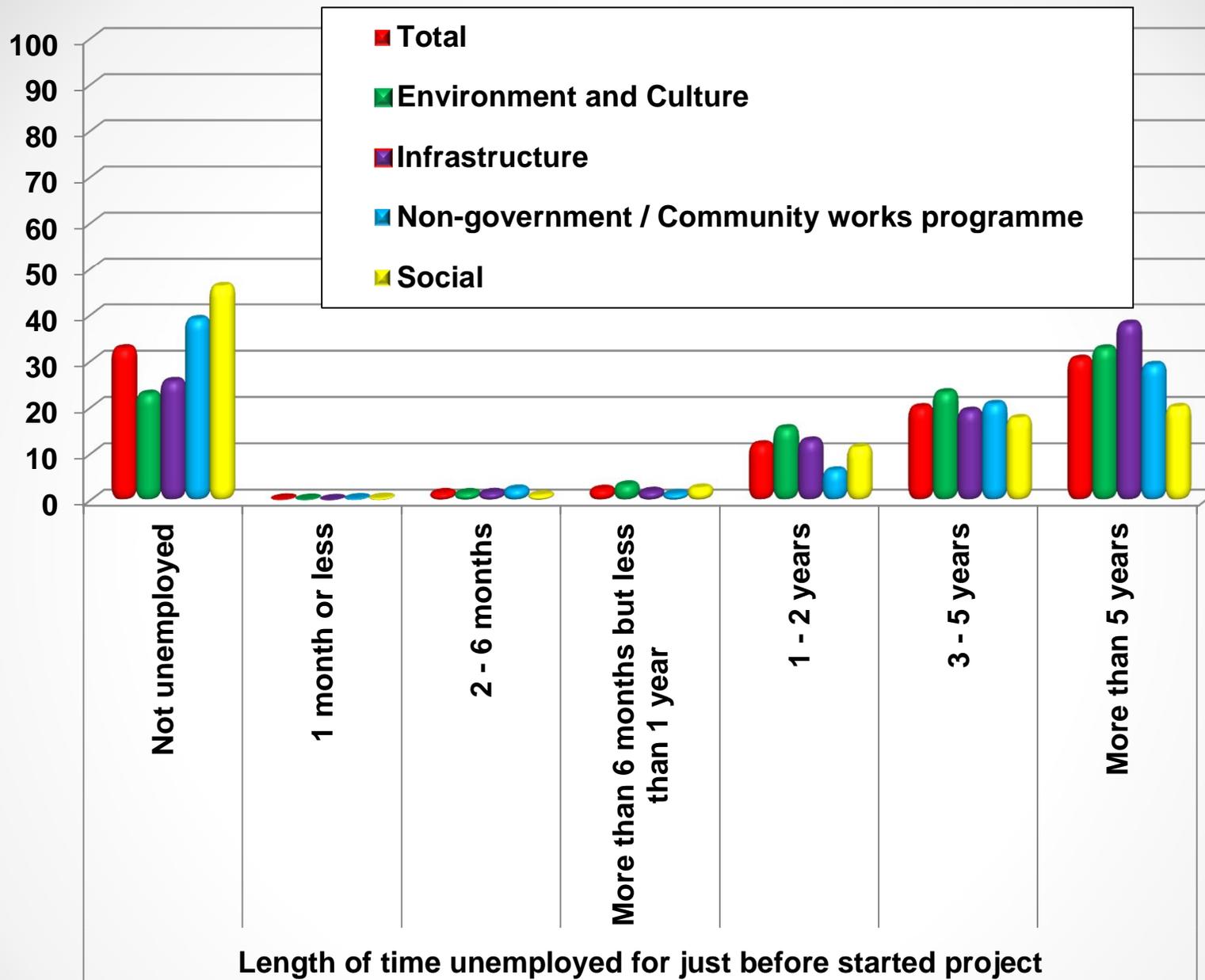
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Beneficiaries Educational Background

