

# EPWP SUMMIT

## EPWP Defined, Overview & Prospects

15 November 2016



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Department:  
Public Works  
REPUBLIC OF SOUTH AFRICA



EXPANDED PUBLIC WORKS PROGRAMME



# Outline

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# Outline

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## BACKGROUND OF EPWP

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# Origin of EPWP

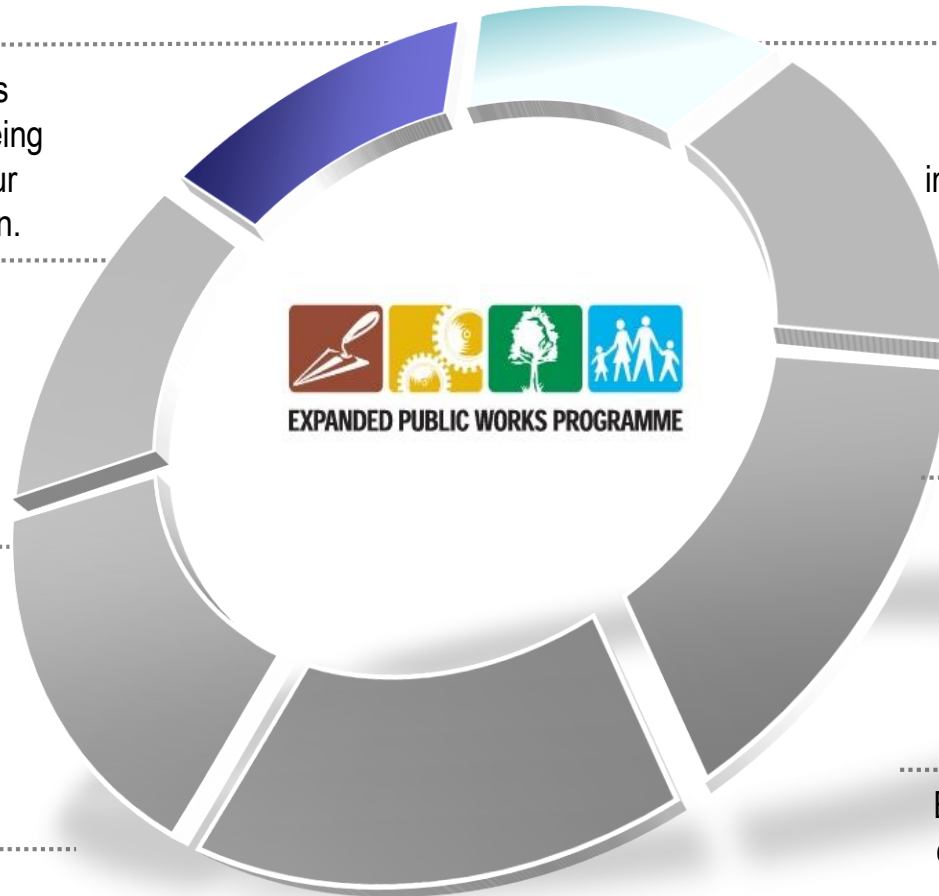
- ❑ Post the second democratic election, key socio-economic challenges faced government were: unemployment; poverty; low skills base and poor social services.
- ❑ At the Growth and Development Summit (GDS) in June 2003, Government, Business and Labour committed to a range of interventions including ensuring that planned government expenditure be targeted for employment-intensive programmes through the EPWP.
- ❑ Even though there was a perception that the Basic Income Grant (BIG) will be a policy instrument to respond to unemployment challenges. Government preferred to link productive work with income transfer.
- ❑ Cabinet approved the conceptual framework for EPWP in November 2003. The programme aimed drawing significant numbers of the unemployed into productive work and that these workers gain skills while they work, and thus take an important step to get out of the pool of those who are marginalised.

# Strategic Intent of EPWP as Part of Public Employment Programmes

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

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

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



It aims to draw significant numbers of unemployed people into productive work accompanied by training.

The EPWP is a nationwide programme covering all spheres of government and state-owned enterprises

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

EPWP was introduced in 2003 as one of government's major public employment programme under the Anti-Proverty Strategy.

