

DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE

NO. 2505

16 September 2022

**REQUEST FOR PUBLIC COMMENTS ON EXPANDED PUBLIC WORKS
PROGRAMME POLICY**

1. I, Honourable P. De Lille (MP), in my capacity as the Minister of the Department of Public Works and Infrastructure hereby give notice that the Department of Public Works and Infrastructure publishes the Expanded Public Works Programme (EPWP) Policy and invites the public to provide written comments. The published EPWP Policy is available on the website www.epwp.gov.za.
2. Comments on the EPWP Policy may be submitted via:
 - a. email: epwppolicy@dpw.gov.za or epwppolicy1@dpw.gov.za; or
 - b. hand: Department of Public Works and Infrastructure, Central Government Offices (CGO), Cnr Bosman and Madiba (Vermeulen) Street, Pretoria, 0001; or
 - c. Post: Department of Public Works and Infrastructure, Private Bag X65, Pretoria, 0001.
3. Comments on the Expanded Public Works Programme Policy must be submitted not later than 30 working days after the date of publication of this invitation.
4. For further information, please contact Mr D Pillay (Chief Director: Sustainable Livelihoods Convergence & Compliance) on 082 317 2873.
5. The EPWP Policy is translated into Sepedi and IsiZulu and the translated version may be found at www.epwp.gov.za.



Ms Patricia de Lille, MP

Minister of Public Works and Infrastructure



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

EXPANDED PUBLIC WORKS PROGRAMME POLICY FINAL DRAFT

12 DECEMBER 2021



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

TABLE OF CONTENTS

TABLE OF CONTENTS	i
ACRONYMS	iii
DEFINITIONS	v
1. EXECUTIVE SUMMARY	7
2. INTRODUCTION	9
2. PURPOSE	9
3. PROBLEM STATEMENT	10
4. LEGISLATIVE AND POLICY ENVIRONMENT	13
4.1. The Constitution	13
4.2. White Papers and Acts	13
4.3. National Policies and Frameworks	14
4.4. International Conventions	14
5. GOALS AND OBJECTIVES OF THE POLICY	14
6. SCOPE AND APPLICATION OF THE POLICY	16
7. EPWP POLICY POSITIONS	16
7.1. EPWP Policy Position No.1: EPWP Repositioned as part of Employment Policy ... 17	
7.1.1. Policy Position No. 1 Defined	17
7.1.2. Problem / Gap Summation.....	17
7.1.3. Towards the National Minimum Wage	18
7.1.4. Social Protection vs Active Labour Market Intervention	23
7.2. EPWP Policy Position No 2: An Objective-Driven Programmatic Approach	27
7.2.1. Policy Position No. 2: Defined	27
7.2.2. Problem / Gap Summation.....	29
7.2.3. Coordination and Oversight of the Programmatic Approach.....	30
7.2.4. Objective-Driven EPWP-based Service Delivery	31
7.2.5. EPWP Programme Business Case	31
7.2.6. Training and Capacitation	33
7.3. EPWP Policy Position No. 3: PEP Funding Model and Management Tool	34
7.3.1. Policy Position No. 3 Defined	34
7.3.2. Problem / Gap Summation.....	35



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

7.3.3.	Need for the PEP Funding Model and Management Tool	35
7.3.4.	Parameters of the PEP Funding Model and Management Tool	36
7.3.5.	Operating Parameters for the PEP Funding Model and Management Tool	37
7.4.	EPWP Policy Position No. 4: User Centric, Data-driven EPWP System.....	37
7.4.1.	Policy Position No. 4 Defined	37
7.4.2.	Problem / Gap Summation.....	38
7.4.3.	Unique EPWP ID System.....	39
7.4.4.	System Expansion to include Evidence-based and Compliance Reporting	41
7.5.	EPWP Policy Position No. 5: Refocus EPWP to Enable Massification	42
7.5.1.	Policy Position No. 5 Defined	42
7.5.2.	Problem / Gap Summation.....	43
7.5.3.	Improved Oversight to ensure Accountability in Delivery.....	43
7.5.4.	Restructured Roles and Responsibilities for Implementing Agents.....	44
7.5.5.	SMMEs prioritised in PEPs	44
7.6.	EPWP Policy Position No. 6: Logistics, Governance and Institutionalisation	45
7.6.1.	Policy Position No. 6 Defined	45
7.6.2.	Problem / Gap Summation.....	45
7.6.3.	Clarification of Participation in EPWP	46
7.6.4.	Governance and Compliance Parameters	47
7.6.4.1	Oversight Principles of Compliance	47
7.6.4.2	Sectoral and Implementing Body Requirements.....	48
7.6.5	EPWP Governance Structures.....	49
7.6.4	Commitment to Up-scaled Employment Creation and Poverty Alleviation	52
8	Risk Identification and Mitigation.....	53
9	EFFECTIVE DATE	54
10	RECOMMENDATIONS	54



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

ACRONYMS

AG	Auditor General
APP	Annual Performance Plan
CWP	Community Work Programme
DCOG	Department of Cooperative Governance
DEL	Department of Employment and Labour
DDM	District Development Model
DFFE	Department of Forestry, Fisheries and the Environment
DHET	Department of Higher Education and Training
DORA	Division of Revenue Act
DPWI	Department of Public Works and Infrastructure
DSD	Department of Social Development
EBPM	Evidence-Based Policy Making
ECD	Early Childhood Development
ECDG	Early Childhood Development Grant
EPIP	Environment Protection and Infrastructure Programmes
EPWP	Expanded Public Works Programme
ERRP	Economic Reconstruction and Recovery Plan
ESSA	Employment Services of South Africa
GDS	Growth Development Summit 2003
HCBC	Home and Community-Based Care
HFRG	Health Facilities Revitalisation Grant
IA	Implementing Agencies
IDP	Integrated Development Plan
IFC	International Finance Corporation
ILO	International Labour Organisation
KPI	Key Performance Indicators
M&E	Monitoring and Evaluation
MFMA	Municipal Finance Management Act, No 32 of 2000
MIG	Municipal Infrastructure Grant
MINMEC	Minister and MEC Meeting
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NDG	Neighbourhood Development Grant
NDP	National Development Plan 2030
NPO	Not-for-Profit Organisation
NMW	National Minimum Wage
NRM	Natural Resource Management
NSC	National Steering Committee
NSCC	National Sector Coordinating Committee
NYS	National Youth Service



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

PA	Performance Agreement
PEP	Public Employment Programme
PEP-IMC	Public Employment Programmes Inter-Ministerial Committee
PES	Presidential Employment Stimulus
PFMA	Public Finance Management Act, No 1 of 1999
PMG	Provincial Maintenance Grant
PMN	Pathway Management Network
PMO	Programme Management Office in the Presidency
PP	Policy Position
PSC	Provincial Steering Committee
PSCC	Provincial Sector Coordinating Committee
PYEI	Presidential Youth Employment Youth Initiative
PWD	Persons with Disabilities
RDP	Reconstruction and Development Programme
SDBIP	Service Delivery Budget Implementation Plan
SETA	Sector Education and Training Authority
SMME	Small, Medium and Micro-sized Enterprises
SOE	State-owned Enterprise
SP	Strategic Plan
TVETS	Technical and Vocational Education and Training Colleges
USDG	Urban Settlement Development Grant



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

DEFINITIONS

Code of Good Practice for Expanded Public Works Programmes	The Minister of Employment and Labour issued a Ministerial Determination and Gazetted Code of Good Practice for Special Public Works Programmes that allows for special conditions to facilitate greater employment on Public Works Programmes. The latest version of this is contained in the Ministerial Determination, Gazette No 35310, issued on 4 May 2012.
Compliance	Compliance means adherence to policies, plans, procedures, laws, regulations, contracts, or other requirements.
Community-based targeting	Community-based targeting involves a project steering committee or similar structure that identifies potential workers in the targeted community based on four key criteria: (i) willingness to work at EPWP wage, (ii) being unemployed or underemployed, (iii) being poor and (iv) residing in the local community.
Conditions	Stipulations or requirements that must be met.
Criteria	A set of decisive factors or elements often used to reach a decision.
Demographic targeting	The EPWP Recruitment Guidelines approved by the Minister of Employment and Labour on 5 December 2017 recommend all EPWP projects to target the recommended share for youth participation, women and for people with disabilities.
Displacement	The term refers to persons permanently separated from their jobs and connotes the disappearance of the job as well as the dislocation of the individual workers from the enterprise.
EPWP Target Group	Unemployed, local, unskilled and semi-skilled persons willing and allowed to work on EPWP projects.
EPWP Project	Refers to a project wholly or partially funded through public funding that targets poor and unemployed people, in compliance with the EPWP Ministerial Determination, using labour intensive methods in the provision of services and creation of assets, and addressing the objectives of poverty alleviation addressing inequality and job creation.
Geographical targeting	Aims, as much as possible, to ensure that all EPWP projects and programmes are located in poor communities and recruit workers residing in those communities.
Inequality (in the context of EPWP)	EPWP contributes to reducing inequality in the following ways: Spatial inequality – through targeting the poorest areas; gender inequality – through the recruitment targets for women; ableism – through the recruitment targets for disabled individuals. In addition, EPWP's role as a social protection instrument contributes to the redistribution of income, thereby contributing to the overall reduction of inequality in South Africa.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

Inter-sectoral	The convergence of efforts of different governmental and non-governmental entities to produce comprehensive and integrated policies that aim to achieve integrated results in complex situations.
Labour-intensive	Refers to methods of construction and maintenance involving a mix of labour and machines without compromising on quality, where labour is the primary resource supported by plant and equipment for activities that cannot be feasibly done by labour only.
Labour-intensity	Refers to the expenditure on unskilled and semi-skilled labour wages expressed as a percentage of the total expenditure on activities implemented labour-intensively.
Monitoring	Monitoring is a process that involves measuring and tracking progress according to the planned situation including; inputs, resources, completion of activities, costs, timeframes, etc.
Ministerial Determination	The Ministerial Determination applies to all employers and employees engaged in the EPWP gazetted by the Minister of Labour. Refer to the latest approved determination.
Performance	Performance is the achievement, accomplishment and success towards realising a predetermined objective or target.
Project	A specific component of a programme usually funded by a defined budget. A planned undertaking designed to achieve specific objectives within a given budget and within a specific period. A project usually includes a detailed plan of actions to be undertaken.
Public Body	A public body is any organisation that is defined by legislation as a government institution; and for purposes of this document, refers to a national or provincial department or municipality or state-owned entities within these spheres of government.
Public Employment Programmes	The provision of state-sponsored employment for the working age poor who are unable to support themselves due to the inadequacy of market-based employment opportunities. PEPs entail the payment of a wage by the state, or an agent acting on its behalf, in return for the provision of labour, with the objectives of i) reducing poverty and ii) producing an asset or service.
Reporting	Reporting is a process that best communicates the required information collected during monitoring and/or evaluation for optimum use by different stakeholders.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

1. EXECUTIVE SUMMARY

Around the world, Public Employment Programmes (PEPs), of which the Expanded Public Works Programme (EPWP) is included, face a triple challenge in the achievement of sustainable development, namely poverty alleviation, addressing inequality and unemployment. This triple challenge is even more pronounced in South Africa.