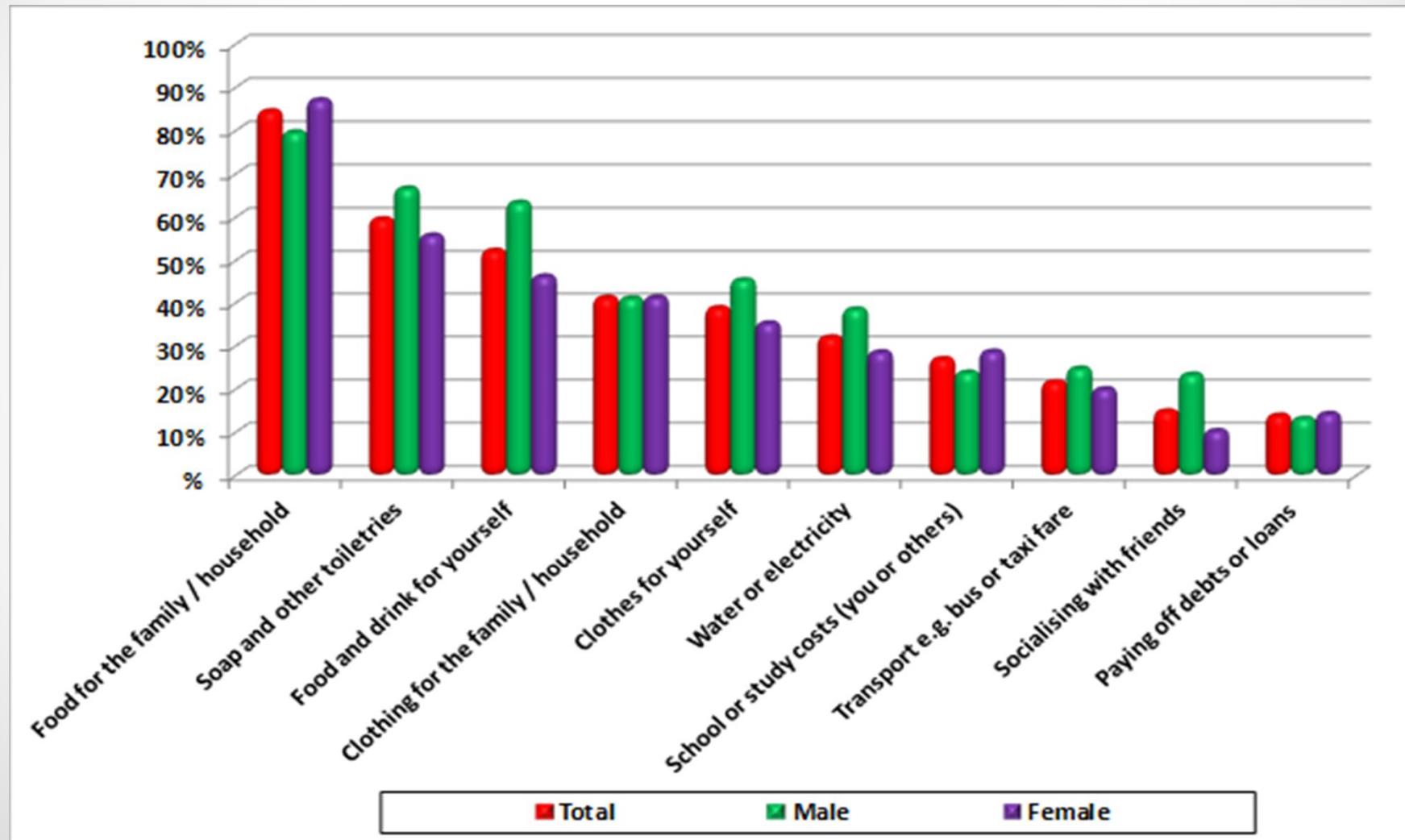


Economic activity before EPWP work





What beneficiaries spent their earnings on by gender



Conclusions

- No doubt that the EPWP is having a significant impact in the lives of beneficiaries and their families alike
- 62% of all beneficiaries were unemployed and actively looking for work before EPWP project.
- 47% of the beneficiaries indicated that their financial situation and that of their families have improved
- More than 80% of the beneficiaries were in employment after EPWP project: vast majority were still being employed in an EPWP project
- Generally positive about the benefits of the EPWP to beneficiary communities such as job creation, improved infrastructure and services delivery, training and assets created in the community.



Evaluation of the Growth and Development Impact of EPWP II

Research Question and Approach

Research Question: What was the contribution of the EPWP II to South Africa's economic growth and development?

Research Approach: Used ADRS' linked macro-micro model of South Africa (DIMMSIM) to design relevant 'what if' scenarios, simulate the macroeconomic and development impact of each scenario, and compare and contrast scenario results.

EPWP II prevented higher unemployment rates

The simulation results capture the direct, indirect and overall effects of the two EPWP scenarios on employment:

Direct Effects: Relative to the Actual (Base) Scenario, the “No EPWP II” Scenario would have meant no EPWP job opportunities during 2009-2012, which in FTE terms would have meant lower national total employment by 274,000 in 2009 to 411,000 in 2012.

Indirect Effects: The model estimates the negative macroeconomic employment multiplier effect of the “No EPWP II” scenario. It shows that in addition to the negative direct employment effect, the decline in aggregate demand would have induced reductions in private sector employment from 25,000 in 2009 to 135,000 in 2012.

Overall Effects: The overall impact of the “No-EPWP II” scenario on the unemployment rate would have been significant. The model estimates that by 2012 the unemployment rate associated with the “No-EPWP II” scenario would have been 2.8 % higher. In other words, the Actual EPWP Scenario is estimated to have directly and indirectly added between 296,000 to 518,000 to total employment between 2009 and 2012.