# Uniqueness and Achievements EPWP

EPWP is a flagship programme of government to alleviate poverty to compliment other programmes to address structural unemployment

Pioneering PEP internationally in terms of having an array of sectors & partners with civil society through non-governmental organisations

Its amongst the few PEPs internationally that have coverage in both urban and rural areas

Funding: leverages existing public line function budgets and includes incentives

It is a massive programme in South Africa that has created close to 5 million work opportunities since its inception

Services such as health care and early childhood development have been provided; productive assets created and maintained

Project based training conducted, e.g. in the social and environment & culture sectors



# Key learnings from EPWP Phase I & Effects

**Too many objectives and pressure to go to scale**

**Increasing labour intensity in infrastructure requires a long-term perspective**

**Integrating EPWP requirements into line function budgets can increase perception of risk for public bodies**

**Inadequate funding for training and delays in release of funds constrained training interventions**

- Programme achieved its targets a year ahead of schedule. However, there was scope to increase the average duration of employment.
- Labour intensity was low and stagnant, undermining potential to scale up the programme without placing an excessive fiscal burden.
- In areas where there was a high need for work, opportunities were relatively few leading to “job rotation” and smaller impact per beneficiary (shorter employment, less income).



# Key learnings from EPWP Phase II & Effects

**Too much focus on employment targets**

**Inconsistent understanding of EPWP requirements**

**Lack of legislative framework to enforce compliance with EPWP**

**Inadequate funding to skill all EPWP participants**

- Impact of EPWP employment beyond numbers under reported.
- Labour intensity is improving and there is potential for further improvement.
- Potential synergies existing within the programme could not be realised.
- Inadequate resource deployment by public bodies.
- Duplication of efforts by implementing bodies/sectors.
- Inconsistent compliance to Ministerial Determination.



# 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**



# Continued Relevance of EPWP



- ❑ Despite numerous efforts undertaken by government, unemployment in South Africa has remained stubbornly high.
- ❑ The on-going global economic downturn has made this even worse and has increased the number of unemployed in South Africa even further.



- ❑ This increases the need for the EPWP even further as it provides a unique policy instrument for government to create work opportunities and alleviate unemployment.



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## DESIGN OF EPWP PHASE 3

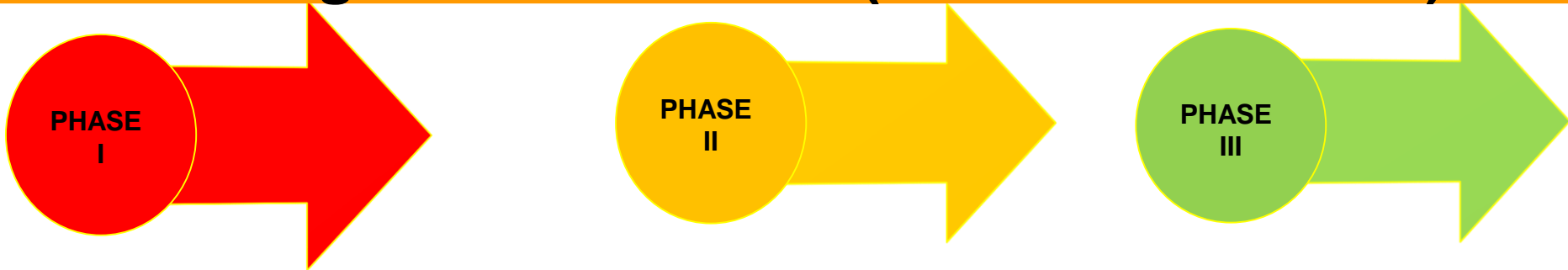
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# Policy Context for EPWP Phase III

- ❑ The NDP outlines two key objectives for EPWP in that context namely:
  - Contribute to reducing unemployment by creating temporary employment by being responsive to the number of unemployed. “ The public employment programmes should target the creation of 2 million opportunities annually by 2020 or earlier, if possible”..... “The main opportunities will lie in community based services and the roll out of social sector initiatives” (Chapter 3)
  - Contribute to social protection for the unemployed by providing them with income support (Chapter 11)
- ❑ In the New Growth Path, EPWP is seen as an important contributor in Jobs Driver 1 (Infrastructure Development) through increasing the labour intensity of government infrastructure investments and Jobs Driver 4 (Social Capital) through expansion of the Community Work Programme.

# Paradigm Shift in EPWP (Phase I – Phase III)



EPWP designed to bridge gap between 1<sup>st</sup> and 2<sup>nd</sup> economy.

Too many expectations created for the programme such as maximising the spread and skilling all beneficiaries to be exited into the mainstream economy.

During the period of EPWP phase I, economic growth was between 5 – 6%, however almost 1 million jobs were lost in the economy.

Realisation that unemployment is not cyclical but structural.

Therefore EPWP not designed to address the systematic nature of unemployment in the country.

Main thrust: contribute to development through creation of jobs.

Increased community participation for more visibility and ownership in poor communities.

Increase scope of infrastructure maintenance

Place more emphasis on quality of implementation



# Objectives of EPWP Phase III

For the EPWP to be effective and achieve the vision set out in the NDP it is proposed that the EPWP has *a clear and limited mandate*.

***“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.”***



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## EPWP PHASE 3 BUSINESS PLAN

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# 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.



# Targeting in the EPWP Phase III

## ❑ Targeting of vulnerable groups

Category	Phase II Targets	Phase III Targets
Women	55%	55%
Youth between 16 and 35	40%	55%
Persons with disabilities	2%	2%

The 2013 National Youth Employment Accord advocates for a Youth target of 80% for Public Employment Programmes. The EPWP Phase 3 Youth Target is 55%. This will be progressively increased towards 80% for new entrants into the EPWP.

# Targeting of Beneficiaries/Participants in EPWP Phase III

- ❑ The EPWP target the poor and unemployed through a combination of geographical and community-based targeting, as well as self-targeting (through the wage rate).
- ❑ 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



# Training and Graduation in EPWP Phase III

- ❑ For all the EPWP sectors, project based training aimed at capacitating EPWP participants remains an important part of EPWP.
- ❑ At the same time, it is recognized that the role and important of training varies considerably from sector to sector, and sub-programme to sub programme, and each sector will have to develop its own distinct training policy and strategy
- ❑ Strong collaboration with the National Skills Fund and Skills Education and Training Agencies (SETA's) will be continued to source funding for training of participants. Sectors will also be encouraged to dedicate a portion of their implementation budgets for training of beneficiaries.
- ❑ Where possible the graduation of EPWP beneficiaries into formal employment will be promoted through various initiatives including cooperatives and small enterprise development.

# EPWP Phase 3 Employment Targets

EPWP Phase 3	Infrastructure	Environment & Social Culture	NPO	CWP	Total	
2014/15	379,000	227,650	202,714	52,825	213,000	1,075,189
2015/16	447,219	229,000	205,307	48,500	217,000	1,147,026
2016/17	487,219	230,500	205,968	48,400	226,000	1,198,087
2017/18	534,219	231,000	210,496	48,565	231,000	1,255,280
2018/19	587,219	233,000	214,444	48,755	241,000	1,324,418
Totals	2,434,876	1,151,150	1,038,929	247,045	1,128,000	6,000,000



# Convergence and Synergies

- ❑ As the EPWP keeps growing both in terms of overall scale and the number of sub-programmes; concerns of possible areas of overlap and duplication have increased.
- ❑ Given the plans for further growth, it is important these concerns are addressed, as these concerns would only increase otherwise.
- ❑ The concerns for duplication and overlap are most prominent between CWP and sector programmes, and the Social Sector and NPO Programmes.
  - ❖ Creating synergies between all EPWP Sectors - rather than merely managing overlap and duplication, it is recommended that an important objective for Phase 3 is to build greater convergence between the CWP and other sector programmes, so that instead of duplication, there is complementarity: with the whole adding up to more than the sum of the parts.
  - ❖ Where duplication remains a concern-establishing clearer boundaries between all the sectors in EPWP, but in particular the Social Sector and NPO.