The high demand for PEPs has placed a heavy burden on EPWP to deliver the highest number of work opportunities in the context of the National Development Plan (NDP), which expects the EPWP to contribute 5 million employment opportunities out of the 23 million opportunities required in 2030, under a 3.3% average growth scenario. Given that economic growth has not surpassed 2% since 2010 and that the unemployment rate has escalated astronomically due to COVID-19, it cannot be business as usual.

The core focus of EPWP is for those individuals in our communities that are unemployed and vulnerable, even more now than ever before. The COVID-19 Pandemic has had an especially devastating impact on the livelihoods of the poor and most vulnerable South Africans, especially women, youth and persons with disabilities. As a result, the unemployment rate has worsened even further. The EPWP has therefore never been more critical.

There is, however, both a need and an opportunity to refocus and reset the EPWP through this Policy as we have to move to an approach that goes well beyond business as usual. With our changing world, there is an opportunity for a responsive change, innovation and growth in the implementation of EPWP, both in terms of its positive impacts and the quality of its outcomes.

The implementation of EPWP takes place at the different spheres of government. These public bodies each with different needs, population demographics, and resultant priorities. The different public bodies also all have resource constraints to varying degrees of severity.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

What every public body does, however, have in common, which we sometimes fail to see, is that there is an ever-increasing unemployment rate, poverty levels are rising and both social and economic inequality issues are still to be addressed. The commitment starts at the highest level and needs to be inculcated in every realm of implementation for us to be able to begin to tackle this resultant devastating impact on our people of the pandemic.

The six Policy Positions detailed in this EPWP Policy provide strategic direction for all stakeholders involved in the planning, implementation and management of EPWP, ensuring that our PEPs are streamlined, progressive, innovative and most importantly objective-driven and can be massified, focusing on those individuals in our communities that are unemployed and vulnerable.

P. de Lille

Honourable Patricia De Lille, MP
Minister of Public Works and Infrastructure



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

2. INTRODUCTION

Since the dawn of democracy, government's interventions in South Africa has focused on addressing key socio-economic challenges which include unemployment, poverty, a low skills base and inadequate social services. In response to the persisting complex and inter-related challenges, the government convened the Growth and Development Summit (GDS) in 2003 and it culminated in a social contract amongst government, labour, community and the private sector. One of the key elements of the agreement was continuation and growth of Public Works Programmes, and in specific, the introduction and implementation of the EPWP.

Around the world, PEPs, of which the EPWP is included, face a triple challenge in the achievement of sustainable development, namely poverty alleviation, addressing inequality and unemployment. This triple challenge is even more pronounced in South Africa. Given the increasing global importance of governments' commitments to job creation and poverty alleviation, and at the same time a requirement to massify the output and achieve best value-for-money, EPWP has the opportunity to be tailored to fit these complexities.

Appropriately designed and effectively implemented PEPs not only tackle poverty and reduce short-term unemployment, they also offer the potential to build bridges to more sustaining and sustainable decent work, while building valuable assets and delivering vital services for the respective communities and contribute to social cohesion and national development. Studies show that PEPs can offer less costly alternatives to building and particularly to maintaining infrastructure, compared to using private contractors adopting more capital-intensive methods.

2. PURPOSE

The purpose of the EPWP Policy is to define the emerging problem statement of the EPWP in the South Africa of today, and to build from that basis the refocused PEP agenda of government, with policy positions and programmes of action that are clearly defined, implementable and enforceable for government and empowering for the participant in EPWP in effectively addressing inequality, poverty and unemployment.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

3. PROBLEM STATEMENT

The EPWP, which has now been in operation since 1 April 2004, has had numerous successes and created close to 13 million work opportunities for the period up to September 2021. Over the years, 24 Programmes have been initiated with varying degrees of success. There is a lack of uniformity in the application of EPWP prescripts and compliance, especially in relation to the Ministerial Determination. This results in the challenge of enforcing the Programme.

PEPs are short to medium term interventions and are intended to address seasonal and cyclical challenges. The challenge in South Africa is that there is a deep rooted structural unemployment, which then results in EPWP having to sometimes unrealistically perform a function in the broader economy that it was not intended to undertake. PEPs are not intended to be a sustainable solution to employment creation. They are however recognised to be one of many interventions aimed at addressing poverty, inequality and unemployment.

Further, there is an economic reality in South Africa that we cannot ignore and that will shape our Policy. Besides the Covid-19 pandemic, our country is faced with an economy that is in a severe recession, which is not growing and is not absorbing labour fast enough, hence there are limited employment opportunities for EPWP participants upon exit. Government initiated the Economic Recovery and Reconstruction Programme (ERRP) in October 2020, which acknowledged PEPs. It is critical that this EPWP Policy thinks creatively as to how this Programme can contribute to a sustainable solution.

This Policy has, on the one hand has embraced the enabling socio-economic externalities that are in play in our country, and on the other hand, address some of the perceptions of EPWP that have developed over the years, together with some of the fundamental issues, as summarised below, in order to positively shape the way in which EPWP Programmes are rolled out going forward.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

In order to be fully comprehensive, a decision has been taken to highlight some of the perceptions, even if they have not been backed up by evidence. It is important to note that these are not trends or even realities in EPWP. This Policy, however, aims to place all opinions and perceptions forward, in order all stakeholders to be recognised and then to move forward together on the most fundamental founding principles of job creation, poverty alleviation and addressing social equity. Some of the main perceptions of EPWP include:

- a. EPWP, in some instances, is seen as work that is of low social and economic value with unacceptably low stipends being paid to participants.
- b. There is a lack of uniformity in the application of standards and implementation of EPWP tools and mechanisms across the various public bodies, resulting in misinterpretations, manipulations, inertia and sometimes abuse of the Programme. This is further resulting in enforcement and compliance issues.
- c. There is a lack of optimisation of the conditional infrastructure grants towards EPWP.
- d. There is public cynicism that government is just repackaging existing projects and re-instating budgets that were cut through, amongst others, the Presidential Employment Stimulus.
- e. Short-term work opportunities are the least effective intervention and not sustainable for both government and the recipient, whether for poverty reduction, enhanced livelihood support, or in relation to the quality of public goods and services being provided.

Following on from the perceptions, there are a number of fundamental issues, as detailed below, that this Policy aims to address that will shape the way in which EPWP is rolled out going forward, for the benefit of all our communities.

- a. Pressures to convert the EPWP work opportunities to permanent jobs despite the fact that PEPs are traditionally interventions aimed at addressing cyclical and seasonal economic shocks.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

- b. There is a continual debate as to whether EPWP is a social protection initiative or part of the labour market programmes. This dilemma often results in confusion as to how to approach the implementation of an EPWP Programme.
- c. Unfunded targets have limited the expansion of innovative projects, together with lack of mechanisms to recognise innovation at a project level, has dampened programme outcomes.
- d. In many cases, there has been limited institutionalisation of the EPWP within public bodies, which impacts on the quality of programmes.
- e. Given the magnitude of the programme and the achievements claimed by the EPWP there is an increasingly heavy administrative and compliance burden on public bodies based on the auditing of the Programme for complete, valid and accurate data in terms of Section 12 of the Ministerial Determination (i.e. retain full attendance registers, IDs, employment contracts and payment registers). Furthermore, the audit related challenges faced by many public bodies have now also impacted on the EPWP as a whole.
- f. Lack of or no training being provided by implementing public bodies and insufficient investment in effective management or quality control of the outputs is resulting in poor quality outputs.
- g. The recruitment and selection process in some instances is being abused or manipulated for individualised gain.

In conclusion, the argument being made is that the original intent of EPWP has been diverted from its original intent, based on the challenges highlighted above and that PEPs are best done programmatically, at scale, with the requisite investment in management, systems and quality oversight, with clear objective-driven outcomes in mind. The EPWP Policy has utilised this as the premise for the six Policy Positions.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

4. LEGISLATIVE AND POLICY ENVIRONMENT

The EPWP is anchored in the Constitution of South Africa and is guided by various Acts, White Papers, policies and international conventions, as elaborated:

4.1. The Constitution

1. Chapter 2, Section 27(c) of the Constitution of the Republic of South Africa, 1996
2. The Bill of Rights

4.2. White Papers and Acts

1. White Paper on Reconstruction and Development, 1994
2. White Paper for Social Welfare, 1997
3. White Paper for Public Works: Towards the 21st Century, 1997
4. White Paper on the Rights of Persons with Disabilities, 2015
5. Basic Conditions of Employment Act, No 75 of 1997, as amended
6. Code of Good Practice for Employment & Conditions of Work for EPWP, 2011
7. Ministerial Determination: EPWP, 2012
8. Intergovernmental Relations Framework Act, No 13 of 2005
9. Immigration Act, No 13 of 2002
10. Occupational Health and Safety Act, No 85 of 1993
11. Compensation of Occupational Injuries and Diseases Act, No 130 of 1993
12. Skills Development Act, No 97 of 1998
13. Refugee Act, No 130 of 1998
14. Unemployment Insurance Act, No 63 of 2001
15. Labour Relations Act, No 66 of 1995, as amended
16. Employment Services Act, No 4 of 2014
17. National Minimum Wage Act, No 9 of 2018
18. Division of Revenue Act (published annually)



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

4.3. National Policies and Frameworks

1. The National Development Plan (NDP) 2030 – Our Future, 2012
2. The Presidential Job Summit Framework Agreement, 2018
3. South Africa Economic Reconstruction and Recovery Plan (ERRP), 2020
4. Medium Term Strategic Framework (MTSF) 2020-2025

4.4. International Conventions

1. United Nations Convention on the Rights of Persons with Disabilities, 2006
2. International Covenant on Economic, Social and Cultural Rights, signed in 1995 and ratified in 2015

5. GOALS AND OBJECTIVES OF THE POLICY

This EPWP Policy provides government the opportunity to do things differently – to reposition and reimagine the EPWP Policy to become South Africa's innovative PEP for building back our future better.

5.1 Reposition EPWP clearly as part of Employment Policy - to enable pathways into the labour market, or as a social protection initiatives or as a hybrid of both:

- 5.1.1 Ensure that EPWP is part of an integrated development process providing pathways out of poverty, no matter where on the employment continuum the specific programme falls.
- 5.1.2 For many, the journey may start with social grants. This can then evolve to be a combination of both social protection and labour market and then to be solely employment-based
- 5.1.3 For some, labour market participation will include self-employment and sustainable livelihood activities, with PEPs providing support to these pathways.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

5.2 EPWP to be delivered in a focused, programmatic way that has specific service delivery and public employment outcomes:

- 5.2.1 Identify existing EPWP projects and programmes to be appropriately resourced, and aligned to the objective-driven programmatic methodology.
- 5.2.2 Select and support projects and/or programmes within the EPWP that showcase the objective-driven programmatic approach, and ensure that they become best practice for replication.

5.3 Establishment of the EPWP Funding Model and Framework that establishes a set of qualitative, quantitative and functional criteria, inclusive of those found in the District Development Model. This does not represent a change to the spatial distribution of these resources, but aims to ensure that the criteria and framework will:

- 5.3.1 Be utilised as the reference for the funding of PEPs, inclusive of conditional grants, including incentive grants, wage subsidy, equitable share and national allocations.
- 5.3.2 Enable improved, more rigorous and proactive oversight.
- 5.3.3 Improve outcomes that are targeted.
- 5.3.4 Enable accountability and transparency in the allocation of funding.
- 5.3.5 Serve as the parameters for enforcement.

5.4 Restructured monitoring, evaluation and reporting of EPWP: Ensure transparent recruitment, decent duration of work, investment in appropriate tools, materials and management, in monitoring and evaluation, pathways to sustainable livelihoods etc. and require reporting against these – not just on 'the numbers'.

- 5.4.1 Focus is on the End User / Participant, ensuring that workers are recruited through a fair and transparent process.
- 5.4.2 Ensure that the monitoring and evaluation system is data-driven, which tracks and supports users.
- 5.4.3 Skills transfer through the fourth industrial revolution.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

5.5 Refocus EPWP to enable Massification of Work Opportunities: Our country is faced with a severe economic crisis that escalated the unemployment rate and deepened poverty. Whether EPWP is within the realms of social protection such as the NPO Programme and the Community Work Programme or within the labour market, such as SMMEs, Large Project Programmes and Community Safety Programmes, it is critical that the focus be on massification in the immediate term, including:

- 5.5.1 Improved oversight to ensure Accountability in Delivery.
- 5.5.2 Extend the opportunities to Implementing Agents that enable massification, training and enable income generating opportunities for NPOs within EPWP.
- 5.5.3 Ensure that SMMEs are prioritised in PEP Initiatives.

5.6 Strengthened EPWP Institutional and Coordination Arrangements, which include:

- 5.6.1 Clarification of Participation in EPWP.
- 5.6.2 Introduction of Compliance Mechanisms in EPWP.
- 5.6.3 New Institutional Arrangements.

6. SCOPE AND APPLICATION OF THE POLICY

This Policy applies to all EPWP implementing bodies including:

1. Public bodies involved in the implementation in EPWP, across all sectors, and all national, provincial and local departments of government;
2. State Owned Enterprises; and
3. Non-state actors.

7. EPWP POLICY POSITIONS

The intent of this EPWP Policy is to position the Programme within the current socio-economic climate of our country and internationally, focusing on lessons learned and enabling EPWP to be taken to the next level of implementation, in addressing job creation and poverty alleviation in a sustainable way, for the benefit of our communities in need.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

In response to the six Goals and related Objectives in this Policy, six EPWP Policy Positions have been developed. Each Policy Position is defined, the gaps identified, and then the elements of the Policy Position unpacked, enabling service delivery interventions to be realised.

7.1. EPWP Policy Position No.1: EPWP Repositioned as part of Employment Policy

7.1.1. Policy Position No. 1 Defined

This Policy Position ensures and that employment creation opportunities are maximised within the identified sectors, with the focus being on the creation of work opportunities and building sustainable livelihoods. EPWP is part of an integrated development process providing pathways out of poverty, no matter where on the employment continuum the specific programme falls.

For many, in EPWP the journey may start with social grants or social protection. This can then evolve to be a combination of both social protection and labour market (a hybrid scenario) and then to be solely employment-based.

For some, and particular SMMEs, which account for up to 50-60% of South Africa's workforce, labour market participation will include self-employment and sustainable livelihood activities, with PEPs providing support to these pathways. EPWP has therefore been repositioned to include all programmes along the Employment Policy continuum.

7.1.2. Problem / Gap Summation

The EPWP Minimum wage was seen to be in the category of a socially acceptable minimum level of payment for work until the National Minimum Wage (NMW) was introduced. The EPWP minimum wage was pegged at 55% of the NMW in 2018. While a case can be made for a somewhat lower PEP wage rate, this gap has become too large and there is a need to close the gap.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

7.1.3. Towards the National Minimum Wage

EPWP already had a minimum wage, but when the NMW was introduced it was set at a level 45% higher than the EPWP minimum wage. While certainly, it had been recognised that the EPWP Minimum wage was low, the scale of the gap between what has since become the socially-agreed minimum rate for labour and the EPWP Minimum wage solidified the critique of EPWP as a mechanism justifying and institutionalising low wages.

Government has determined that there is a need to align the two wage bands. Policy Position 1 acknowledges this and at the same time acknowledges that there is a dire need in our country to massify EPWP initiatives due to the ever-increasing unemployment.

In terms of moving towards the NMW, four Policy Scenarios have been developed and costed, as detailed below. These four Policy Scenarios will realise similar end goals but through different ways. Either in terms of different timelines (Scenarios 1 and 2) or through a different composition (Scenarios 3 and 4). No matter which Scenario is ultimately chosen, the aim is to commence implementation at the beginning of the 2023/24 financial year¹.

It should be noted that these scenarios are based on the premise that there will be no work opportunities lost. Although, if there is no additional funding provided, the implications of this would be a reduction in work opportunities by 84 per cent from the targeted 1, 023,569 in 2023/24 to 166 199, assuming public bodies have no existing additional funds which can be allocated.

¹ A Baseline Scenario has been developed whereby there is an immediate adjustment of all work opportunities under EPWP from the EPWP Minimum Wage to the NMW. In the Baseline Scenario at 2021/22 figures the adjustment is calculated at R4 646 482 674. This amount translated, along with the inflationary rate of 4% to be implemented with effect from the 2023/24 financial year would be R5.026 billion, bringing the total wage bill for EPWP to R19.08 billion. This is just for the current work opportunities.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

This Policy Position only deals with the issue of moving the EPWP Minimum Wage closer to the NMW, considering current duration scenarios. Over and above this, there is the dire need to massify the various Programmes in order to create more work opportunities.

The aim is that through the consultation process these four Scenarios are to be workshopped with the various stakeholders to determine the impact and both the financial viability and social acceptability of each. Depending on the comments received, Government will then determine which or the four Scenarios or a derivative of one to opt for in the final EPWP Policy.

SCENARIO 1.

- The gap reduction between the EPWP Minimum Wage and the NMW should be phased in over a five year period from the 2023/24 financial year.
- This will apply to all EPWP work opportunities
- The assumption that has been made is that for the first three years (2023/24, 2024/25 and 2025/26 financial years) there will be a 25% adjustment per annum and for the last two years (2026/27 and 2027/28 financial years) a 12.5% adjustment per annum.
- Scenario 1 has been costed in 2021/22 figures, along with the assumption that the employment rate will remain the same. Further, it has then been applied per annum with a 4% inflationary increase². These figures have not been applied cumulatively.

² The 4% inflation increase is the same assumed increase that is applied to the NMW.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

SCENARIO 1			
5 Year Scenario. All EPWP Programmes have been adjusted to be in line with the National Minimum Wage over 5 years. 25% per annum for the 2023/24 - 2025/26 financial years and 12.5% per annum for the 2026/27 and 2027/28 financial years. Adjustments are not cumulative. A 4% inflation per annum has been applied.			
Year	Wage bill (adjustment included)	Adjustment (Rand value in year of implementation)	Adjustment (Rand value in 2021/22 figures)
2023/24	R15 204 349 052	R587 811 338	R543 464 625
2024/25	R17 144 923 250	R1 332 400 236	R1 184 498 958
2025/26	R19 508 369 491	R1 677 649 310	R1 434 061 661
2026/27	R21 281 750 542	R993 046 271	R816 211 648
2027/28	R23 213 793 994	R1 080 773 431	R854 150 942

SCENARIO 2.