EPWP Policy Scenarios

Objective: to quantify the contribution of EPWP II to South African economic growth and development.

Two policy scenarios were developed to capture the contribution of EPWP II, a Base and an Alternative Scenario:

- 1. EPWP II Scenario (Base (Actual) Scenario):** This scenario captures EPWP II 'as it was' in terms of programme specifics and ensures that the model's simulation of the economy for 2009-2012 takes into account the direct input into the economy by the EPWP II.
- 2. No EPWP II Scenario (Alternative Scenario):** This scenario examines 'what if' there was no EPWPII during 2009- 2012? It uses the model to simulate the performance of the economy without the EPWPII for the period between 2009-2012.

Model Simulation Results: Poverty and Inequality Effects of EPWP II

Developmental Impact of EPWP II

- With the EPWP II scenario, the model's estimates for the headcount poverty rate range from 37.6% in 2009 to 44.7% in 2012. Under the "No-EPWP II" Scenario, the model's estimations indicate that the poverty rate would have been slightly higher ranging from 37.8% in 2009 to 45.1% in 2012.
- Similarly, relative to the Actual Scenario, income inequality related to the "No-EPWP II" Scenario, would have been slightly higher, as measured by the Gini-coefficient, .
- The estimated potentially worse poverty and inequality results under the "No-EPWP II" scenario indicate that EPWP II improved the condition of the poor in absolute and relative terms.



Developmental Impact of EPWP II

- However, the relatively small contributions of the programme to the reduction of poverty and inequality were due to the programme's limitations.
- Given that about 40 % of the population of South Africa (about 20 million) lived in poverty during 2009-2012 and close to 7 million people were unemployed, EPWP II contributions amounted to job opportunities for about 2.5% of the poor in the country or about 7% of the unemployed.
- Moreover, the offered jobs were significantly limited in terms of duration (65 Days on average) and wage rates (about R62 per day on average).
- Overall, given the magnitude of the twin problems of poverty and unemployment in South Africa, EPWP II did not have the needed scope and means to significantly contribute to employment, and reduce poverty and inequality.

Conclusions

- EPWP II clearly helped South Africa's economic growth and development during the difficult period of 2009-2012. Without EPWP II, economic growth would have been lower and the unemployment rate, poverty and inequality would have been higher.
- The simulations of the two scenarios show that the growth path that underlie the scenario with EPWP II benefited the poor more than the non-poor – even though only by small percentage points. Therefore, the EPWP II scenario is propoor.

EPWP Phase 3



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EPWP III Strategic Framework

The Objective of EPWP III is:

“To provide work opportunities and income support to poor and unemployed people through the delivery of public and community assets and services, thereby contributing to development.”
(Over a million WOs provided per year culminating into 6 million WOs in 5 years and 2.6 million FTEs)

The Programme aims to have an impact in the following core performance areas:

Programme Impact	Poor unemployed people have improved their wellbeing by:		
	1	Employment Creation	1. Acquiring work based skills and workplace experience enhancing their potential to find further/ future work in the formal or informal sector
	2	Income Support	2. Earning an increased income and improving their household security
	3	Development of community assets and the provision of services	3. Benefiting from improved service delivery and infrastructure in their communities

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.



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Targeting in the EPWP Phase III

❑ Targeting of vulnerable groups

Category	Current Target	Proposed Targets
Women	55%	55%
Youth between 16 and 35	40%	55%
Persons with disabilities	2%	2%

Targeting to be done through a combination of:

Geographical Targeting: Focus on poor communities and those with high number of unemployed

Self-Targeting: Through the EPWP Minimum wage rate

Community Targeting: Community selects those most in need through based on transparent criteria and process

Focus of EPWP Phase 3

Enforce compliance with legislation



Improve the strategic and operational aspects of the EPWP, aiming to improve implementation

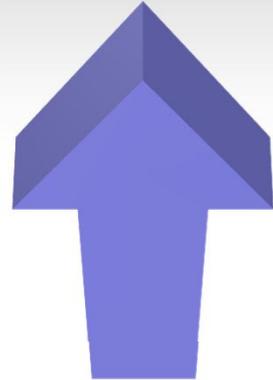
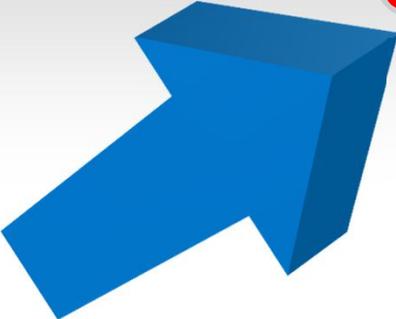


Increase EPWP Contribution to Development

Improve targeting of participants through community participation



Introduce a greater degree of uniformity and standardization across the various EPWP Programmes through the introduction of universal principles



Strengthen collaboration and synergies amongst sectors



Improve the monitoring & evaluation of qualitative aspects



Thank You!!



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