# Monitoring & Evaluation Framework

**The M&E system will be enhanced to measure various indicators including the following:**

**Employment related indicators, to include:**

- ☐ The number of work opportunities disaggregated by women, youth and the disabled
- ☐ The number of beneficiaries provided work
- ☐ The number of full time equivalent jobs (FTEs)
- ☐ The labour-intensity

**Beneficiary impact indicators, to include:**

- ☐ The average duration of work provided to beneficiaries
- ☐ The average direct income transfer to beneficiaries
- ☐ Minimum and average wage rate paid per day of work
- ☐ The number of beneficiaries accessing training (either project-related, on the job, or accredited training)

**Value for Money indicators**

- ☐ Labour-intensity
- ☐ Cost per FTE

**Effectiveness or service delivery indicators –**

- ☐ Assets created, rehabilitated or maintained
- ☐ Services provided or delivered
- ☐ Annually measuring the impact of assets or services provided by EPWP programmes.

# Focus of EPWP Phase 3

Enforce compliance with legislation



Improve targeting of participants through community participation



Improve the monitoring & evaluation of qualitative aspects



**Increase EPWP Contribution to Development**

Strengthen collaboration and synergies amongst sectors



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



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



# Coordination Structures for the EPWP

- ❑ The EPWP is implemented by various government departments across all spheres of government.
- ❑ Since the inception of EPWP, Cabinet has mandated the DPW to be the overall coordinator of the EPWP.
- ❑ In addition to the coordination role, the DPW leads the Infrastructure Sector and implements the Non-State Sector (NSS) Non-Profit Organisation (NPO) Programme.
- ❑ The Environment and Culture Sector is coordinated by DEA and the Social Sector is coordinated by DSD, whilst the Community Work Programme (CWP) which is part of the NSS is coordinated by COGTA.
- ❑ To establish a high-level collective political leadership to respond to matters related to PEPs to achieve the outcomes of EPWP Phase III, a Public Employment Programme Inter-Ministerial Committee (PEP-IMC) was launched in Orange Farm (Gauteng Province) in July 2016.
- ❑ The PEP-IMC is chaired by the Deputy President of South Africa and is made up of various Ministers and Deputy Ministers.

# PEP-IMC Governance Structure



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

# Technical IMC

**PEP-IMC IMC Technical Working** (gives effect to IMC resolutions and prepares for IM**Group**: Convened by DPW, made up of DDGs/CDs from DSD, DEA, COGTA & Presidency – operational structure C meetings)  
- Provide support to the Technical IMC and PEP-IMC.

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## PROSPECTS OF THE EPWP

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# Prospects of the EPWP

- ❑ Alignment to Sustainable Development Goals (SDGs).
- ❑ Development of the EPWP Policy.
- ❑ Embedding the EPWP into the development of IDPs.
- ❑ Alignment of coordinating structures.
- ❑ Reporting on EPWP-RS beyond numbers to include services delivered and assets created.
- ❑ Solicit Political Principals (Premiers, MECs, Mayors) support in enforcement of reporting.
- ❑ Development of green skills.
- ❑ Foster convergence within and amongst sectors.
- ❑ Enhance training and enterprise development initiatives to deepen the contribution of the programme towards Sustainable Livelihoods.
- ❑ Forging partnerships with the private sector.
- ❑ Implementation of the EPWP Recruitment Guidelines.

# Concluding Remarks

- ❑ While the EPWP implementation continues, reporting on creation of work opportunities is critical for government to achieve its 6 million EPWP work opportunities target by 2019.
- ❑ Public bodies must report on the work opportunities created through their own line function budgets and not only on work opportunities created through the incentive grants.
- ❑ Continuous implementation of EPWP throughout the financial year crucial to achieve the objectives of longer duration on EPWP which ultimately leads to attainment of FTEs targets.
- ❑ Adherence to the EPWP Ministerial Determination and EPWP Phase III Principles by all implementing public bodies should be strengthened.

# Thank You!!

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