- The gap reduction between the EPWP Minimum Wage and the NMW should be phased in over a ten year period from the 2023/24 financial year.
- This will apply to all EPWP work opportunities
- The assumption that has been made is that there will be a 10% adjustment for each of the 10 years, commencing in the 2023/24 financial year and culminating in the 2027/28 financial year.
- Scenario 2 has been costed in 2021/22 figures, along with the assumption that the employment rate will remain the same. Further, it has then been applied per annum with a 4% inflationary increase. These figures have not been applied cumulatively.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

SCENARIO 2			
10 Year Scenario. All EPWP Programmes have been adjusted to be in line with the National Minimum Wage over 10 years. Adjusted by 10% annually. Adjustments are not cumulative. 4% Inflation has been applied per annum.			
Year	Wage bill (adjustment included)	Adjustment (Rand value in year of implementation)	Adjustment (Rand value in 2021/22 figures)
2023/24	R14 664 190 508	R47 652 794	R44 057 687
2024/25	R15 603 023 495	R352 265 367	R313 162 629
2025/26	R16 727 913 545	R500 769 110	R428 059 534
2026/27	R17 976 936 920	R579 906 833	R476 641 145
2027/28	R19 361 569 189	R665 554 792	R525 997 620
2028/29	R20 887 146 064	R751 114 107	R570 784 990
2029/30	R22 545 693 679	R823 061 772	R601 403 175
2030/31	R24 313 432 920	R865 911 494	R608 377 930
2031/32	R26 206 130 393	R920 160 157	R621 627 232
2032/33	R28 243 284 642	R988 909 033	R642 376 451

SCENARIO 3.

- Scenario 3 separates EPWP work opportunities that are defined as purely social protection, namely the NPO Programme and the Community Works Programme (CPW). All those work opportunities will remain under the EPWP Minimum Wage that is adjusted upwards to a differential of 60% of the NMW in the 2023/24 financial year, 65% in the 2024/25 financial year and 70% in the 2025/26 financial year.
- For the Programmes and related work opportunities that are hybrid social protection and labour market or pure labour market, they should be moved to the NMW and should be phased in over a five year period from the 2023/24 financial year.
- The assumption that has been made is that for the first three years (2023/24, 2024/25 and 2025/26 financial years) there will be a 25% adjustment per



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

annum and for the last two years (2026/27 and 2027/28 financial years) a 12.5% adjustment per annum.

- Scenario 3 has been costed in 2021/22 figures, along with the assumption that the employment rate will remain the same. Further, it has then been applied per annum with a 4% inflationary increase. These figures have not been applied cumulatively.

SCENARIO 3			
NPO Programme and CWP are classed as purely social protection. For the work opportunities classified as social protection there shall be an adjusted upwards differential to 60% of the NMW in the 2023/24 financial year, 65% in the 2024/25 financial year and 70% in the 2025/26 financial year. The remainder of the EPWP Programmes shall be adjusted to be in line with the National Minimum Wage over 5 years. 25% per annum for the 2023/24 - 2025/26 financial years and 12.5% per annum for the 2026/27 and 2027/28 financial years. Adjustments are not cumulative. A 4% inflation per annum has been applied.			
Year	Wage bill (adjustment included)	Adjustment (Rand value in year of implementation)	Adjustment (Rand value in 2021/22 figures)
2023/24	R14 935 629 453	R319 091 739	R295 018 250
2024/25	R16 479 869 977	R946 815 346	R841 715 395
2025/26	R18 409 427 508	R1 270 362 732	R1 085 911 387
2026/27	R19 735 526 006	R589 721 398	R484 708 002
2027/28	R21 186 028 947	R661 081 901	R522 462 629

SCENARIO 4.

- Scenario 4 separates EPWP work opportunities that are defined as purely social protection, namely the NPO Programme and the CWP. All those work opportunities will remain under the EPWP Wage, which is set at 45% differential of the NMW and it will only be increased by 4% inflation per annum.
- For the Programmes and related work opportunities that are hybrid social protection and labour market or pure labour market, they should be moved to the NMW and should be phased in over a five year period from the 2023/24 financial year.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

- The assumption that has been made is that for the first three years (2023/24, 2024/25 and 2025/26 financial years) there will be a 25% adjustment per annum and for the last two years (2026/27 and 2027/28 financial years) a 12.5% adjustment per annum.
- Scenario 4 has been costed in 2021/22 figures, along with the assumption that the employment rate will remain the same. Further, it has then been applied per annum with a 4% inflationary increase. These figures have not been applied cumulatively.

SCENARIO 4			
NPO Programme and CWP are classed as purely social protection. The EPWP minimum wage is set at 55% of the NMW for these two programmes and will only be adjusted annually by 4% inflation. The remainder of the EPWP Programmes shall be adjusted to be in line with the National Minimum Wage over 5 years. 25% per annum for the 2023/24 - 2025/26 financial years and 12.5% per annum for the 2026/27 and 2027/28 financial years. Adjustments are not cumulative. A 4% inflation per annum has been applied.			
Year	Wage bill (adjustment included)	Adjustment (Rand value in year of implementation)	Adjustment (Rand value in 2021/22 figures)
2023/24	R14 806 203 606	R189 665 892	R175 356 779
2024/25	R15 923 916 787	R525 465 037	R467 136 505
2025/26	R17 327 591 310	R766 717 851	R655 393 632
2026/27	R18 485 424 725	R464 729 762	R381 973 989
2027/28	R19 753 384 234	R528 542 520	R417 714 831

7.1.4. Social Protection vs Active Labour Market Intervention

The EPWP solution going forward comprises components of social protection interventions and active labour market interventions. As a development instrument, PEPs provide a unique interface between the more developmental goals of social protection, and the transition into economic inclusion and employment. Irrespective of whether PEPs have a labour market or social protection dimension, the common principle is that a work opportunity is provided to address the following challenges:



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

- a. Unemployment has dire social impacts on the individuals affected and their communities. PEPs mitigate this best by providing decent and meaningful employment that delivers socially-useful outcomes. In this sense, PEPs are a social intervention³ as well as an economic one.
- b. The EPWP initiatives that are configured as a labour market intervention, inclusive of not only the work opportunity but also training and career pathways increase the potential of participants to move out of poverty and into more sustainable livelihoods. It is, however, important to demystify and simplify the concept of training within the ambit of PEPs, as elaborated on further in the Policy.

In several cases the insistence of training certification has brought in complexities and costs that outweigh the training benefits and the wage bill. All the research shows that employers value work experience more than the kind of training certificates characteristic at this level. So make the work experience meaningful, ensuring that it enhances employability.

- c. DPWI together with 8 other departments (including the Presidency) have concluded a MOU in supporting the recently formed National Pathway Management (PMN) related to the Presidential Youth Employment Initiative (PYEI). The PMN is expected a critical role is supporting pathways for young

³ Social protection is defined as a system of primarily formal public interventions that aim to reduce social and economic risks, vulnerabilities, exclusions and deprivations for all people and facilitate equitable growth. The five functions of social protection in South Africa, as detailed in the NDP are:

1. Protective: measures introduced to save lives and reduce deprivation
2. Preventative: economic stabilisers seeking to reduce vulnerabilities
3. Promotive: enhancing the capabilities of individuals, communities and institutions to participate in all spheres of activity
4. Transformative: redistributive measures to tackle inequality and vulnerability
5. Developmental and generative: enables the poor to access social and economic opportunities, promoting local economic development and increasing their consumption patterns.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

people. It could play a role in supporting fair and transparent recruitment methods. This initiative should be recognised both in the way in which to further the career pathways as well as a test case for the transparent recruitment identification elaborated on in Policy Position 4.

- d. For any work opportunity to qualify as a PEP, whether in the category of social protection, active labour market intervention or a hybrid of the two, its minimum duration should ideally be three months but could be two months for a transitional period. This would require releasing EPWP from its current targets, because it would reduce total numbers. In order for this initiative to be fully implemented, DPWI, in partnership with National Treasury, the PMO in the Presidency, DFFE, DSD and DCOG must:
- Analyse the impact of this policy recommendation, determining the quantitative and qualitative pros and cons.
 - Make a recommendation as to how this can be implemented across the sectors and programmes, or where applicable.

There are broadly five types of active labour market policy interventions that are to be explored:

- Labour market training that aims to improve productivity and employability of individuals. Firstly, training is important but, there should be no training for training sake. A more targeted approach to training that aims for much better alignment of training to take advantage of the SETA system and to ensure that if training is meant to enhance employability, there actually is a real pathway to employment linked to labour market demand. This means better alignment with the non-state sector or for livelihood opportunities. Training opportunities are also to be explored for SMMEs.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

- Training for specific vocations (accreditation training) or on-the-job training that aims to enhance the skills of participants, their future employability and their opportunities to access further education, occupational training or employment. Training for the work at hand - often in the form of on the job training - is a priority, to ensure quality outcomes and that people actually get the chance to use any skills / training they gained.
- Non-state incentive programmes. While EPWP does not provide private sector wage subsidies, it does provide a wage subsidy to the NPO's operating in the non-state sector. The wage-subsidy was introduced to promote the use of labour intensive methods and grow existing community-based programmes. This Programme can be revised to ensure that it is optimised for the most work opportunities possible.
- Assess, refocus, streamline and refresh each of the current 24 EPWP Programmes in terms of their achievement of the following overarching objectives and determine whether they should be massified, reconfigured or closed out:
 - Prioritisation- of programmes in which employment creation is the primary goal, targeting opportunities where meaningful scale-up and impact can be achieved
 - Effective programme management that is focused on cost-effective delivery at scale, quality outcomes, peer learning and effective monitoring and evaluation.
 - Assessment as to whether the programmes are still meeting the three primary objectives of EPWP, which are poverty alleviation, addressing inequality and achieving cost effective, sustainable employment creation.
 - Do the programmes measure labour intensive practices and if so, what innovative methodologies have been employed, in any? How can innovation be introduced to assist the participant?



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

- Detail the process that will be followed for the said Programme to adhere to both the Recruitment and Selection and Evaluation and Evidence-based Reporting Parameters of Policy Position No. 4. This should include the budget that will be assigned from the Programme to the development of Policy Position No. 4's System for the 2022/23 and 2023/24 financial years that will enable alignment.
- Job-search efficiency services that provide vocational guidance and placement services. Provision of career pathways for participants, by either transitioning participants into the public service⁴ or through private sector partnerships. Examples of other such programmes, include:
 - The National Youth Chefs Programme;
 - National Youth Service (NYS) Programme⁵;
 - Early Childhood Development (ECD) Programme;
 - Home and Community-Based Care (HCBC) Programme;
 - Road Maintenance Programme; and
 - Working on Fire Programme.

7.2. EPWP Policy Position No 2: An Objective-Driven Programmatic Approach

7.2.1. Policy Position No. 2: Defined

The Objective-Driven Programmatic Approach is a structured, purpose-driven methodology that is primarily to be applied to the national, provincial and municipal programmes focusing on service delivery solutions.

The Objective-Driven Programmatic Approach, through collaboration and cooperation by different partners various projects can be developed to focus on specific service delivery problems using EPWP principles. This Approach essentially involves the following:

⁴ The role of the Employment Services of South Africa (ESSA) in this process is being explored

⁵ NYS to be up-scaled or reconfigured to assist learners with their experiential learning in order to complete their qualifications



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

- The public sector body identifies a service delivery problem statement and unpacks what issue they are trying to solve (Two examples of which have been provided).⁶
- A business case that includes the EPWP work opportunities, the contributions by the public body, potential sponsorships or value-adds to be developed and submitted.
- The proposal sets a clear baseline that is outcomes focused. With the first focus being on, employment creation and the alleviation of poverty.
- This is a demand-driven as opposed to supply driven approach, which is critical to both the sustainability of the project and to the employment creation being fit-for-purpose.

⁶ The first example is where a Municipality introduced the Women's Roads Maintenance Teams starting the initiative as an EPWP Programme in order to test the concept. The problem statement was that it was very difficult to introduce women into that work environment due to various reasons. Women were employed under EPWP to fulfil all the skills in a road maintenance team – from supervisor through to worker and they were trained.

The Municipality then identified work opportunities within the Roads Department to have one Women's Team per Depot. The Women would have to apply once they had gone through the 9 month EPWP Programme to become eligible for permanent employment.

This Programme became best practice and can be applied to any developmental scenario. It was utilised for the Oceans Economy, Water and Sanitation, etc.

A second Objective-Driven Programme was when a Municipality wanted to test whether its infrastructure was universally accessible (accommodating to persons with disabilities) as there had been many complaints from the PWD community plus there had been the introduction of new legislation.

The Municipality devised a Programme that employed persons with disabilities (PWD) along with their respective helpers. It also included transportation and related occupational health and safety officers to manage the programme. This was undertaken under the parameters of EPWP.

An Audit of the various infrastructure and facilities of the municipality was then undertaken in relation to the status quo and what needed to be rectified in accordance with the application of the PWD Standards, per category.

The findings were then taken and turned into a manual by a Supervisory Team that was then workshopped with the PWD Forum before being adopted by the Municipality as a Retrofitment Action Plan.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

- The intention of the Objective-Driven Programmatic Approach is further to draft from the experiences and programmes from other public bodies as well as how they have tackled certain service delivery dilemmas, with the aim of over time developing best practices for investment in the identified sectors, their value chains and promote access to market, to ensure sustainability and ownership of the activities by communities.

7.2.2. Problem / Gap Summation

The EPWP is contributing towards addressing poverty, unemployment, inequality and a shortage of skills, but public bodies have prioritised each of these components differently, which is contrary to the Global Growth and Development Summit (GDS) Agreement of 2003, which states that:

"EPWP projects must be designed to equip participants with a modicum of training and work experience, which should enhance their ability to earn a living in the future. Such projects must be large enough to have a substantial impact on employment and social cohesion, especially for young people, women and the rural poor. Some programmes in the EPWP's would take the form of the National Youth Service Programme".⁷

An Objective-Driven Programmatic Approach to EPWP is much more focused on sustainable livelihoods of participants and in the long run more focused on value-for-money for government, as EPWP now turns into an investment for government, creating jobs and delivering on much needed services.

Policy Position No.2: An Objective-Driven Programmatic Approach, has been broken down into three broad components. The components can be applied to different programmes, as long as the Project Sponsor clearly defines at the outset the service delivery outcomes and quantifies the projected jobs created. Prior to

⁷ Growth and Development Summit Agreement 2003



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

unpacking the components, however, it needs to be emphasised that in order for this Approach to be successful there is a need for strong, collaborative coordination as addressed in 7.2.3 below; along with a user-centric and data-driven system that is addressed in Policy Position 4.

7.2.3. Coordination and Oversight of the Programmatic Approach

This Approach requires strong coordination and oversight that will be undertaken by the EPWP Branch in DPWI, in order to foster collaboration between the different stakeholders, identify champions of the various Programmes across the Sectors, operationalise existing policies and ensure harmonisation with existing implementation and monitoring platforms for enhancing resilience.

The EPWP Branch will also continue to be responsible for oversight and will therefore be the custodian of the data-driven monitoring and evaluation system, together with the knowledge management platform, which is to be encompassed into the user-centric and data-driven system that is addressed in Policy Position 4, all encompassed in an Objective-Driven Framework.

DPWI, together with Public Bodies will further establish linkages with both state and non-state partners, including, but not limited to, SETA's, DHET, TVETS, Government Agencies and the private sector, to maximise targeted training outputs and outcomes where possible.

The Objective-Driven Framework, inclusive of implementation parameters will need to be adhered to by the various Sector and Provincial Coordinators, thereby ensuring uniform compliance of the Ministerial Directive and to the principles of massification, to name two. This Framework will then, in turn, also need to be utilised by the implementing public bodies.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

7.2.4. Objective-Driven EPWP-based Service Delivery

Proposals could straddle the infrastructure, environmental, social and non-state sectors, all of which would need to, though this approach, deliver more programmatic and qualitative outcomes.

- A service delivery problem statement is determined, along with identified objectives and desired outcomes, including best value-for-money and best return on investment.
- The targets for employment creation are then to be determined from a demand-driven perspective and related to the service delivery sector and outcome. This will include the quantum of jobs created, the training - type and quantum - plus skills transfer, and localisation that can lead to further job opportunities, etc.

The parameters detailed below are to be applied in relation to Objective-Driven Programmatic EPWP:

1. Programmes that are linked to the achievement of one or more of the seven key national priorities, plus are identified in department's, province's or SOE's Strategic Plans (SP) and Annual Performance Plans (APP), or the municipality's Integrated Development Plans (IDPs) and Service Delivery Implementation Delivery Plans (SDBIP).
2. The EPWP Business Case can have a long-term rollout plan for institutionalisation but the budget motivation should be for the MTEF, with the option of renewal, subject to the compliance of the respective legislation.

7.2.5. EPWP Programme Business Case

EPWP needs in essence to support the achievement of tackling the triple challenges of poverty, inequality and unemployment. The EPWP Objective-driven Programme Business Case therefore needs to demonstrate how the Programme tackles the triple challenges, providing quantifiable objectives and targets in relation to both service delivery outcomes and employment creation outcomes.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

The minimum components to be included into the EPWP Programme Business Case⁸, include the following:

Details of the EPWP Objective-Driven Programmatic Project Business Case

1. Standard Operating Procedures for the Objective-Driven Programmatic Approach to EPWP
2. Project Plan and Timeline
3. Clear, Quantifiable Objectives (*service delivery objectives and related employment objectives. This will determine the entire starting point of the Programmatic Approach*)
4. Proposed Targets and Outcomes per Objective (*service delivery and employment creation*)
5. Resources Plan and Key Strategic Questions
 - *Can it be done cost-effectively?*
 - *Can it be done at scale?*
 - *Does the work experience create pathways into opportunities in the labour market?*
 - *Is the requisite management capacity in place to deliver quality outcomes?*
 - *Can it create meaningful social value?*
 - *How does it compare to other public employment delivery options?*
6. Determine the graduation pathways framework whereby EPWP workers are able to progress (or graduate) through stages, whether it be through work experience, training, accreditation or the attainment of different skills
7. MTEF Financial Management Plan
8. Risk Management Plan

⁸ **The EPWP Programme Business Case** must not be more than 15 pages, with all core information submitted in the main body of the Report.

- Annexures can be provided but must be limited. Should an Annexure be submitted, it must be clearly referred to in the Business Case, as well as being referenced in the Index Page.
- All information must be relevant to the specific project and should be quantifiable and verifiable.
- Financials, statistics, calculations and figures need to be accurate.
- All assumptions and dependencies need to be detailed in the Business Case.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

7.2.6. Training and Capacitation

With a Programmatic Approach, EPWP should include training, not as mandatory but as critical, in order to enable sustainable livelihoods for participants. The following parameters are to be applied in relation to the training:

1. Depending on the job and related skills set, the option for accreditation or certification related to the training should be explored. This adds value to the investment that government is making in the individual (best value-for-money) as well as enables the individual to utilise the accreditation for future employment opportunities. This is, however, optional.
2. Recognition needs to be given to on-line learning modules, as part of both life-skills training (in the subject matter of the on-line learning module), as well as their exposure to digital skills. In today's world this is important and EPWP will need to adapt to this methodology going forward as we cannot assume that every participant will get 'traditional' forms of on-site training.
3. On the job training needs to be recognised and recorded.
4. Sufficient time must be built into the EPWP module to enable the training.
5. History has revealed that there have been a shortage of trainers. The initiator of the EPWP Programme needs to explore options to utilise their training budgets to train staff, enabling them to undertake on-the-job training;
6. DPWI is to establish links to training institution and provide opportunities to enable workers to access further training with a preference to SETA accredited training, where available.
7. Training needs to be streamlined and not be bureaucratic, where possible being practical and promoting localisation and empowerment of emerging training professionals.
8. The funding model for this type of EPWP solution would then be coupled with a possible longer-term employment solution with a department, province, municipality or SOE.
9. Where applicable, projects/programmes to be designed to include training that are fit-for-purpose and training funds to be assigned by the implementing body.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

7.3. EPWP Policy Position No. 3: PEP Funding Model and Management Tool

7.3.1. Policy Position No. 3 Defined

The focus of Policy Position 3 is on all PEP funds. It requires that direct PEP funding allocations⁹ to be optimised to not only contribute towards the creation of work opportunities but also for work opportunities to be massified and for poverty alleviation and for social inequality to be addressed by being refocused towards the objective-driven programmatic methodology.

Further, the Equitable Share that is allocated to Provinces and Municipalities, direct funding allocations to National Departments and other grants such as Municipal Infrastructure Grant (MIG), Provincial Maintenance Grant (PMG), Urban Settlements Development Grant (USDG), Early Childhood Development Grant (ECDG) and Health Facilities Revitalisation Grant (HFRG), be optimised and massified. This would be to contribute towards the alleviation of poverty and for social inequality to be addressed by being refocused towards the objective-driven programmatic methodology.

Due to the economic crisis that our country is in, it cannot be "business as usual" and therefore collectively, all spheres of government and all funding allocations, not just those specifically geared towards PEP, need to prioritise the creation of employment, poverty alleviation and socio-economic redress.

⁹ The direct funding allocations that are being referred to include:

- CWP Funding
- Incentive for National Environment and Culture Sector Departments
- Environmental Protection and Infrastructure Programmes (EPIP)
- Natural Resource Management (NRM)
- Presidential Employment Stimulus (PES)
- Municipal Integrated Grant
- NPO Wage Subsidy
- Provincial Integrated Grant
- Social Sector Provincial Grant



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

7.3.2. Problem / Gap Summation

In many instances there is a disjuncture between the policy intent and the financial allocation. Once funding is allocated to a public body, unless there are specific qualifying criteria, the oversight authority does not have any leverage over the qualitative expenditure of the allocation.

To give one example of DPWI, even though the DPWI is responsible for the oversight and coordination of EPWP, the budget for the creation of work opportunities reported resides with the respective implementing bodies. DPWI has no authority over other funding sources besides the incentive grant and NPO Wage Subsidy, which is allocated to the DPWI Vote for transfer to other public bodies. The oversight is mainly through the ability to withhold funds for non-compliance with the Division of Revenue Act. The incentive grant and the NPO Wage subsidy, however, only accounts for 11% of the total EPWP expenditure.

7.3.3. Need for the PEP Funding Model and Management Tool

The PEP Funding Model and Management Tool is essentially the application of the Objective-Driven Programmatic Approach as detailed in Policy Position No. 2 to the PEP Funds.

Policy Position No 3 therefore introduces a PEP Funding Model and Management Tool that enables the front-end qualitative oversight and coordination to the PEP process that will not only enable more rigorous compliance by DPWI as well as the Sector- and Provincial Coordinators but, more importantly, enable the various programmes to be, where possible to be massified with ease.

The PEP Funding Model and Management Tool enables DPWI, together with the National Treasury, the PMO in the Presidency, DFFE, DSD and DCOG not only to have line of sight but to ensure that there is more rigorous compliance resulting in both qualitative and quantitative accountability in delivery.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

Using a PEP Funding Model and Management Tool would enhance accountability on all PEP funds and make more visible how the public bodies are leveraging from core budgets, where possible. With the current process none of this is possible.

7.3.4. Parameters of the PEP Funding Model and Management Tool

The DPWI together with, National Treasury, the PMO in the Presidency, DFFE, DSD and DCOG, will set up a collective Technical Working Group for the PEP Funding Model and Management Tool for all PEP Funds. The outcomes of the Technical Working Group (the finalised criteria) will be forwarded to the various MINMECs referred to in Policy Position No 6, for endorsement on an annual basis and then to the PEP-IMC for final approval, prior to implementation.

Once the criteria have been approved by the PEP-IMC, funding will be allocated accordingly. This process will then institutionalise the Objective-Driven Programmatic Approach, which all implementing bodies will then need to follow, no matter which sector they belong to or what funding source they come from.

The PEP Funding Model and Management Tool Technical Working Group shall, amongst others, be responsible for:

1. Development of a set of guidelines on the workings of the PEP Funding Model and Management Tool, the massification of projects and programmes, operating parameters, implementation protocols, etc.
2. Determining a set of functional, financial, monitoring and evaluation, implementation and reporting criteria required to institutionalise the objective-driven programmatic approach and that would form the basis for funding allocations.
3. Strengthening funding procedures and providing frameworks for the improvement of performance monitoring standards to support the achievement of better outcomes.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

4. Certain Operating Parameters must be complied with and all must be in compliance with the Public Finance Management Act (PFMA), No 1 of 1999, as amended as well as the Municipal Finance Management Act (MFMA), No 32 of 2000.

7.3.5. Operating Parameters for the PEP Funding Model and Management Tool

1. Best value for money – All EPWP Objective-Driven Programmatic Business Cases that are submitted to the PEP Funding Model and Management Tool need to ensure that they employ the principles of best value for money by optimising government spending and at the same time maximising sustainable employment creation.
2. Partnerships - The building of partnerships between the public sector, private sector and/or civil society, to effectively leverage available resources and capitalise on local social, economic, environmental and cultural opportunities, in the face of adverse macro-economic challenges. These partnerships need to be set up through the Social Facilitation process and documented in the EPWP Objective-Driven Programmatic Business Case, inclusive of the Financial Plan.

7.4. EPWP Policy Position No. 4: User Centric, Data-driven EPWP System

7.4.1. Policy Position No. 4 Defined

Policy Position No. 4 is probably the most critical in that it asks the question – why is government spending so much time and effort on EPWP and who are we doing this for? It is all about the poor and unemployed and creating employment opportunities that improves their quality of life and at the same time government can optimise government spending in achieving meaningful service delivery.

Policy Position No. 4 adds two critical components to the current monitoring and evaluation system that is in place in DPWI. The first being knowledge management whereby there is a linkage between the EPWP Monitoring and Evaluation System



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

to other data labour-based data sets and in particular the database at the Department of Employment and Labour. This will not only broaden the employment opportunities for those that are unemployed but also allow for the tracking of employment opportunities.

Policy Position 4 further requires the investment by DPWI, in consultation with public bodies, in an End-User Module that will enable each EPWP Worker to be able to have a unique EPWP ID that can have the history of work opportunities.

The first step will be to undertake the process of aligning and assimilating the various systems that are already in existence, ensuring that there are no duplications and that there are economies of scale. Of particular importance is the Department of Employment and Labour's (DEL) Employment Seekers System of South Africa (ESSA).¹⁰

7.4.2. Problem / Gap Summation

While there is a Monitoring and Evaluation Framework with a number of very admirable objectives, as detailed below, but these have not been realised:

- Monitor and report implementation progress and evaluate the impact of the programme on the unemployed and their communities;
- Measure impact on the lives of participants, in relation not only to the impacts of the incomes but also of their participation in work;
- Measure communities and municipal areas in terms of the assets and services being delivered by EPWP programmes; and
- Determine the value of EPWP programmes on the broader economy, environment and society, including measuring the relative returns to investing in, or incentivising various EPWP programmes or sectors.

¹⁰ Work-seeker and opportunity registration on the Employment Services system of South Africa (ESSA): The Department of Employment and Labour has an electronic job-matching system, the Employment Services system of South Africa (ESSA). Work-seekers can register their personal details, skills, qualifications and work experience on ESSA. Employers can register their employment and skills development opportunities on ESSA.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

The underlying problem is that the reporting system is not linked to an electronic, data-driven system that is focused on the end-user and revolves around the recruitment process. Some of the main reasons for this include:

- There is not a centralised, unified yet open platform for recruitment of EPWP workers. This is mainly due to the PEP being funded through multiple sources.
- Inconsistencies in recruitment of participants.
- Lack of transparency.
- Criteria that are to be aligned to the End-User Profiles and to the new parameters have been agreed to between the Auditor General (AG) and DPME.

Further, there is a need to explore user-centric options, especially with the need to massify work opportunities. This is with at the same time acknowledging that some public bodies have financial constraints but at the same time this should not jeopardise the EPWP participant.

7.4.3. Unique EPWP ID System

With an electronic, auditable system that is user-centric, not only will comprehensive monitoring, evaluation and standardised evidence-based reporting be possible, which is a critical component in measuring EPWP's progress and developmental impact, but knowledge management and learning also be possible.

In order to ensure that the job creation emphasis both from a quantitative and qualitative perspective is re-emphasised, the Unique EPWP ID System has been proposed to be introduced. It is further critical that the data from this system be intertwined with that of the monitoring and evaluation system, thereby ensuring synergy in knowledge management.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

1. DPWI to, in collaboration with other stakeholders and in particular DEL, develop the parameters of a centralised, unified yet open platform for recruitment of EPWP workers where they are able to obtain a unique identifier that can be utilised plus that can be linked to performance, training and skills transfer. The system needs to be data-driven and linked to the programmatic methodology.
2. When it comes to recruitment of the participant, the system should allow for:
 - a. An easily accessible sign-up process for all users that is electronic, thereby removing the human element of manipulation of a paper-based system;
 - b. Once the participant is on the system they have a unique EPWP identity and they will be able to be tracked anywhere in a sector, district, region or the country. This is the most important element of transparency and accountability, from government's perspective.
 - i. The AG will have detailed records that are immediately uploaded to the individual and it is a lifetime identity;
 - ii. Government can track users, build up a talent pool, undertake trend analysis etc.
 - iii. Reporting is then streamlined, auditable and accountable.
 - c. From the participant's perspective, the unique EPWP ID also has numerous benefits including that enables them to use their EPWP Identity, which includes track record and training, as a CV for prospective job applications, a reference where historical work history is required, in an application for further studies, etc.
 - d. The Unique EPWP ID System will be linked to the Evaluation and Evidence-based Reporting System that the Department currently has in place.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

7.4.4. System Expansion to include Evidence-based and Compliance Reporting

The Current EPWP Monitoring and Evaluation System that is managed by DPWI is to be extended to cover two additional matters that are critical for EPWP, namely:

- That the Department will require public bodies to provide electronic, evidence-based reporting.
- That the Department will require public bodies to provide electronic, compliance reporting.

The findings from evaluations inform stakeholders on challenges and best practices, the design of future programmes, policy decisions and measure the impact of the programme. The electronic system that is to be designed and implemented by DPWI must have at least the following parameters:

1. Measurable Key Performance Indicators: Key Performance Indicators (KPIs) are to be developed against which each of the projects and programmes will be evaluated in relation to implementation of their targets.
 - a. The areas evaluated will include impact, effectiveness, efficiencies, outputs and outcomes. Additionally, each sector will be required to develop indicators for their specific sub-programmes that align to the overarching KPIs.
 - b. These KPIs must not only be simple, measureable and outcomes based but must be focused on both service delivery in the identified sector and employment creation, with the end user being the focal point.
 - c. This will be undertaken in a collaborative manner, led by the DPWI EPWP Branch Coordination Unit. Once the KPIs and Sector Indicators have been set, they will be documented in a Standard Operating Procedure that can be amended and updated from time-to-time.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

2. Qualitative and Quantitative Targets built into the performance agreements of all involved the coordination and implementation of EPWP. These performance indicators will be aligned across the various spheres of government and serve to ensure effective implementation of EPWP.
3. Evidenced-based Reporting: Identification of relevant evidence to generate a full understanding the nature of the problem, including how the problem has been addressed elsewhere and the cost, benefit and effectiveness of proposed interventions. Further, to situate evidence in relation to additional elements that influence policy and decision-making processes.
4. Knowledge Management and Learning Mechanism: It is critical that the principles, practices and system of knowledge management, continual learning and innovation in the PEP environment are embraced as they not only boost efficiencies and improve our collective understanding to enable improved decision-making.
5. Compliance Reporting Mechanisms: The parameters of compliance will be elaborated on each element that public bodies need to address, along with the related penalties¹¹.

7.5. EPWP Policy Position No. 5: Refocus EPWP to Enable Massification

7.5.1. Policy Position No. 5 Defined

Policy Position No. 5 elaborates on how various EPWP Programmes, whether classified as social protection (for example Not-for-Profit Organisations (NPOs)) or those within the labour market (small, medium and micro enterprises (SMMEs)) need to be reconfigured and refocused in order to enable them to be scaled-up and for the access to employment opportunities to be massified.

¹¹ Penalties and Details of the Compliance Mechanisms are elaborated on in Policy Position 6: Governance, Logistics and Institutionalisation



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

7.5.2. Problem / Gap Summation

In many cases when it comes to the management of NPOs there are too many intermediaries in the process, and/or the management fees are too high, which in turn take away from the NPO's economic viability and the funds that are allocated for actual employment creation. This not only needs to be rectified but the initiatives for NPOs need to be massified.

Further constraints for NPOs relate to the lack of opportunities of how to reach economies of scale, the lack of opportunities for training in revenue generation and the need for assistance programmes for NPOs in scaling up so their businesses in order to reduce administrative costs.

Generally, if NPOs have viable business cases to upscale, they should be given the opportunities to do so, as opposed to just this Programme just being seen as once-off assistance.

When it comes to SMMEs on the other hand, which are on the other side of the employment continuum, there have been a number of initiatives within the EPWP space.

7.5.3. Improved Oversight to ensure Accountability in Delivery

The DPWI must introduce a framework and related criteria to enable oversight over the NPO Programme that will be linked to the Monitoring and Evaluation System.

The framework will need to:

- Set criteria and management, sectoral and/or functional parameters within the framework that will enable respective implementing agents to submit business cases for the implementation of various components of the NPO Programme and for the Programme and related work opportunities to be massified.
- Enable the allocation of resources between public bodies and the NPOs, subject to evidence-based reporting at various identified stage-gates, depending on performance.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

7.5.4. Restructured Roles and Responsibilities for Implementing Agents

The NPO Programme is to be extended to more Implementing Agents, assigning them to specific sectors and/or programmes related to the NPO Programme.

Implementing Agents would need to put forward a Business Case to run a specific NPO Programme, motivating their management fee and elaborating on key deliverables – training, revenue generation schemes, reduction in administration costs, introducing economies of scale, etc. Once their business case is approved, the Implementing Agent would be allocated that specific NPO Programme to run at an assigned management fee, with clear deliverables.

7.5.5. SMMEs prioritised in PEPs

Small, micro and medium enterprises (SMMEs) should be given much more priority in the PEP environment. This is especially considering the fact that SMMEs employ 50-60% of South Africa's work force and contribute around 34% of GDP.¹²

Many SMME Programmes in South Africa have, however, had varying degrees of success. EPWP has undertaken several SMME initiatives such as the Vukuphile Contractor Development Programme and Cooperative Development initiatives. Venturing into major massification of these ventures without evaluating these, would however, not be expedient. There is therefore a two-step approach towards prioritisation, including continual engagement with this community, namely:

- Undertake an evaluation of the various historical SMME Programmes to determine the reasons for their successes and failures. Emanating from the lessons learned and best practices, develop criteria and management, sectoral and functional parameters within a SMME Framework that can be applied to new, amended or extended SMME Programmes to enable massification.

¹² International Finance Corporation (IFC)



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

-
- Ensure that the above-mentioned SMME Framework is applicable for all sectors and that it is communicated to the sector coordinators and the SMME community.

7.6. EPWP Policy Position No. 6: Logistics, Governance and Institutionalisation

7.6.1. Policy Position No. 6 Defined

The governance, logistics and institutionalisation of a policy are key elements to a Programme's longevity and sustainability. Policy Position 6 confirms participation within EPWP and elaborates on the compliance requirements for each of the Policy Positions as well as any other elements where there have the various governance matters that need to be confirmed.

7.6.2. Problem / Gap Summation

PEPs that make up the EPWP are implemented by all spheres of government. The role of the EPWP Branch in DPWI is to provide oversight over the entire EPWP, with coordination functions assigned to national departments for sectoral coordination. Public Works provincial departments provide oversight on provincial and municipal EPWP functions. To a large extent, officials undertaking the above functions have been able to perform efficiently and effectively.

Since the inception of the 6th Administration, there has been no standing forum for either the Principals or respective Accounting Officers to specifically focus on the issues confronting PEPs.

Further the DPWI does not have the necessary authority to hold national departments or other spheres of government accountable for non-performance or non-compliance in the delivery of the committed work opportunity targets.

During stakeholder consultations, it was also identified that there is a lack of clear roles and responsibilities for public bodies implementing EPWP.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

7.6.3. Clarification of Participation in EPWP

EPWP targets the poor and unemployed, including South Africans and foreign nationals that are able to work as defined in the Immigration Act 13 of 2002.

Four targeting mechanisms are utilised, namely:

- a. Geographical targeting: as much as possible all EPWP projects should be located in poor communities and recruit workers residing in those communities.
- b. Self-targeting through the EPWP minimum wage where participants self-select themselves to participate in EPWP programmes for the prevailing wages.
- c. Community-based targeting occurs when participants are targeted through community structures for participation in EPWP.
- d. Demographic targeting,¹³ with a specific focus on the youth, women and persons with disabilities.¹⁴¹⁵ It should be noted that the Recruitment and targeting guidelines in EPWP do not set a maximum age limit on programme participation¹⁶.

The criteria upon which participants are chosen include that they:

- a. Are willing and able to take up the offered work;
- b. Can be categorised as poor;
- c. Are unemployed or underemployed and;
- d. Live close to the project area. (Workers from other communities should not exceed 20% of all persons working on a programme)

¹³ EPWP Recruitment Guidelines

¹⁴ The United Nations definition of a person with a disability shall be used.

¹⁵ EPWP demographic targets remain overarching, at the programme level. Different projects will adjust to include different demographic populations – i.e. youth, women and persons with disabilities – depending on the context of the project.

¹⁶ International literature review revealed that this is in line with the global norm, where programmes do not articulate a specific age limit for PEP participation, rather, self-targeting approaches encourage those who identify as "able to work", to participate in PEPs. The Older Persons Act, 2006 states that: "Older persons enjoy the rights detailed in section 9 of the Constitution – particularly they may not be denied the right to (a) participate in community life in any position appropriate to his/her interests and capabilities; and (b) participate in activities that enhance his/her income-generating capacity". Purposefully excluding older persons from EPWP would thus be discriminatory and unconstitutional.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

7.6.4 Governance and Compliance Parameters

The absence of a uniform policy implementation guide SA's PEPs leaves room for fragmentation, non-compliance with EPWP prescripts, duplication and sometimes competition for resources; and inappropriate interference in implementation. It is important to locate clear political and administrative accountability for public employment targets and clear, streamlined channels of communication and coordination across all spheres of government, empowering DPWI to drive the policy direction and implementation in the country.

Policy Position 6 elaborates on the governance structures and institutional framework for PEPs, in order to ensure the streamlined and uniformed implementation of the EPWP Policy, the 6 Policy Positions and the alignment of the various PEP Programmes, as detailed, to the Policy.

7.6.4.1 Oversight Principles of Compliance

The DPWI as the Department responsible for oversight of EPWP will be responsible for determining the principles and parameters for monitoring and evaluation, as well as enforcing the prescripts that come with the responsibilities of such oversight, as detailed below.

- DPWI, National Treasury and relevant departments are to provide the Funding Frameworks for PEP Funding which outline conditions to be complied with. This means that conditional grant frameworks, programme funding rules and formulae need to reflect policy principles, conditions and employment targets that need to be complied with, in order to be eligible for or access subsequent funding tranches. These conditions will be determined not only in the Funding Frameworks but also in terms of the processes as elaborated on in Policy Position No 3.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

- In terms of tender specifications, clear guidelines are to be drafted, workshopped and then uniformly applied, where required labour intensive prescripts must be formally included. Tender Evaluation Committees must then have in their instructions how to evaluate these criteria as part of the bid assessment process. DPWI will work with the Office of Chief Procurement Officer, the Construction Industry Development Board and key stakeholders on these matters. These parameters will be confirmed in terms of the processes as defined in Policy Position No 2.
- Working with the Accountant General to amend the audit prescripts, which will allow for the AG to provide external oversight of public bodies. The monitoring mechanisms and criteria will be confirmed in terms of the processes as defined in Policy Position No 4.

Further, the DEL will ensure that key conditions as included in the Ministerial Determination are complied with by all public bodies in the execution of their Programmes and Sub-programmes.

7.6.4.2 Sectoral and Implementing Body Requirements

Each sector, within the context of the oversight prescripts as detailed above, has to develop functional indicators specific to their sub-programmes, as long as they are within the bounds of the Ministerial Determination and in accordance with the Objective-driven Programmatic Approach Criteria, as determined in Policy Position No 2.

In order to strengthen the institutional arrangements, compliance and implementation of their programmes, key performance indicators must be standardised across all spheres of government.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

It is therefore critical that EPWP targets be included by sectoral coordinating public bodies, implementing public bodies and SOEs at national and provincial spheres of government in their SPs and APPs.

It is critical that EPWP targets be included sectoral coordinating public bodies and implementing at the metropolitan, local and district spheres of government, in their IDPs and SDBIPs.

7.6.5 EPWP Governance Structures

The coordination of EPWP takes place at the different spheres of government. The Table below elaborates on the respective governance structures in EPWP and their roles and responsibilities.

The governance structures detailed below are considered to be an important to take EPWP and PEPs in general forward. They are also considered important in giving effect to this EPWP Policy.

#	Governance Structure	Roles and Responsibilities
DEPARTMENTAL FUNCTIONARIES		
1.	DPWI	- Overall coordinator of EPWP - Provides policy guidance and support for implementation by the different public bodies to the Infrastructure Sector and the Non-State Sector
2.	DFFE	Provides policy guidance and support for the implementation by the different public bodies to the Environment and Culture Sector
3.	DSD	Provides policy guidance and support for implementation by the different public bodies to the Social Sector
4.	Provincial Level	EPWP is coordinated by the Provincial Departments of Public Works



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

#	Governance Structure	Roles and Responsibilities
5.	Municipal Level and District Level	• EPWP is championed by the Mayor at a political level and Municipal Manager administratively • The District Development Model is coordinating mechanism at municipal level.
6.	PMO in the Presidency	• Oversight and coordination of the Presidential Employment Stimulus
PEP GOVERNANCE STRUCTURES		
7.	PEP Inter-Ministerial Committee (PEP-IMC), chaired by the Deputy President ¹⁷	Oversees the implementation of the EPWP across all sectors, enabling the rapid massification of the Programme • Approval of the PEP qualitative and quantitative funding criteria for all funding allocations over the MTEF, in accordance with Policy Position No. 3 • Annual Review of the PEP Criteria • Bi-annual assessment of performance of the EPWP Sectors and Programmes in accordance with the PEP Criteria • Coordinate multiple stakeholders with a key focus on removing blockages at an inter-governmental level • Build Accords and partnerships outside of government where job creation prospects can be enhanced, especially with labour, business and communities • Support innovation in the implementation of PEPs

¹⁷ The PEP Inter-ministerial Committee (PEP-IMC), the governance structure has not convened since the commencement of the 6th Administration. It is, however, proposed to reconstitute the PEP-IMC, along with new membership and new functions, in order to ensure that the EPWP Policy is implemented intersectorally.

The PEP-IMC shall be chaired by the Deputy President and further comprise of the Minister of Public Works and Infrastructure, the Minister in the Presidency, the Minister of Employment and Labour, the Minister of Social Development, the Minister of Fisheries, Forestry and the Environment and the Minister of Cooperative Governance.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

#	Governance Structure	Roles and Responsibilities
8.	MINMEC – EPWP Working Groups	- Minister of Public Works and Infrastructure and all MECs of Public Works coordinate EPWP: - Minister of DFFE and all MECs of Environment and Culture in relation to the EPWP Environment and Culture Sector: - Minister of Social Development and all MECs of Social Development in relation to EPWP in the Social Sector: - To consult, coordinate implementation and align programmes at national and provincial level - Engage and make recommendations to the PEP-IMC on the PEP qualitative and quantitative funding criteria for all funding allocations over the MTEF, in accordance with Policy Position No. 3 - Provide input into the Annual Review of the PEP Criteria - Provide input into the bi-annual assessment of performance of the EPWPW Sectors and Programmes in accordance with the PEP Criteria as well as propose remedial action that can be taken up by the respective MINMEC Working Groups for implementation.
8.	PEP Funding Model and Management Tool Technical Working Group (TWG) ¹⁸	- Development of the PEP Funding Model and Management Tool, which will comprise: - The criteria and related compliance parameters; - The framework for the business case - An e-library of best practices and lessons learned for public bodies to draw from - Submission of the PEP qualitative and quantitative funding criteria for all funding allocations over the MTEF, in accordance with Policy Position No. 3 to

¹⁸ The PEP Funding Model and Management Tool TWG would comprise of senior representatives of DPWI, National Treasury, and the PMO in the Presidency, DFFE, DSD, and DCOG.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

#	Governance Structure	Roles and Responsibilities
		the respective MINMECs for consideration and then to the PEP-IMC for approval • Technical bi-annual assessment of performance of the EPWP Sectors and Programmes in accordance with the PEP Criteria and submit findings and recommendations to the respective MINMECs for consideration and then to the PEP-IMC for approval

7.6.4 Commitment to Up-scaled Employment Creation and Poverty Alleviation

The implementation of EPWP takes place at the different spheres of government. These public bodies each with different needs, population demographics, and resultant priorities. The different public bodies also all have resource constraints to varying degrees of severity.

What every public body does, however, have in common, which we sometimes fail to see, is that there is an ever-increasing unemployment rate, poverty levels are rising and both social and economic inequality issues are still to be addressed. The commitment starts at the highest level and is inculcated in every realm of implementation. The key elements therefore of this revised commitment include the following:

- a. The PEP qualitative and quantitative funding criteria for all PEP funds that are determined under Policy Position No 3 are forwarded to the various MINMECs for endorsement for the MTEF, to be reviewed on an annual basis and then to the PEP-IMC for final approval, prior to implementation.
- b. The performance by the various sectors, national departments, provinces, municipalities and SOEs will then be reported to these same structures on a bi-annual basis. This performance will impact on future allocations.
- c. Municipal protocols and incentive agreements will then be signed in accordance with (a) and (b) above.



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

8 Risk Identification and Mitigation

#	Identified Risk	Risk Mitigation Strategy, i.t.o. EPWP Policy	Potential of Realisation if not Mitigated
1.	Risk of ending up with another set of guidelines, without locating clear points of accountability	- Streamline, refocus and remove where applicable EPWP Programmes that no longer add value to the PEP vision. - Introduction of the Objective-Driven Programmatic Approach and related mechanisms, in relation to the provincial and municipal Incentive Grants Programmes, as detailed in Policy Position No 2 and 3. - Introduction of a Unique, User-Centric EPWP ID System and Electronic, Evaluation and Evidence-based Reporting System, as detailed in Policy Position No. 4.	MEDIUM
2.	The Policy Positions once adopted are not adequately implemented by all stakeholders and enforced	- Alignment of the EPWP Policy to the 7 Key National Priorities, with the focus on poverty alleviation, addressing inequality and sustainable job creation. - Implementation of the Coordination Unit, as detailed in Policy Position No. 2.	HIGH
3.	Risk of viewing the EPWP Policy as something additional as opposed to being the 'reset button'	- Due to the fear of change there is a real possibility that this Policy might find resistance. Due to the world that we live in today, however, we need to embrace change, building on the strengths of EPWP, allowing these strengths to define a future PEP and discarding the weaker elements as we move forward. - This EPWP Policy includes four Policy Positions, each with a Programme of Actions that provide clear, enforceable direction as to the way forward for PEPs	HIGH



*"The best time to plant a tree is 25 years ago...
and the second best time is today"*

#	Identified Risk	Risk Mitigation Strategy, i.t.o. EPWP Policy	Potential of Realisation if not Mitigated
4.	Continued over-emphasis on reporting numbers rather than focusing on the qualitative achievements	- Re-orientation of the recruitment and selection processes to introduce a unique, user-centric EPWP ID Card System for all participants. - Data-driven evaluation and evidence-based system must be introduced alongside the ID System and aligned. This will then enable knowledge management and innovation. - Regular review of the EPWP Policy as to whether the targets are being met and whether the.	MEDIUM / LOW

9 EFFECTIVE DATE

The EPWP Policy comes into effect immediately upon approval by Cabinet.

10 RECOMMENDATIONS

- a. The draft EPWP Policy be tabled at the relevant Government Clusters, FOSAD, MINMECs, Cabinet Committees and Cabinet, for approval to gazette for public consultation.
- b. Upon approval for public consultation, ensure key EPWP stakeholders, including NEDLAC are consulted on the Policy.

_____ /// _____