



## Revision of the EPWP performance based grant to Public bodies for the creation of work opportunities using labour-intensive methods

The Expanded Public Works Programme (EPWP) is one of an array of Government strategies aimed at alleviating poverty and unemployment through the provision of labour intensive work opportunities to unemployed South Africans. During Phase 1, the Programme made a remarkable achievement when it surpassed its Cabinet mandated target of 1 million work opportunities a year ahead of Schedule, with 1.6 million work opportunities created at the end of the scheduled initial five year period (2004-2009).

The EPWP Phase 2, which covers the period 2009/10 – 2013/14 aims to create 4.5 million work opportunities for poor and unemployed people in South Africa, thereby contributing to the Millennium Development Goal (MDG) of halving unemployment by 2014.

The programme aims to achieve its objectives and targets through the delivery of public and community services. Public bodies from the national, provincial and local government spheres of Government are expected to collaboratively work with the National Department of Public Works, as the lead and co-ordinating department of the Programme to accomplish these targets through their existing budgets and mandates.

In an effort to scale up work opportunities, three incentive grants were introduced since 2009, namely:

- A wage subsidy provided to existing Non-Government Organisations who were already creating work for poor communities and had programmes that were primarily funded, but whose labour force and service delivery could be expanded in terms of size, reach and coverage if given a wage subsidy. This is applicable in the Non Profit Organisations (NPO) component of the Non-State sector.
- Expansion incentives provided to existing, performing government programmes in the environment, culture and social sectors that had the potential to immediately expand due to demand and the capacity to manage such expansion. As planned expansion is successfully implemented, the expansion incentive is accessed.
- A performance based incentive grant to provinces and municipalities implementing infrastructure, environment and culture programmes, which was based on the notion that work creation efforts by public bodies would be improved if they were provided with a financial performance reward for the work created. The more work created, the higher the reward paid out.

After two and a half years into the implementation of the EPWP Incentive Grant to provinces and municipalities, Public Works undertook an internal review of the performance of the incentive grant. It was found that:

- The grants have led to greater awareness of, and buy-in to EPWP.
- The grants have led to general mobilisation to create jobs and more provincial and municipal public bodies are participating in EPWP.

**BUT public bodies were struggling:**

- just to implement their infrastructure programmes / projects
- to design and implement these programmes / projects more labour intensively
- to report in the detailed manner required
- small, poorer municipalities could not participate meaningfully with their existing budget allocations
- appropriate the incentive allocations in their budgets because there was no certainty of the amounts that they would be paid, it was dependent on how they reported.

Subsequent to intensive consultations with public bodies and other relevant stakeholders, the new revised EPWP performance based conditional grant was introduced in 2012. The purpose of the grant is to provide EPWP funding to expand job creation efforts in specific focus areas, where labour intensive delivery methods can be maximised in the Infrastructure, Environment and Culture sectors at the provincial and municipal spheres of Government.

To be eligible for the EPWP Incentive Grant:

- A public body must currently be participating in the implementation of the EPWP and reporting its performance through the EPWP reporting systems designed by the Department of Public Works to be utilised by all public bodies
- A public body must have reported to Public Works its past EPWP performance, i.e. performance of the prior year on a given time-line

The advantages of the new revised grant are as follows:

- From a budgeting perspective, public bodies will be certain of the allocation they will receive, enabling planning and making budgeting for delivery considerably simpler. Forty percent (40%) of the allocation is paid at the beginning of the financial year, with two tranches of thirty percent (30%) dependent on the reporting by the eligible
- This gives Public Works the opportunity to engage in and influence planning as well as oversee exactly how the grant is utilised
- This will allow for responsibility on public bodies to plan, deliver and spend
- This will allow more time during the year for the National Department of Public Works to support planning and implementation and foster a more consistent reporting procedure.

EPWP Conditional Grant Process Flow:

