

**2020**

**REVIEW TO INVESTIGATE THE EFFICACY AND  
EFFICIENCY OF THE EXPANDED PUBLIC WORKS  
PROGRAMME (EPWP) DELIVERY MODEL WITHIN  
THE ENVIRONMENT AND CULTURE SECTOR AS  
PART OF GOVERNMENT'S CRITICAL PROGRAMME  
TO ALLEVIATE POVERTY AND UNEMPLOYMENT**

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**NATIONAL TREASURY**

## **1. INTRODUCTION**

### **BACKGROUND**

In the face of high levels of poverty, unprecedented levels of unemployment and inequality, the Expanded Public Works Programme (EPWP) established in 2004, is positioned as a key programme to contribute to achieving government's goals of halving unemployment, building communities and active citizenship and reducing gaps in the social protection system of the country. Government spending on public employment programmes can reduce poverty directly, by raising the real disposable income of poor households.

The environment and culture sectors' contribution to the EPWP involves employing people to work on projects to improve the local environment through programmes spearheaded by various departments, namely the Department of Forestry, Fisheries and Environment (DEFF); National Department of Tourism and the Department of Energy and Mineral Resources. This sector is led by the DEFF, and builds South Africa's natural and cultural heritage in order to create both medium and long-term work and social benefits. The overarching objective is to create work opportunities while generating useful outputs in the areas of environment, heritage, biodiversity and land care.

Spending on the EPWP represents a significant portion of the DEFF budget, accounting for 44% of the total budget over the medium term. Allocations towards EPWP have increased steadily over the years from R2.2 billion in 2015/16 to R2.9 billion in 2019/20. EPWP spending in DEFF mainly supports skills development, employment creation and infrastructure development, and the development of a market for small businesses in the environment sector and contributes to sustainable development, livelihoods, green and inclusive economic growth.

### **POLICY AND LEGISLATIVE FRAMEWORK**

The EPWP has no overarching legislation but its fundamental values find expression in the Constitution of the Republic (Chapter 2, Section 27(c)), various pieces of environmental legislation, and various policies, strategies and directives of government. Noteworthy, are early policies and strategies of the democratic government on reconstruction and development, revised articulations on macro planning and growth and development strategies, community-based public works, directives and ministerial determinations for special public works programmes, issuing of codes of good practices and minimum standards applicable to the EPWP employment programmes. For the environment and culture sector, there is a range of complementary legislations in terms of the National Environment Management Act (Act 107 of 1998).

### **HIGH-LEVEL ACCOUNTABILITY, INSTITUTIONAL ARRANGEMENTS AND COORDINATION**

The Department of Public Works and Infrastructure (DPWI) is responsible for overall policy coordination of EPWP across four sectors: infrastructure, environment and culture, social and non-state sector. The Minister of Public Works and Infrastructure is the overall champion for EPWP and provides policy leadership and direction on the design, framework and implementation of the EPWP. The EPWP branch within the Ministry of Public Works and Infrastructure is responsible for:

- overall coordinating and implementing support,
- developing funding frameworks,
- providing technical support to participating public bodies and monitoring & evaluation,

- training and enterprise development components of the EPWP programme.

At national level, the Public Employment Programmes Inter-Ministerial Committee (PEP-IMC) chaired by the Deputy President is the highest decision-making structure on EPWP. The PEP-IMC, which consists of ministers and/or deputy ministers from relevant ministries, oversees the planning, coordination, effective implementation, management and progress reporting on EPWP.

The Minister of Public Works and Infrastructure also chairs an executive committee comprising relevant ministers and deputy ministers. It is the subset of the IMC and supports the IMC. The main functions of the forum involve providing political leadership and oversight on how EPWP is implemented, mobilising political support, ensuring programme resourcing, intervening to remove bottlenecks in the programme implementation, assessing intergovernmental relations protocols and performance against targets, and addressing political issues of the programme.

The National Coordination Committee (NCC), is the primary structure for coordination across spheres. It is a technical IMC, convened by the Deputy Director-General (DDG) of EPWP and comprises national EPWP senior managers, national sector coordinators, provincial coordinators, senior managers of public institutions which implement and support EPWP. Its aim is to ensure greater synergy amongst PEPs, and other poverty alleviation, enterprise development and skills development programmes. The NCC facilitates linkages across sectors and resolves cross-cutting issues such as planning; implementation approaches; monitoring, reporting, evaluation and audit queries and; accessing training. The policy/design changes it proposes are reviewed by the PEP-IMC. The NCC reports the progress on programmes implementation to the Minister of the Department of Public Works. The other two structures take the form of a steering committee to address specific issues faced at the provincial or municipal level.

The National Sector Coordinating Committee (NSCC) is the forum in charge of the sector coordination affairs. It is convened by the sector lead departments and comprises sector departments at both, national and provincial level. They oversee the activities of the entire sector and provide technical oversight. The NSCC serves as the highest decision-making body in the coordination and reporting of sector specific programmes/projects. The NSCC facilitates sector dialogue on performance and quarterly implementation progress. It is also instrumental in enabling the creation of an environment for information sharing across the sector departments and other key stakeholders. The NSCC reports to the NCC.

- Other committees and bodies involved in planning, implementation and coordination include:
  - The Sphere and Sector Steering Committees – dealing with planning and implementation on the ground.
  - Sphere Incentive Programme Management Teams – specifically coordinating the implementation of the EPWP incentives.
  - Sector Programme Management Teams (PMTs) – operating at national and provincial levels, regarded as a technical advisory committee and comprising DPW, National Treasury, and all other participating national departments.

Directors-General Steering committee – consisting of sector lead departments, National Treasury, Departments of Labour, Public Enterprise and Provincial and Local Governance; commissioned to receive progress reports and address bottlenecks in implementation

## 2. PROBLEM STATEMENT

The Expanded Public Works Programme (EPWP) established in 2004, is positioned as a key programme to contribute to achieving government’s goals of halving unemployment, building communities and active citizenship and reducing gaps in the social protection system of the country. The environment and culture sector’s contribution to the EPWP involves employing people to work on projects to improve the local environment through programmes spearheaded by various departments, namely the DEFF; National Department of Tourism and the Department of Energy and Mineral Resources. The sector is led by the DEFF, and builds South Africa’s natural and cultural heritage in order to create both medium and long-term work and social benefits. It is important that the programme is delivered efficiently and effectively. However, it is difficult to achieve this as the programme:

- is excessively bureaucratic and red-taped in its management;
- projects are largely outsourced using atypical processes to deliver services, and
- is broad in its definition of goals as there is the need to shape projects to various local circumstances/needs.

The aim of the review is to understand whether and how the service delivery model can be optimised and to work with the Department of Environment, Forestry and Fisheries to implement the necessary changes, possibly to be replicated elsewhere.

## 3. HOW DOES THE INCENTIVE GRANT WORK?

The DEFF participates in the implementation of the broader EPWP as mandated by the National Government using the Environmental Programmes Branch as a vehicle for delivery. The Environmental Programmes Branch consists of three Chief Directorates namely, Environmental Protection and Infrastructure Programme (EPIP), Natural Resource Management (NRM) with the Information Management and Sector Coordination (IMSC) playing a supporting role.

EPIP seeks to address environmental challenges and through these interventions empower individuals involved in and participating in the programme. EPIP is implemented through seven focus areas that seek to mirror the functions of the Department in terms of both the mandate and the projects funded. The EPIP Programmes are implemented through the following seven focus areas as shown in the table below:

**Table 1: EPIP focus areas**

Focus Area	Description / Type of project	Owning Entity	Type of Service Provider
Working on Waste (WoW)	Examples of the types of projects in this focus area include development of landfill sites, buy-back centres and recycling facilities, street cleaning, domestic waste collection and youth jobs in waste	Municipalities	Private Companies / Construction Industries Development Board (CIDB) Graded Companies
Working for the Coast (WftC)	Examples of the types of projects in this focus area include rehabilitation of coastal degraded areas, dune rehabilitation, invasive alien clearing along the coast, infrastructure	Municipalities and State Entities	Private Companies / Construction Industries Development Board (CIDB) Graded Companies

	development and maintenance and implementation of estuary management plans.		
Working for Land (WfL)	Examples of the types of projects in this focus area include land rehabilitation, land restoration and curtailment of bush encroachment within the inland areas and biomes.	Communities, State Entities, Municipalities	Project Management Companies
People and Parks (P&P)	Examples of the types of projects in this focus area include conservation related projects, development and upgrading of infrastructure in and around protected areas, development of commercial assets for communities living around parks and protected areas, support to subsidiary industries and support to the development of BEE/SMME initiatives complementary to the protected areas.	State Entities	Public Entities Private Companies / Construction Industries Development Board (CIDB) Graded Companies
Biodiversity Economy (WE)	Examples of the types of projects in this focus area include game ranching and breeding facilities, hunting outfitters, venison processing, bio-trade and bio-prospecting and environmental monitoring.	Communities, State Entities, Municipalities	Public Entities/ Private Companies / Construction Industries Development Board (CIDB) Graded Companies
Greening and Open Space Management (GOSM)	Examples of the types of projects in this focus area include development and rehabilitation of environmentally friendly recreational parks, development of nurseries, tree planting, construction of environmental education centres, alternative/greener technology initiatives and development of management plans.	Municipalities	Private Companies / Construction Industries Development Board (CIDB) Graded Companies
Youth Empowerment Programmes	Focus on empowering the youth through skills development as well (accredited and accredited)	Municipalities	NGO's/ NPO's, Public Education Institutions, Private Colleges,

The NRM Programmes target certain categories of people, specifically, the previously disadvantaged, i.e. women, youth and people with disabilities. The NRM Programmes objectives are to enhance the rehabilitation and maintenance of natural ecosystems and the delivery of ecosystem services; job creation; skills development; and strengthening support for SMMEs.

The NRM Programmes contribute to investments in the rehabilitation and maintenance of natural resources (ecological infrastructure) to enhance the security and delivery of biodiversity and ecosystem services and to improved socio-economic benefits within the environmental sector public employment programmes through the Environmental Programmes (EP) Branch's participation in the government's EPWP. The NRM Programmes address the threats to the productive use of land and water, and the functioning of natural systems, by invasive alien species, wildfires and land degradation, as well as the opportunities for value-added industries (including fiber and furniture production), whilst ensuring meaningful livelihood opportunities are supported for those employed in doing this work. The NRM Programmes are implemented through the following six focus areas as shown in the table below:

**Table 2: six focus areas of the NRM programme**

Focus Area	Description / Type of project
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Working for Water (WfW)	The programme aims to improve the integrity of natural resources by preventing the introduction of new invasive species; and, management of the impact of established invasive alien species.
Value-Added Industries (VAI) and Working for Forests (WfF)	The programme promotes the conversion of invading alien plant stands, and degraded Category B and C state forests, into usable assets for meeting basic community needs as well as sustainable forestry land-use practices. The programme seeks to make optimal use of the biomass cleared through the NRM programmes, mulch, generation, production of school desks, eco-coffins, composite and other fiber-based products for building and rehabilitation work, and bio-renewable energy.
Working for Ecosystems (WfEco)	The programme aims to rehabilitate the composition, structure and function of degraded land, thereby enhancing ecosystem functioning, such as carbon sequestration, water regulation and purification.
Working for Wetlands (WfWet)	The programme seeks to protect, rehabilitate and enhance the sustainable use of South Africa's wetlands.
Working on Fire (WoF)	The programme aims to enhance the sustainability and protection of life, livelihoods, ecosystem services and natural processes through integrated fire management.

**IDENTIFICATION OF PRIORITY/FOCAL AREAS**

On the EPIP the department sources projects to be considered for implementation from DEFF branches, public(?) entities and the community based on the budget allocated by National Treasury. The project proposals received are assessed to ensure that they are in line with the DEFF mandate and allocated budget prior to being accepted for implementation. The CD: EPIP presents the status, needs, objectives and the criteria for sourcing new project proposals to the executive management of the Department which consists of the Director-General, Deputy Directors-General, Chief Directors and Directors with branches represented and expected to provide inputs and comments regarding their identified priorities. Based on the available financial resources and the inputs by the different branches, DDG – EP must establish and approve the Focus Area Specifications and Evaluation Committee (FASEC) prior to projects being sourced. The committee must consist of EPIP officials and branch representatives. The committee shall be responsible for developing Terms of Reference (TOR)/specifications for project application requirements. These requirements must be clearly defined per focus area and include the supporting documentation required for each application.

Once the approval by the executive is obtained, the office of the CD: EPIP will arrange a briefing session for potential and interested people. During the briefing sessions, the following minimum information is made available: application process, qualification criteria, how to access the system, types of projects to be funded and call centre contact details. During the briefing sessions stakeholders are provided electronically with all relevant documents for reference purposes when applying. After all the briefing sessions have been conducted, advertisement for project proposals using the most applicable media with a particular bias to provincial newspapers providing a detailed specifications drawn up by FASEC clearly indicating the scope of work for project application, the functionality and the evaluation criteria. The application form for each focus area outlining details of the Departmental priorities with a view to ensure that the Departmental priorities are understood for evaluation purposes will be developed and be approved by the management

of EPIP. The evaluation criteria reflected in the table below will also be considered during the evaluation process:

**Table 3: EPIP evaluation criteria**

Criteria	Points
The extent to which the application addresses the departmental priorities	30
Contribution to economic and rural development	30
Labour intensity	30
Spatial distribution with reference to local municipalities	10
Total	100

Regarding the NRM, the responsible CD engages in several processes to refine and highlight the various biophysical and socio-economic criteria to identify priority localities for interventions to be done. The criteria utilised are shaped around the outcomes of the NRM Programmes. The department uses this prioritisation to identify projects to be considered for implementation through a public tender process and in line with the identified Departmental priorities.

A Prioritisation Committee is established where representatives from the relevant departmental branches, relevant partner Departments, DEFF Entities and Research Institutes are invited, subject to their availability, in addition to the appropriate NRM staff. Spatial frameworks for evaluating future investments are developed through consultation with relevant experts, and input datasets are arranged into a well-structured hierarchy with relevant criteria. A matrix is developed through an overview of the objectives of each programme to identify which datasets are relevant for achieving the programmes' objectives. The final matrix identifies important datasets and criteria and their applicability for assessing each of the NRM programmes. The prioritisation is reviewed annually, or more frequently if required, to ensure ongoing refinement and updates based on best available information and Departmental priorities.

The bullet points below summarises the current aspects taken into account to identify areas where priority NRM interventions are required. The level and scale at which we roll out NRM interventions at a site-specific scale are done through defining Management Units (MUs). It is important to note that NRM engages with several institutions to update and review priorities on an ongoing basis as better baseline information comes to light:

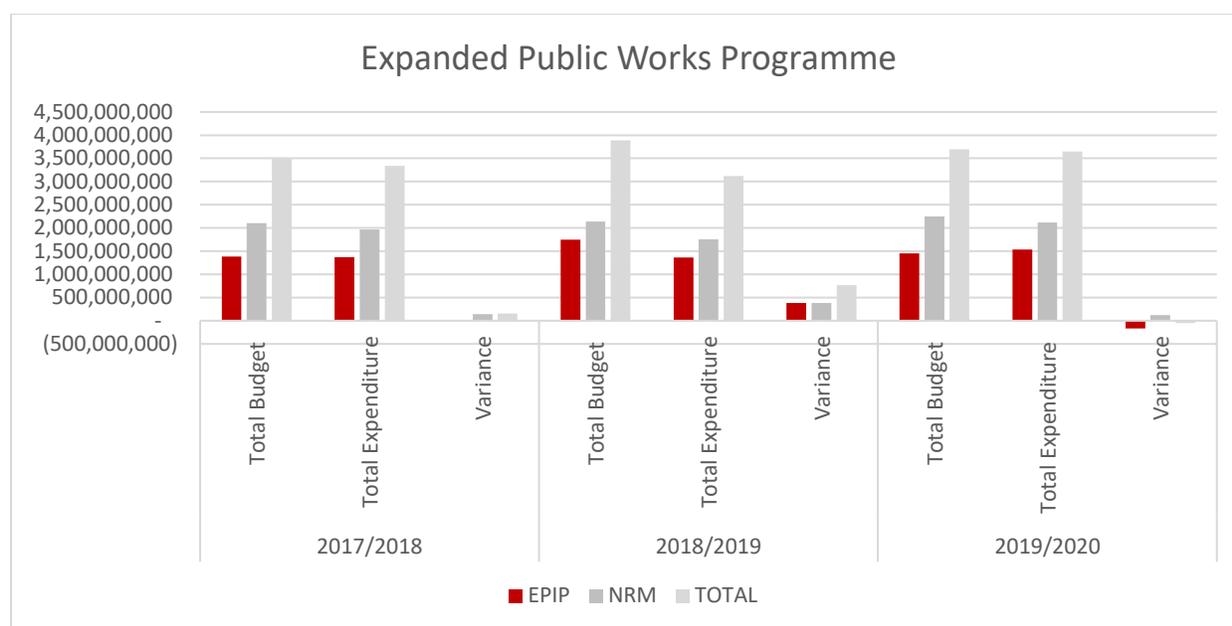
- Local Poverty and Unemployment, Local Household Income and Mean Living Level of Income
- Biodiversity
- Ecosystem-based Climate Change Mitigation and Adaptation
- Watershed services
- Fire Risk and vulnerability
- Problem Species (Invasive Alien Species & bush thickening) and Erosion

#### 4. EXPENDITURE ANALYSIS AND DATA PRESENTATION

##### OVERALL EXPENDITURE ANALYSIS

The jobs and work opportunities were made available through projects and initiatives that focus on: restoring and rehabilitating degraded ecosystems (environmental protection and infrastructure programme); expanding the conservation estate (Working for Ecosystems); protecting, restoring and rehabilitating wetlands (Working for Wetlands); protecting water resources (Working for Water); and managing land use sustainably (Working for Ecosystems).

Figure 1: Expanded Public Works Programme performance vs. annual allocations



The figure above reveals cumulative three-year target (April 2017-March 2020) and the EPWP spending for Phase 3 which amounted to a total of R10.1 billion for the creation of 201 648 work opportunities and 85 360 Full Time Equivalents (FTEs) and the programme has spent 91.6 per cent of the projected spending of R11 billion. By the end of the 2019/20 financial year, a total of 85 360 FTEs were reported which is 81.2 per cent against the 95 734 annual target. The programmes has an overall shortfall of 10 374 FTEs towards achieving its set three-year target by end of Phase III implementation, and a total of 201 648 work opportunities were reported which is 97 per cent against the 208 366 annual target. The programmes has an overall shortfall of 6 718 work opportunities towards achieving its set three-year target by end of Phase III implementation.

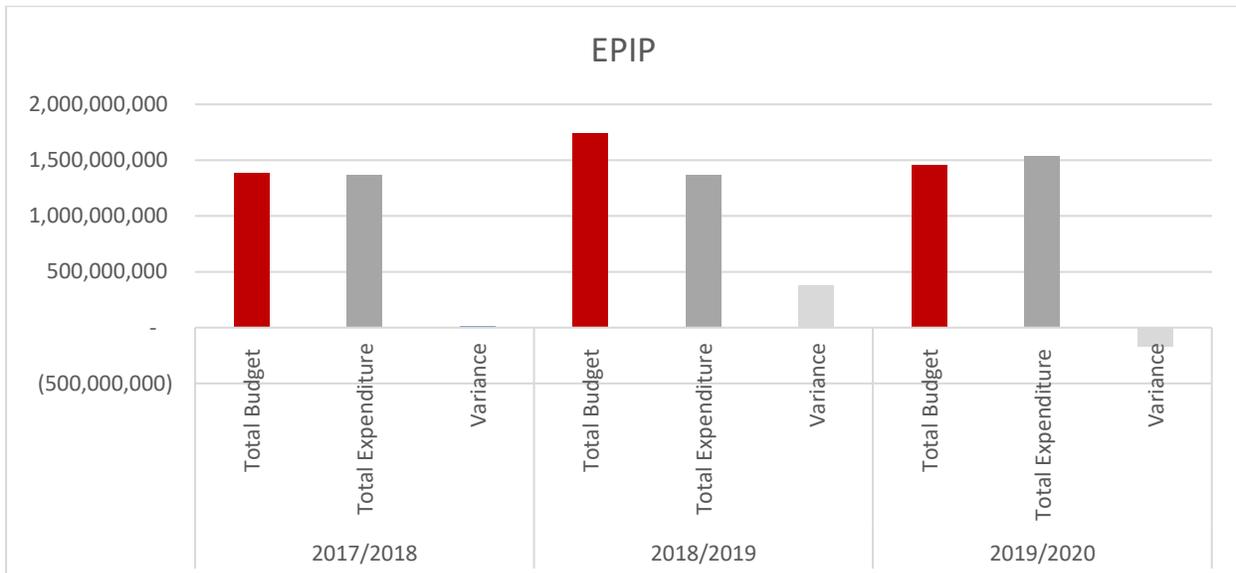
Table 4: Full Time Equivalents and work opportunities created

	2017/18		2018/19	
	Target	Achieved	Target	Achieved
Full Time Equivalents	71,684	28,343	26,929	39,991
Work Opportunities created	38,140	71,945	75,043	67,364
Women	39,426	38,670	41,274	36,819

Youth	46,594	47,052	44,265	48,778
People with Disabilities	2,500	220		

During the 2017/18 financial year, 28 343 FTEs were created, 71 945 work opportunities created percentage of Women - 53.75% (38 670); Youth – 65.40% (47 052); People with Disabilities: 220 (Limited number of new projects implemented in 2017/18 to enable achievement of targeted numbers and also challenges with implementers with verification process to enable accurate reporting) in 2017/18 against targets of 71 684 (Women - 55%; Youth - 65% & People with Disabilities - 3%), and 38 140. During the 2018/19 financial year, 39 991 against 26 929 of Full Time Equivalent (FTEs) were created; 67 364 of work opportunities were created (36 819 women – 54.66% of work opportunities) against the target of 75 043; and Women: 41 274 (55% of work opportunities) actual and 48 778 (65% of work opportunities created) against 44 265 youth benefited from implementation of Environmental Programmes (44 265 – 66% of youth benefited from implementation of Environmental Programmes) (48 058 work opportunities were created for youth - 71.34%).

**Figure 2: Environmental Protection and Infrastructure Programme performance vs. annual allocations**



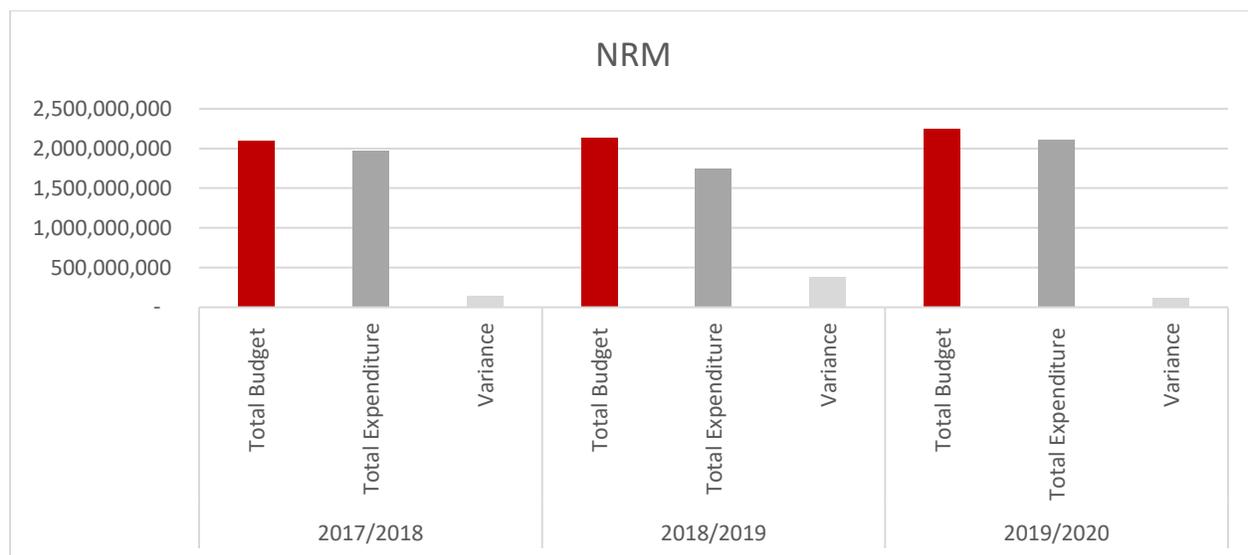
**Table 5: Environmental protection and infrastructure programme budget allocations**

Environmental Protection and Infrastructure Programme	Budget Allocation	Virement	Expenditure	Under/(over) expenditure
2017/18	R1,4 billion		R1,398 million	14,8 million
2018/19	R1,7 billion,	R20 million	R1,4 billion	R380,1 million

2019/20	R1,463 billion	(R10 million)	R1,534 billion	(R169,2 million)
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In 2017/18, EPIP had a budget (transfer) of R1.4 billion, but underspent by R14.8 million or 1.1 per cent. In 2018/19, EPIP had a budget of R1.7 billion, subsequently supplemented by a R20 million virement, but total expenditure amounted to R1.4 billion resulting in underspending of R380.1 million or 21.8 per cent. In 2019/20, the EPIP programme had a budget R1.463 billion minus virement of R10 million, total expenditure amounted to R1.534 billion at the end of the financial year translating to an overspending of R169.2 million or 11.6 per cent.

**Figure 3: Natural Resource Management performance vs. annual allocations**



**Table 6: Natural Resource Management performance**

Natural Resource Management performance	Budget Allocation	Virement	Expenditure	Under/(over) expenditure
2017/18	R2,1 billion		R2 billion	R140 million
2018/19	R2,1 billion		R1,8 billion	R385,2 million
2019/20	R2,2 billion	R11 million	R2,1 billion	R119,4 mllion

In the financial 2017/18 the NRM programme had a budget (transfer) of R2.1 billion., total expenditure amounted to R2 billion at the end of the financial year translating to an underspending of R140 million or 6.6 per cent. In the financial 2018/19 the programme had a budget (transfer) of R2.1 billion., total expenditure amounted to R1.8 billion at the end of the financial year translating to an underspending of R385.2 million or 18 per cent. In the financial 2019/20 the programme had a budget (transfer) of R2.2

billion plus virement of R11 million, total expenditure amounted to R2.1 billion at the end of the financial year translating to an underspending of R119.4 million or 5.3 per cent.

## COST DRIVERS

Table 7: Cost drivers

COST DRIVERS EPIP		2017/18		2018/19		2019/20	
Item Level 3	Item Lowest Level	Current Budget	Total Expenditure	Current Budget	Total Expenditure	Current Budget	Total Expenditure
<b>GOODS AND SERVICES</b>	Biocontrol Services	-	-	-	697,736,716	2,416,550,000	1,274,935,813
	Waste Services	-	-	-	-	303,575,000	44,754,765
	Fire Services	-	-	-	-	-	-
	Management/ Handling Fees	-	69,930	-	21,029,461	-	37,942,732
	Train & Development :Non-Employees	-	-	189,000	284,685,360	55,000	318,669,017
	Consultants: Business & Advisory Services: Account & Auditors	5,000,000	1,896,042	20,001,000	16,287,394	308,945,000	13,480,083
Total		<b>5,000,000</b>	<b>1,965,972</b>	<b>20,190,000</b>	<b>1,019,738,931</b>	<b>3,029,125,000</b>	<b>1,689,782,411</b>
<b>DEPARTMENTAL AGENCIES &amp; ACCOUNTS</b>	ISIMANGALISO WETLAND PARK	100,000,000	100,000,000	111,650,000	111,650,000	74,516,000	169,196,094
	SA NAT BIODIVRSTY INSTITUT(SANBI)	75,000,000	75,000,000	79,350,000	79,350,000	82,524,000	104,544,000
	SA NAT PARKS	208,768,000	208,768,000	104,549,000	104,549,000	108,730,000	266,547,936
	SA WEATHER SERVICE	35,000,000	35,000,000	37,030,000	37,030,000	78,515,000	83,515,000
Total		<b>418,768,000</b>	<b>418,768,000</b>	<b>332,579,000</b>	<b>332,579,000</b>	<b>344,285,000</b>	<b>623,803,030</b>
<b>HOUSEHOLDS (HH)</b>	SKILL DEV&TRAIN PROGRAMME	2,662,691,610	2,574,598,434	3,185,247,874	742,442,184	7,127,155	1,651,848
Total		<b>2,662,691,610</b>	<b>2,574,598,434</b>	<b>3,185,247,874</b>	<b>742,442,184</b>	<b>7,127,155</b>	<b>1,651,848</b>
Overall Total		<b>3,086,459,610</b>	<b>2,995,332,406</b>	<b>3,538,016,874</b>	<b>2,094,760,116</b>	<b>3,380,537,155</b>	<b>2,315,237,288</b>

The households' component on skill development and train programme deals with training of beneficiaries to be environmental monitors through the NRM and EPIP takes much of the allocated budget of the EPWP within the department to equip the beneficiaries with the necessary skills required. The other cost driver within household includes Youth Environmental Service targeted at training and placement of environmental workers, and it is DEFF's response to the needs of the National Youth Service Programme. It is focused on equipping youth with skills related to environmental management, meeting the dual goals of addressing youth unemployment, and encouraging the participation of the next generation in environmental management. The household expenditure constitutes an amount of R3.3 billion or 33.7 % of the overall spending for the period under review between 201/18 to 2019/20.

## THE ASSET VERIFICATION

The asset verification exercise was conducted by DEFF aimed at assessing three issues. Firstly, whether the assets or services which had been delivered by DEFF EP Branch between 2012 and 2016 were still in existence or the services were still being delivered at the time of the study in 2017. Secondly, to assess the quality of the assets or services delivered. The third purpose was to assess if the assets and services delivered were serving the purpose for which they were intended.

Assets refers to physical infrastructure delivered and Services refers to interventions such as invasive alien species clearing or waste removal.

- The study reviewed 161 projects with a total of 436 assets or services delivered across all the sub-programmes. It found that 92% (400) of those assets/services were still in existence or being serviced. Of the remaining 8% (=36) of assets and services no longer in existence/nor being serviced, the largest numbers were from Greening and Open Space Management (GOSM) (10) (28%) and WfW (7) (19%). The 8% relates to assets and services delivered on behalf of owning entities and the findings reflect an inability of the owning entities to fulfil their responsibilities. The study further probed the quality of the asset or service delivered and found that the majority were in good condition (87%). The 13% which were not in a good condition were overwhelmingly as a result of non-maintenance (81%) followed by vandalism (19%). The findings reveal that 82% (352) of the assets and services were still be used for the intended purpose. Of the 18% (80) which were not being used for the intended purpose most of these were in respect of 4 sub programmes namely GOSM (24), People & Parks (P&P) (19), WoW (15) and WfW (12).
- The major weakness of the DEA EP Branch EPWP programmes is that the programme has not defined outcome indicators across its programmes and therefore this has created challenges for measurement.
- Selected DEA sub-programmes have invested resources in knowledge generation through commissioning research and in engaging with communities of practice to ensure evidence-informed planning and use of best practices. This principle must be entrenched across all sub-programmes.
- Finally, DEA EPWP programme has contributed to the development of innovative models for ecological promotion and protection, has found synergies in addressing invasive species clearance together with value added industries, has developed green technologies which are globally acclaimed and is serving as an international good practice model for environmental public employment programmes.

These relate to assets and services delivered by DEA EP Branch on behalf of owning entities and the findings reflect an inability of the owning entities to fulfil their responsibilities of sustaining the environmental investment made. (Source: Evaluation of DEA EP Branch EPWP Sub-programmes 2019-06-11).

## REVENUE

### Value-added Industries: Working for Energy, Eco-Furniture

The initiatives are essentially downstream activities, using the materials generated out of the Working for Water and other alien clearing activities. They are viewed as value added industries, using biomass generated from invasive aliens clearing, which would otherwise simply be burnt or otherwise disposed of. In addition, the removal of biomass material following clearing helps to reduce the environmental risks of leaving the material onsite, including the risk of fire or flooding.

The WfE programme uses the biomass to generate energy, such as through biogas digesters, and create associated job opportunities. WfE is primarily a pilot initiative at the moment, and ultimately this is a job-creation opportunity which should be managed and developed primarily by the Department of Energy. The Eco-Furniture programme uses the biomass cleared through the Working for Water programme, to make furniture, with a particular emphasis on the needs of disadvantaged schools, including school desks, benches and other furniture. The programme build on the range of products that are possible, such as meeting the needs of hospitals, clinics, community centres and other needs, and including the provision of the established Eco-coffins across the country.

Concerns have also been raised about the ability of a subsidized operation to compete with the private sector, and the sustainability of the initiative if that is the case. Should the interest of the EP be on identifying downstream uses for the by-products of the WfW programme, or is the purpose of the EP funds to subsidize jobs in the furniture industry? Our analysis suggests that EP's role should be limited to short-term demonstration purposes, and other sector partners be identified to oversee future employment opportunities which might arise.

Both the working for Energy and Eco-furniture initiatives are not sub-programmes in their own right. They only fit with the theory of change in the sense that they are creating incentives to use harvested alien invasive timber. They are downstream value-added initiatives, intended to derive additional value from the (otherwise) waste material that is derived from the invasive-alien clearing activities, and to reduce the risks of leaving cleared material on site. While it makes sense for some level of subsidy during the pilot or demonstration phases, care needs to be taken that there is no long term subsidization of this activity. If the alien material does have real economic value, the eventual income stream (from furniture production or energy sales) should cover any costs involved in transporting, or otherwise processing the material into its final use, including employment costs. Through the commercial sale of those product the EP generate revenue that get to be deposited to the NRF. (Source: DEA – Design evaluation of Environmental Programmes – Final report).

#### **Figure 4: EPIP Budget vs Expenditure**

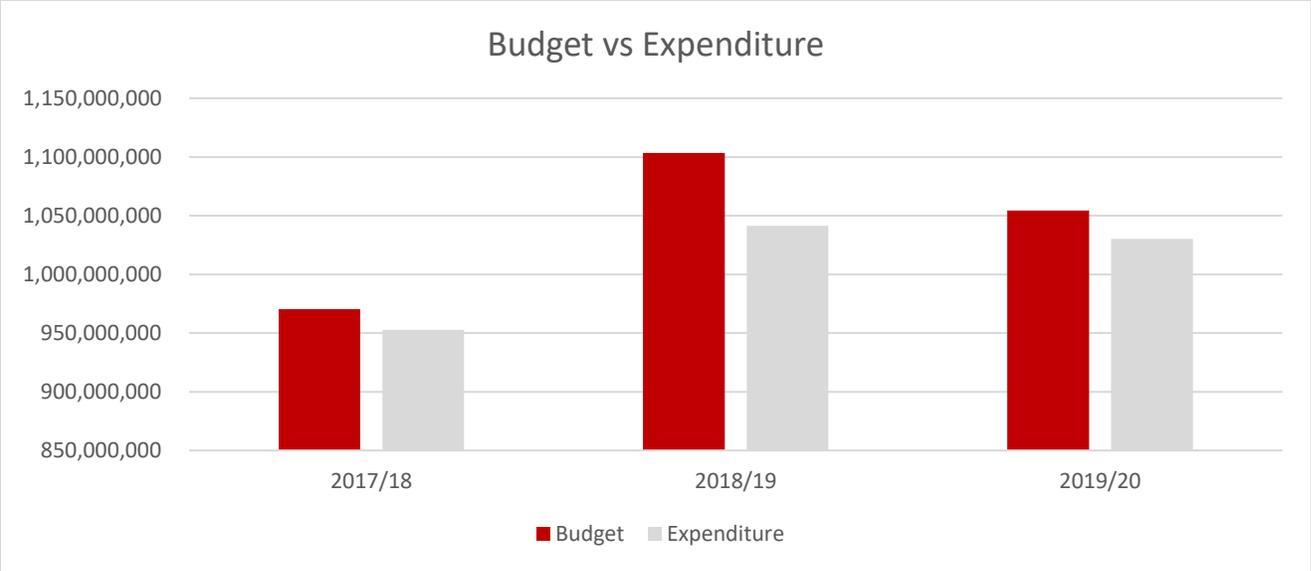


Figure 5: EPIP FTEs vs Work Opportunities

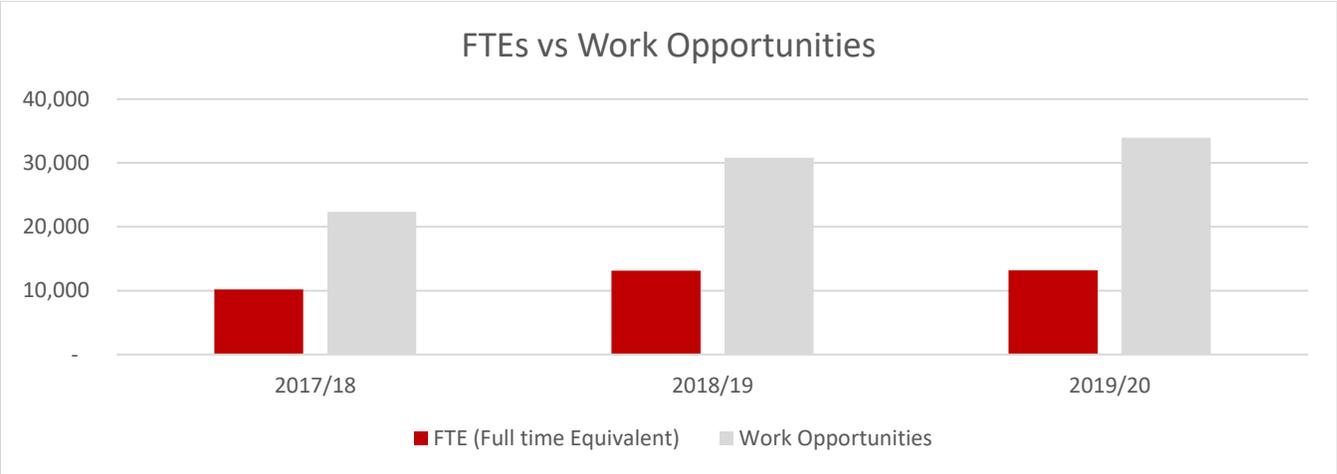
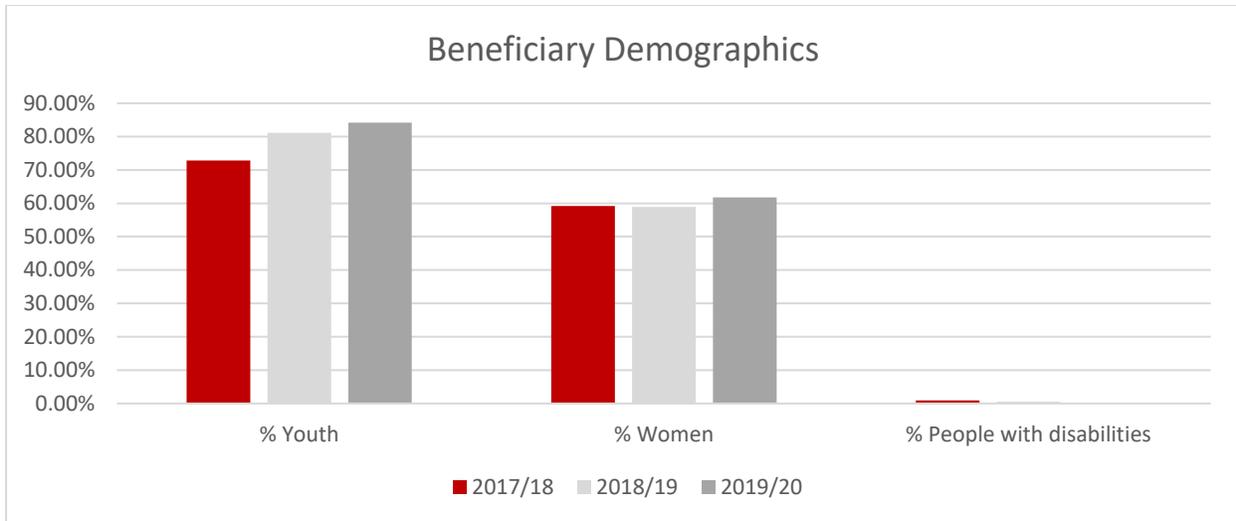


Figure 6: EPIP Beneficiary demographics



Within the EPIP programme, the issue of unemployment has been an issue but given the years of participants participating in the programme without exiting, the issue of employability was then explored and a number of training interventions were identified for a focused training interventions which culminated to a total of 21 366 participants that were trained. This contribution comes from focused training interventions e.g. Mass Training and Youth Environmental Service.

The workforce profile for EPIP participants is as follows even though the programme has struggled to meet the target of PwD:

- 90% of the employed people should be local;
- 60% of employed people should be women;
- 65% of employed people should be youth (18-35 years);
- 2% of jobs should be reserved for people with disabilities.

**Table 8: An illustration of the budget breakdown within EPIP**

Budget Breakdown	2020/2021	2021/2022	2022/2023
Budget	R 569 730 000	R 1 053 538 000	R 1 094 695 000
Opex (Deduction)	R 68 367 600	R 126 424 560	R 131 363 400
Project Budget	R 501 362 400	R 927 113 440	R 963 331 600
% SPWP Wages	40%	40%	40%
Cost of Wages	R 200 544 960	R 370 845 376	R 385 332 640
Daily Rate	R 110	R 115	R 115
Person Days	1 823 136	3 224 742	3 350 719
Annual Days	230	230	230
WO	15 853	28 041	29 137
FTE	7 927	14 021	14 568
<b>Cost Per FTE</b>	<b>R 71 875</b>	<b>R 75 142</b>	<b>R 75 142</b>

Cost Per Work Opportunity	R 35 938	R 37 571	R 37 571
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The direct or indirect costs are determined by the number of full time equivalents (FTEs) measured against the budget allocated for projects as well as the duration for employment. The table illustrates the cost per work opportunity in the EPWP projects. The wage allocation varies based on the nature of the project but the 40% as an allocation to the wage is the bare minimum. It must be noted that these are projected values based on the budget breakdown for the period 2020/21 to 2022/23. The actual data on previous performance is not yet available.

The daily rates to be paid to EPWP participants is guided by the Ministerial Determination that is gazette by the Department of Labour & Employment and it stipulates the annual minimum rates that can be paid to the participants, currently average of R110 per day is aid for EPIP participants. The different programmes by different departments are paying different rates which at times lead to potential conflicts as these projects are implemented under one umbrella.

The funds spent on EPWP have yielded positive results from the socio-economic and environmental dimensions in that they have created job opportunities in all the projects implemented while contributing towards protection of environmental assets and services delivered. The other objective for most of the impact evaluations was to assess the impact of the programme from the environmental perspective. The DEFF EPWP programme has been reported to have brought environmental protection to the national agenda and as a result has leveraged substantial investments in environmental protection. It has further addressed a critical priority of investments in environmental protection in the context of scarce resources and massive levels of environmental degradation which has impacts on sustainable ecosystems and livelihoods. The programme also extended its reach in implementation of environmental protection interventions at provincial and local government level.

## 5. WHAT IS CHANGING IN THE SERVICE DELIVERY MODEL?

For Phase IV of the Environment and Culture Sector the department used the following assumptions for target-setting:

- Baselines were estimated based on past expenditure (EPWP system data was used). The figures were later confirmed or amended by public bodies when they receive their final allocation letters.
- Targets were primarily based on past performance (performance and baseline data of 2017/18 were used) of participating public bodies at all spheres of government.
- Targets were first allocated to national and provincial departments with an E&C mandate, and then to municipalities.
- All existing (2017/18) participating E&C public bodies were to be allocated a target.
- Provincial and local government sphere targets should be aggregated to individual public bodies.

The department has initiated the following support strategies:

- *Convergence with the Non-State Sector* - there is recognition that similar activities can be undertaken by several different programmes, and that the key role of the EPWP Unit and EPWP staff in line departments, is to facilitate this work, rather than create barriers due to confusion over ownership of the work opportunities created. The Strategic Planning for EPWP 4 identified the need for the EPWP Unit to identify ways of dealing with “convergence” – that is the reality that there are many EPWP initiatives in one geographic area, implemented by a wide range of service providers.
- *E&C Sector’s Planned Technical Support Programme* - sector expansion is necessary to meet the high-level EPWP targets; therefore, both performing departments and new programmes will need technical support to implement expansion strategies so that project selection is more appropriate, project design maximises labour intensive work, and that EPWP goals and programme outputs are better managed.

The sector aims to establish a subcommittee that will:

- Specifically determine basket of specialised implementation support services that may be offered
- Identify the public bodies needing support and engage on the type of support needed
- Plan the implementation of the needed support

How the necessary support will be sourced, procured and deployed.

## 6. PROJECT-LEVEL ISSUES

### SELECTION OF PROJECTS

The Department has a central procurement function which forms as a base for all DEFF branches. The CDs determine the need to call for tenders to outsource work to service providers based on the requirements for successful NRM and EPIP project implementation with an approval from the DG for the calling of tenders to outsource work to service providers (SPs). Standard requirements are developed in line with the Department’s SCM requirements to target certain categories of people previously disadvantaged, including women, youth and people with disabilities. This is done to promote inclusive economic growth, social and skills development and job creation. A response from SPs that fails to meet any pre-qualifying criteria stipulated in the TORs will not be accepted. Plans should apply strategic sourcing (as part of market analysis of demand management) principles to determine the optimum manner in which to acquire the required goods, works or services which will entail amongst others, the following:

- Confirm that sufficient funds have been allocated for the procurement of the required goods, works or services, with the finance department.
- Considering the optimum method to satisfy the need.
- Establish the frequency of the requirements.
- Establish the lead time required by the potential suppliers to deliver, taking into account their geographic location and capacity.

In performing an industry analysis/commodity analysis, SCM Unit must take into account B-BBEE and transformation objectives and set targets on Black youth; Black women; Black people with disabilities; Black people living in townships, rural or underdeveloped areas; and Black military veterans.

TOR and specifications will be developed for the appointment of SPs for Job creation and Development projects. A committee with specialists for the relevant focus areas will develop the TOR and specifications and will have the necessary project management, planning, development, training, and capacity development experience. The determination of observable characteristics and a user specification that describes the result that is to be achieved and how compliance is to be tested must be noted by the committee. The following project specification guidelines should be applied:

- Technical specifications must afford equal access for all SPs.
- Specifications must not create unjustified obstacles to competitive tendering.
- Specifications must promote competition.
- Specifications must define characteristics required of service, work, material or products.
- Specifications must be linked to the purpose for which they are intended.

Below is a NRM Tender Framework that will guide by bidders wanting to tender;

**Table 9: Tender Submission Framework**

No	Description
1	Name of priority tender category/categories .
2.	Geographic locations of the project – selected Management Units (MUs) must be listed as per maps supplied by the NRM, and presented in image form.
3.	Project window of Medium Term Expenditure Framework (MTEF) period.
4.	Name and contact details of the Service Provider and contact person.
5.	An explanatory introduction to the proposed project.
6.	Explain the overall desired purpose and outcome from the project, vision and objectives (what the project intends to achieve).
7.	Clarify key focus areas addressed within the respective project category/categories.
8.	Submit “Bidding Tool: Job Creation and Development Budget Profile” in the prescribed format (hard copy and MS Excel electronic copy)
9.	Submit “DEFF Budget Summary” (hard copy and MS Excel electronic copy)
10.	Indicate beneficiation of resource-poor communities where applicable. SP must indicate the estimated number of households likely to benefit from project and SMMEs to benefit from project procurement.
11.	If applicable, indicate how private sector investment/s and other resources may be unlocked. Secured or potential third parties must be listed and letters of support or formal agreements should be attached.
12.	Legislative tools to unlock third party resources and/or support - must show regulations that will enhance participation from Land Users and other parties.
13.	Where applicable, indicate beneficiation of Biomass through Value-Added Industries: harvesting, primary and secondary processing, and expand on what VAI products.
14.	Where applicable, indicate unlocking of third party investment in Value-Added Industries including: <ul style="list-style-type: none"> <li>- Security of raw material supply e.g. biomass, and access to land</li> <li>- Accessibility of terrain</li> <li>- Value-Added Products (provide a list)</li> <li>- The business case (proof of concept)</li> <li>- Sustainability of off-take (access to the market)</li> <li>- Beneficiation</li> </ul>

15.	Explain project institutional and implementation arrangements.
16.	Minimum project criteria to which the SP must confirm their commitment, and indicate their ability and capacity to capture, record and collate evidence for reporting purposes on a monthly and quarterly basis.
17.	Projects may not appoint participants currently employed for more than 100 days by the land-user on whose land is being worked, and the following criteria should be followed; <ul style="list-style-type: none"> <li>- 95% of participants must be reserved for local people unless specifically authorised</li> <li>- 65% of participants employed must be for youth (between ages of 16 and 35), 60% women, 2% must be people with disabilities - unless specifically otherwise authorised</li> <li>- 50% of SMMEs used as sub-contractors must represent enterprises must be at least 70% owned by HTI (historically disadvantaged individuals)</li> </ul> Provide an outline of envisaged training for the project (e.g. functional or vocational training).
18.	Bidder must confirm commitment that the Department's prescribed minimum wages will be paid to EPWP participants, which may be increased annually by EPWP. Participants employed and remunerated in terms of the community wages provision must be employed in terms of the Ministerial Determination No. 4: Public Works Programmes as contained in Government Gazette No. 35310 of 04 May 2012.
19.	The SP must provide evidence of their ability to compile and submit project reports (e.g. Key Performance Indicator (KPI) and Employment, Training and Capacity building reports), in the format as prescribed by the Department.
20.	The SP must provide evidence of their ability to comply with occupational health and safety (OHS) legislation.
21.	The SP must provide evidence of their ability to comply with project branding as per the Branding Manual of the Department's Environmental Programmes Branch.
22.	Bid application form to be completed in the prescribed format, in conjunction with the Government Procurement General Conditions of Contract (July 2010).
23.	SPs are required to declare any interest/s they have in any other company.
24.	SPs must declare that they may not procure any goods or services for the project that they are bidding for, from any company that they have an interest in, unless it is listed and shown as a Related Party in the tender.

Once an approval by the DG to call for project tenders and the advertisement of the call for tenders, the information sessions and bid training should be arranged for interested parties, including public bodies such as DEFF branches, municipalities, public entities, NGOs, community-based organisations (CBOs), co-operatives, other government Departments, traditional authorities, academic and research institutions as well as for profit private entities. The information session and bid training will be advertised as part of the TOR/Specifications documentation. Attendance is not compulsory but highly recommended as tender documents and Departmental priorities will be explained during these sessions. Local newspapers and the Department's website will be explored as additional advertising mediums. The Departmental staff placed at municipal offices in the country, will be informed of information and training sessions, as well as advertisements in order for them to further spread the news to local SMMEs. Sessions to be held in all provinces of the country.

When allocating fund for the winning SP to implement services the following budget line items as well as the tentative allocation of funds depending on the nature of the project should be taken into consideration:

**Table 10: Allocation of Funds**

Expenditure item	% allocation allowable	Definition
Project Management Fees	12 to 15 % - Non Infrastructure projects	The management fees charged by the Service Provider for the overall management of the project. Project administration which includes the cost of telephonic

	15 to 18 %- Infrastructure projects	communication, municipal services, consumables for office use such as stationery and costs of external auditors etc.
Non-Accredited training	Maximum of 2% of the project budget.	The funds are allocated for compulsory non-accredited training as prescribed by DEFF (First Aid, Occupational Health and Safety (OHS), Safety, Health and Environmental (SHE Rep), Environmental Sustainable Development (ESD) and Induction) and other relevant on-job training needs relevant to the sub-programmes subject to approval of the non-accredited training plan.
EPWP Wages	Minimum of 35% to a maximum of 60%	Wages paid to participants in accordance with the Expanded public works Programme (EPWP) conditions of employment, the funds are inclusive of the Unemployment Insurance Fund (UIF) that is calculated at <b>2%</b> and annual wage escalations calculated at <b>6%</b> .
Workmen's Compensation	<b>1%</b> of SPWP or as determined by Compensation Commissioner	Funds allocated in compliance to COIDA (Act 130 of 1993) for compensation of occupational injuries on duty, funds are calculated at exactly 1% of SPWP or as determined by Compensation Commissioner based on the risk profile of the project.
Marketing	Needs based and subject to approval during planning	The cost of marketing a project where applicable including informative signage for the project, possible project launch, branding of PPE, development of the website and pamphlets with logos of the department, national EPWP and the owning entity.
Materials and Equipment	Needs based and subject to approval during planning.	Materials and equipment to be procured or hired for the execution of the project making use of SMMEs. It could include items such as equipment required for the administration of the project, building material, Personal Protective Equipment (PPE), equipment for manufacturing. A detailed Bill of Quantities is required.
Transport	Needs based and subject to approval during planning.	The cost of transport of materials in cases where the supplier is not providing transport and any other project related transport requirements. It also includes the cost of transport of project participants to and from the project site if the project is implemented outside their place of residence e.g. National Parks and Nature Reserves
Community Facilitation	Needs based and subject to approval during planning.	The cost for liaison with project stakeholders or interested and affected stakeholders to ensure their involvement and approval where necessary. The funds include costs for logistical arrangements for Project Advisory Committee, Technical Review and Bi-annual Programme Performance Review meetings and project hand over where applicable.
Occupational Health & Safety	Minimum R2000.00 per participant or based on applicable rates in the project area	Funds allocated for entry, periodic and exit medical fitness tests for EPWP participants in compliance to OHS requirements and making used of registered Occupational Health and Medical Practitioner.

### ***Recruitment and Appointment Principles***

The recruitment and appointment practices for the 90% of work opportunities are based on the principles of equity,

*Fairness, transparency and openness as well as locality.*

*Equity:* recruitment and appointment into projects should target the unemployed in general with a specific bias towards women, youth and people with disabilities (65% Youth, 55% Women and 2% for people with disabilities)

*Fairness:* unemployed people should be afforded equal access to work opportunities presented by the project. Poverty has no bias and therefore any project aimed at poverty alleviation should not seek to discriminate against any unemployed individuals.

*Transparency & Openness:* recruitment and appointment into projects should be an open process to the effect that all stakeholders have confidence in the process. Secrets or hidden activities result in mistrust and may lead to confusion and conflicts during the implementation of the projects.

*Locality:* recruitment shall be limited to the unemployed in the immediate vicinity / area in which the project is to be implemented, thus, eliminating the exorbitant costs of transportation of workers to and from the workplace. Exceptions will be made when the project is remotely located whereby workers will be recruited from places afar.

### ***Recruitment Criteria***

Identification, communication of work opportunities, sourcing and selection of workers are carried out in line with the requirements of contract signed between the Department and Implementing Agents.

### ***Identification of work Opportunities***

The approved business plan should be used to inform the available work opportunities in a project. The business plan specifies the number and categories of available work opportunities. The equity principle or targets should be observed at all times in identifying work opportunities i.e. 65% youth, 55% women and 2% People with Disabilities (PWDs).

At least 90% of work opportunities should strictly be identified and reserved for the local community and 10% should be identified and reserved for use by the Implementing Agent in case where there is a need for utilisation of scarce skills in the project which might not be available locally.

When identifying opportunities, particular focus to locality (being the village and/or ward where the project is implemented) will have to be adhered to and might then expand exponentially to adjacent areas in the event that there can be no more needy unemployed in the area.

### ***Communicating Available Work Opportunities***

The quantities and categories of available work opportunities and percentages of equity targets should be presented to the Project Advisory Committee (PAC). The PAC should advise on the best available options that should be used to source workers from the local community adjacent to the project location. The PAC should mandate two representatives from its committee to work together with the Implementing Agent in the selection process. The official/s of the Department should be limited to an advisory role.

### ***Sourcing Workers***

A project-specific recruitment plan or strategy should be prepared by the Implementing Agent and agreed to by project stakeholders through the PAC. This plan or strategy may use any of the following options to source workers from the local community depending on the applicability of such options in the affected community and proof of the recruitment process followed must be submitted to the department.

- Unemployed / indigent list option: Official unemployed / indigent list should be obtained from the local municipality within which the project is taking place. In instances where the project takes place in more than one municipality, unemployment lists should also be obtained from the other municipalities.
- Ward Council option: This option should be applicable in instances where the municipality does not have an official unemployment list. A ward council should be requested to obtain and provide a list of unemployed women, youth and people with disability within the ward in which the project will be implemented. If the project is taking place in more than one ward, the list should be obtained from the different wards in which the project is going to be implemented and recruitment shall be done proportionally. In the event that there are no people seeking employment in the ward, adjacent wards can be used to source the unemployed.
- Traditional Council option: This option should be applicable in instances where the municipality does not have an official unemployment list and where the community within which the project is taking place is under the jurisdiction of the traditional council. A traditional council should be requested to provide a list of the unemployed people taking into consideration the women, youth and people with disability under its jurisdiction. If the project is taking place in more than one traditional council area, the lists should be obtained from other traditional councils.
- Local Advertisement option: This option should only be applicable in instances where skilled workers could not be found through use of any of the above options. This option should only be used to source skilled workers required in the project to execute work other than labour. An advertisement or announcement should be issued and made available or posted in recognised public areas within the community requesting applications from interested local people within a reasonable period not exceeding 14 days. Applications sourced through this option should be directed to Implementing Agent through cost effective means e.g. hand-delivery.

### ***Selecting Potential Workers***

The Implementing Agent should facilitate the meeting of the selection panel to select workers for the available work opportunities. The selection process and the outcome thereof must strictly adhere to the quantities, categories of work opportunities and equity targets as set out in the approved business plan. Work opportunities should be limited only to unemployed South African nationals. Only workers with South African citizenship should be eligible for selection. The following criteria are recommended to target the poorest of the poor:

- People from households where the head of the household has less than a primary school education.
- People from households where they have less than one full time person earning an income.
- People from households where subsistence agriculture is the source of income.
- People who are in receipt of any social security grant in the form of disability grants, child grants and pensioners where applicable. It should be noted that people from households that are receiving grants are considered poor and are eligible to be working in EPWP projects.

In addition, a maximum of two people per household should be considered for employment in one project per locality. There are no limits to the number of years a worker can participate in the programme. A worker is allowed to participate for as long as possible under the going wage rate. This only came into effect after

the first phase. During this phase, a worker was only allowed to participate for a limited period of time. However, following a spike of the unemployment rate, a decision was taken by the Department of Public Works and Infrastructure as an oversight department to allow workers to participate for a prolonged period at the on-going wage rate. Despite this, the recruitment process is still fair and transparent and on occasion, workers are employed on a rotational basis.

## 7. PATRONAGE/NEPOTISM

Nepotism and favouritism at local and regional level hinders the effectiveness and efficiency of public programmes, erode public trust and damage the perception that public authorities are serving the interests of the local community. The EPWP was meant to grant poor people access to job opportunities and skills transfer, however the programme has been riddled by controversy surrounding it such as: the weak administrative system; flawed application and recruitment system; weak accountability frameworks; and political factionalism. These have led to abuse by officials to extend its networks of patronage. Through direct involvement and interference of public representatives, such as ward councillors in the recruitment processes of Project Steering Committees, Community Liaison Officers and beneficiaries.

Political inference beyond the control of the department:

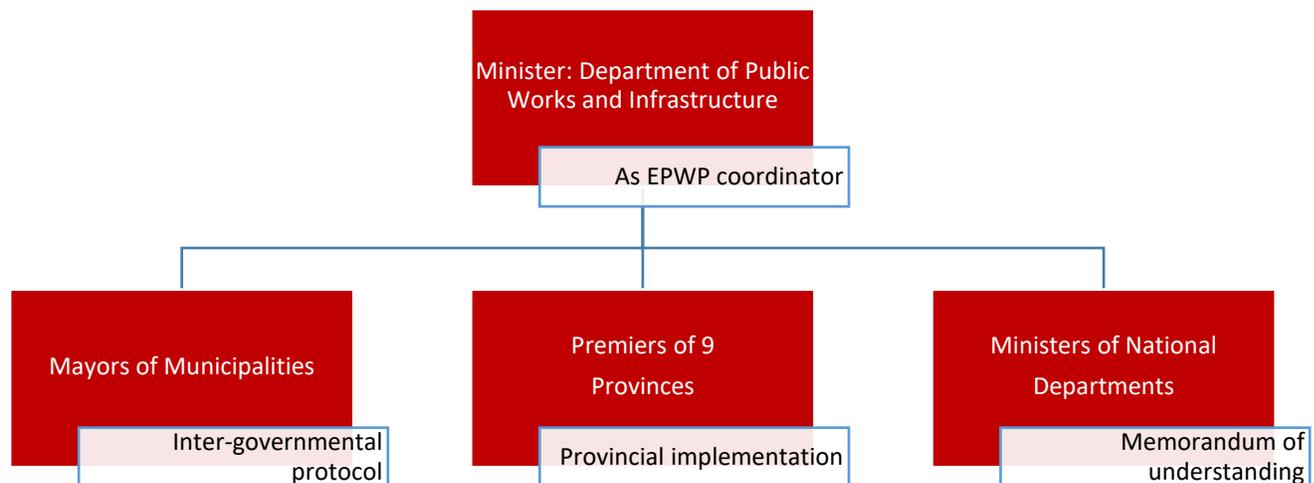
- Difference between political interference and support can be negative or positive.
- Need for political buy-in.
- Need to flag where there is political interference.
- Political constituency issues that sit outside of the priority area.
- Nepotism and interference can compromise the legitimacy of the programme, for example: recruitment fees and, councillors closing programmes due to his people not being paid.
- Projects can become battle grounds for political bargaining, more so that we are approaching local government elections.
- Importance of the local sphere: they understand the local dynamics.

The success of the EPWP is dependent on the contribution of national, provincial and local government to its overall goals and objectives. In order to ensure that all spheres of government and public bodies can be held accountable for contributing to the EPWP targets, a set of accountability arrangements have been put in place. The figure below reflects the political accountability arrangements across the spheres of government that will be accountable for the implementation of EPWP as a whole and the range of agreements that will be concluded.

These protocols or agreements:

- Will be concluded in accordance with the Intergovernmental Relations Act.
- Aim to secure the commitment by all spheres of government to their respective targets.
- Formalises the intention of national, provincial and local government public bodies to contribute to the objectives and targets of the EPWP.
- Are signed between the political heads of the different spheres of government and stipulate how the spheres will work together to achieve EPWP goals.

**Figure 5: Political Accountability Arrangements for EPWP Implementation**



With EPWP run at the local level, it is difficult for the DEFF to alleviate nepotism and political interference, however with constant vigilance and monitoring the department can better the situation. DEFF can ideally establish a complaint hotline as a strategy to deal with nepotism at local level for EPWP projects as part of their oversight mechanisms.

## 8. EFFICIENCY AND EFFECTIVENESS

To ensure the programme is efficient and effective there are Monitoring and Evaluation mechanisms in place. The Environment and Culture Sector Programmes uses project evaluations through different evaluation techniques and timeframes. The monitoring and evaluations mechanisms match the set targets/objectives against the actual results of each programme.

The previous phases and reporting systems of the Environment and Culture sector programme have provided an opportunity for the sector to learn from experience and significant advancements will be made.

## 9. MONITORING AND EVALUATION

### MONITORING

The role of Monitoring and Evaluation is to efficiently gather information about the performance of EPWP programmes/ projects, to monitor and report implementation progress and evaluate the impact of the programme on the unemployed and their communities. It is key to measure the sector's performance holistically taking into consideration the immediate benefits (in terms of job creation) in combination with the long-term benefits in contributing to sector programmes' specific outcomes. For these targets to be pursued the need for established monitoring protocol for reporting of EPWP outputs. It is important that there is a real assessment of EPWP data to interrogate the programmes/projects and how to enhance their performance.

This is enabled by introducing the ability to pull off a programme/project report that shows captured versus validated data; the inclusion of a live performance dashboard to measure progress against targets at all levels – a project/programme/public body/sector level; and the introduction of an annual performance report for EPWP that can be used for future planning, decision-making and investment that transparently presents:

- Classification of their EPWP programmes/ projects
- Performance against targets and a range of key performance indicators, including beneficiary impact indicators
- Success stories
- Findings and Learnings
- Latest thinking and dialogue on new areas
- Upcoming attractions and events for the programme
- Improvements in the programme going forward, etc.

## EVALUATION

There is an increased focus on measuring impact on the lives of beneficiaries and their households, in relation not only to the impacts of the incomes but also of their participation in work; on communities and municipal areas in terms of the assets and services being delivered by EPWP programmes; 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. Measuring the effectiveness of the programme/project in creating the desired impacts, specifically assessing the relevance and efficacy of design and implementation in achieving the results/ targets.

**Table 11: The monitoring and evaluation mechanisms is set out in the table below**

<b>Departmental</b>	Monthly and quarterly Key Performance Indicators reporting
	Site Visits
	Random compliance monitoring
	Quarterly feedback to EPWP on the EPWP reporting system
	Periodic workshops
	Impact study/ evaluation (self or independent) once in Phase 3, supplemented where necessary by case studies
<b>E&amp;C Sector EPWP</b>	Monthly reporting to EPWP on the EPWP reporting system
	Quarterly M&E Forums
	Quarterly NSCC, provincial sector meetings and district forum meetings
	Quarterly Feedback to DGs/ HoDs and Ministers/ MECs
	Annual E&Cs EPWP Performance report

## ANNUAL AUDIT ON THE OVERALL EPWP PROGRAMME

The reporting system is a tool to measure progress with requirements and modalities entirely determined by the Department of Public Works in order to ensure data credibility. The National Department of Public Works will undertake an annual audit on the overall EPWP programme, including the performance of EPWP, control effectiveness and compliance with the conditions of the EPWP Grant. The audit work undertaken by the National Department of Public Works could unearth non-compliance or inaccurate performance data.

#### **WHERE THERE IS NON-COMPLIANCE**

- With the provisions of DORA, as captured in the grant frameworks or the body of the bill; or
- With the conditions of the grant, as specified in the Grant Agreement and this EPWP Grant Manual, including a lack of progress reporting in timeframes specified; or
- With the Audit Requirements, such as a lack of documentary evidence of the work created or spending

**IN CONSULTATION WITH THE NATIONAL TREASURY, THE NATIONAL DEPARTMENT OF PUBLIC WORKS WILL BE RESPONSIBLE FOR DECIDING ON CORRECTIVE ACTION. IN THIS REGARD, THEY MAY:**

- Withhold the EPWP Grant in accordance with DORA Section 18, and notify the public body of the reasons for such withholding as well as the actions required to rectify the problem. In order to lift the suspension, the public body must prove that the fault has been rectified by the time of the next reporting deadline or disbursement date.
- Stop and re-allocate the EPWP Grant in accordance with DORA Section 19-20, depending on:
  - The audit findings and the nature of the issue found (materiality considered)
  - The recommendations of the AG, internal audit committee and the National Treasury
  - Any representations made, or corrective action taken, by the public body in this regard.

### **10. Wages in the EPWP: Environment and Culture Sector**

#### **WAGES AND REMUNERATION**

The Department of Public Works has announced an increase in minimum wage for all workers in the Expanded Public Works Programme (EPWP), from R88.00 to R92.31, with effect from 1 November 2018.

This revised minimum wage refers to a wage rate per day and per task performed across all EPWP sectors in all spheres of government, that is national, provincial and municipal level. The EPWP minimum wage increases annually in line with the inflation rate.

A study by (Phillips K, 2013), shows that in India, market-based wages on public employment programmes are often lower than the country's minimum wage in sectors such as environment and agriculture, which is set at state level. In India, wages have been set at a minimum level that is often higher than these market-based agricultural and environmental sector wages. As a result, in certain states, employers have

complained bitterly of labour shortages in harvest seasons, as workers take advantage of having an alternative to the highly exploitative conditions of work in rural India.

The net effect has placed upward pressure on market wages in such states. In the eyes of some, this is a market distortion; in the eyes of others, it represents a policy breakthrough in addressing working poverty and asserting minimum labour standards.

The existence of an employment guarantee (rather than less predictable access to public employment) is a critical factor, because even though India's public employment programmes does not offer full-time work, the entitlement to a minimum level of work at improved conditions allows people to make choices and trade-offs in relation to the basket of available livelihood options available, and to exclude the most exploitative – including forms of self-exploitation. This applies, however, only where the guarantee is operating effectively; in some states, demand still exceeds supply, which reduces these effects.

Evidence from India therefore suggests that when a guarantee is operational, it is a potentially effective instrument for ensuring wider compliance with minimum wages. Enforcing minimum wages is often made difficult when people are desperate; they will accept work at conditions below the prescribed minimum levels – making them effectively complicit in the erosion of minimum standards. An instrument that offers workers a secure alternative – even a partial one – means that instead of compliance with minimum wages relying on enforcement mechanisms, workers are instead empowered with the option of refusing such work. How this affects the demand for labour over time is, however, yet to be seen.

Despite India's public employment programmes raising wages in India, these wages are still significantly lower than in equivalent programmes in South Africa with the EPWP programme, and so are working conditions. For example, in South Africa, workers are provided with work-gear, typically consisting of an overall and boots, while workers in India work in their own clothes: at times undertaking construction work barefoot. Minimum standards for what represent acceptable conditions of work vary considerably in different countries. Rather than being an absolute, the International Labour Organisation's concept of decent work relies on the principle of "progressive realisation". Low as they may be, conditions in India are an improvement on existing labour standards in rural India and thus are considered to contribute to decent work; the logic of progressive realization means, however, that the trajectory of improvement should continue, rather than these low levels becoming the new norm, legitimised simply by their status as better than what existed (and still exists) outside the programme.

In South Africa, working conditions in EPWP have improved significantly over time. Although with some variances (set out in a Ministerial Determination) workers in EPWP have been covered from the start by the Basic Conditions of Employment Act, and also by a Code of Good Practice agreed through the tripartite National Economic and Development Labour Council (NEDLAC). Fair conditions for hiring, firing and disciplinary procedures are set out. Workers are also covered by health and safety legislation, and qualify under the Compensation for Occupational Injuries and Diseases Act. These conditions were later strengthened by a Ministerial Determination as pronounced by the state president that sets a minimum wage, pegged to roughly the equivalent of the disability grant, that rises annually. This determination also made EPWP workers eligible for unemployment insurance. Arguably, conditions in EPWP are set at the

minimum acceptable level in the society – with more protection and higher wages than many in the informal sector or in casual work enjoy, and at a level that aims to reflect the minimum acceptable level for a labour standards floor.

## 11. CHALLENGES WITH THE ENVIRONMENT AND CULTURE SECTOR PROGRAMME

Some of the challenges facing the ECSP are:

- Targets and target setting: Targets tend to be unrealistic and many public bodies do not have the capacity to implement and report EPWP projects.
- Funding and incentive grants: There is limited commitment for using own funding for implementation of the programme due to lack of legislation. There is a need for the programme to look into alternative financing modalities that focus on leveraging and galvanising support from private, non-state players and develop a policy to enforce implementation. The private sector would need to come on board and make the programme more attractive to the unemployed. As part of a wider employment and social protection policy, public employment programmes can complement private sector employment creation and offer a policy instrument with which to tackle the problems of unemployment and underemployment in developing economies.
- Institutional arrangements and coordination: There is insufficient technical and managerial capacity for EPWP implementation among many implementing public bodies' officials. Although public bodies have their own unique arrangements for project implementation, there are specific roles that need to be filled in order to access the EPWP Grant, implement the programmes/ projects funded by the grant and report of the performance of these programmes/ projects as well as the spending of the grant. It is important that these roles are being carried out effectively to ensure a smooth implementation and disbursement process. Currently, implementing bodies have struggled with obtaining a clean audit due to poor management of resources.
- Training and enterprise development: Given the large number of EPWP participants, providing them with training is not feasible due to the limited budget/funding. Partnerships with private sector should be strengthened for investments, placements and training.
- Involvement of the private sector: EPWP is a public sector led intervention meant to leverage private sector investment, there is limited evidence if this has been achieved.
- Inadequate internal systems of accountability for the lead department (DEFF), hampering performance : In 2017/18, the Department of Environmental Affairs received an adverse audit opinion on the EPWP due to non-conformity with the modified cash standard (MCS) owing to dissimilarities in the interpretation of the "principal/ agent arrangements", wherein the Auditor-General (AG) required the department to account for all transactions done by the respective service providers as goods and services and capital expenditure in the books of the department per Standard Chart of Accounts (SCOA) items procured. This follows a concern of non-compliance raised by the AG during the 2013/14 audit process.

Consequently, the department undertook a review of the Programme contracts in 2018/19, in order to align to the MCS and address inconsistencies in accounting treatment and classification of budget and expenditure. This entailed a detailed examination of each of the contracts with various SPs to verify whether the stated terms and stipulations are compliant with new accounting approach and prescripts. The review and amendment process resulted in a backlog in finalising agreements with SPs and has affected expenditure. Agreements were in most cases only finalised in March 2019. The classification has since been rectified through the 2019 ENE process.

Following a stakeholder meeting with DEFF, the following political challenges and observations were identified:

- There is a difference between political interference and support, this can either be negative or positive
- There is a need to flag where there is interference
- Some political constituency issues can sit outside of priority areas
- Nepotism and interference can compromise legitimacy of the programme
- EPWP projects can become battle grounds for political bargaining. More so towards election time
- The importance of the local sphere/government shouldn't be overlooked given how they understand the local dynamics better

**Table 12: Overall advantages and disadvantages of the programme**

ADVANTAGES	DISADVANTAGES
<ul style="list-style-type: none"> <li>• Ability to draw on existing, much larger budgets.</li> <li>• EPWP projects are aligned to provincial and municipal plans.</li> <li>• Uses implementation capacity of all of government.</li> <li>• Ability to mobilise provinces and municipalities their own budgets to supplement grants from national government.</li> <li>• Offering recognition of care, usually of children, sick people, and the elderly, as an important public good, that contributes to the well-being of society.</li> <li>• Participants are positive about the skills they've gained and the dignity and personal accomplishment this provides.</li> <li>• The cash stipends contribute to household incomes.</li> </ul>	<ul style="list-style-type: none"> <li>• An inherent problem is that an evaluation of the outcomes is severely hampered by weak monitoring and data management systems.</li> <li>• Claims of numbers of job opportunities created, the number of participants trained and, the details and locations of the delivery of services are based on questionable information. This is because data is inconsistently recorded. Due to inefficiencies and the ineffectiveness of the programme over the years, this has negatively affected its potential to achieve its intended objectives of local job creation.</li> <li>• the issue of labour "displacement", where a public works programme doesn't actually create new jobs. Instead, the number of jobs in the sector remains broadly constant, but work is taken away from non-beneficiaries and given to beneficiaries.</li> <li>• The stipend amounts are very low. A ministerial dispensation sets minimum public works programme wages.</li> <li>• Institutional failures are an area of concern and create serious consequences for participants. Payments to beneficiaries are sometimes late, creating enormous financial stress for the participants who can go months without a stipend.</li> <li>• A fundamental flaw in the design of the programme is the lack of job opportunities in the sector after exiting. In theory the skills development and work experience gained increases chances of getting work. But in practice the work areas of all the sectors have an oversupply of similarly trained workers.</li> </ul>

## 12. LIMITATIONS OF THE PAPER

There has been debates over whether public employment programmes such as the EPWP should be considered part of social protection or not, with an argument that unless there is a form of entitlement to participate based on need, they cannot be considered a part of social protection. In practice, different design features of public employment programmes can have highly variable impacts in this regard. Whether understood as part of social protection or not, the existence of a public employment programme such as

the EPWP will however affect the scale of need for such protection. Overall, when putting together this paper, the following limitations were observed:

- The challenges faced by the team in analysing the flow of funds in the complex system of government's disaggregated data through existing data collection instruments is indicative of the fact that there are number of challenges with respect to the development of a robust monitoring and evaluation system.
- Despite the gaps in the data sources and the resultant limitations to the data analysis process, there is clear indication that public employment programmes cut across many government departments, entities, and institutions. This suggests that the sector needs some design principles for effective monitoring and evaluation and a manner by which each and every department implementing an EPWP programme could report on their impact.
- One finding from conducting the analysis is that the expenditure data on Vulindlela is of limited value for an in-depth analysis of the programme's performance. Most EPWP projects such as the EPIP and the NRM do not adequately share expenditure data with departments to be inputted into Vulindlela. Thus, for an accurate accounting there would have to be a request, on a case by case basis, from each project management account – bearing in mind that each project implementer has its own unique reporting/accounting system.
- Another feature limiting the impact of public works programmes has been the tendency to use them primarily as a short-term intervention, often as part of a crisis response – whether to economic crises, to humanitarian crises linked to natural disasters or to post-conflict reconstruction. Where the context really is one of short-term crisis, this model may have merit, but too often, a model of short-term public works is used to address what is in fact a long term, structural or chronic problem. To that end, the paper could not properly ascertain the long-term impact of the EPWP on the economy. The EPWP has typically had a strong focus on infrastructure works. While the infrastructure delivered in this way can be a game-changer in development, with systemic and transformative results on local economies and/or on living conditions, the short-term project based nature of the work has often limited the impacts of such employment in the lives of participants.
- Regardless of their differences, all public employment programmes such as the EPWP share a predictable set of core implementation challenges. Central to these is the establishment of an efficient, effective, highly audit-compliant payment system, both for wages and for the associated costs of delivery, coupled with systems to report and monitor outputs. These technocratic systems are enhanced by processes such as the social audit, which provide a mechanism to ground-truth reported outcomes.
- Also less studied in the paper are the possibly positive effects of the EPWP on the employment gender gap, the gender wage gap, and more generally on female labour relationships and benefits. Public employment programmes are generally less likely to be discriminated against females. This can be reflected in the wage paid, but also through a range of other benefits that workers are entitled to, either by law or through employment contracts. To that end, the paper did not look into gender parities.