

A project of the Expanded Public Works Support Programme



**Mid-Term Review of
the Expanded Public Works Programme**

COMPONENT 3

Analysis and Review

Human Sciences Research Council



in partnership with



RUTGERS
UNIVERSITY



Glossary of terms.....	iv
Executive summary	ix
1.1.1. General assessment.....	xi
1.1.2. Review of sectors	xiii
1.1.3. Review of provinces.....	xiv
1.1.4. Conclusions and recommendations	xv
1. Introduction, method and context.....	1
1.1.1. Background	2
1.2. <i>Methodology</i>	3
1.2.1. Interviews and fieldwork.....	4
1.2.2. Key Informant Interviews	5
1.2.3. Project field visits	6
1.2.4. Documentary analysis	7
1.2.5. Limitations of the research	7
1.2.6. EPWP objectives and standards	8
1.2.7. Institutional arrangements: championship and oversight	9
1.3. <i>The context of unemployment</i>	11
1.3.1. Contextualising changes.....	14
1.3.2. EPWP's contribution to overall job creation	15
1.4. <i>Structure of the report</i>	15
2. Findings	17
2.1.1. The EPWP Report Card	17
2.1.2. Key informant interviews: general review	18
2.1.3. Key informant interviews: analysis of challenges and proposals for change	24
2.1.4. Quality of employment.....	26
2.1.5. Standards and reporting:.....	27
2.1.6. Communication and co-ordination	30
2.1.7. Implementation.....	33
2.1.8. Political support.....	34
2.1.9. Accountability and incentives	34
2.1.10. Funding constraints.....	35
2.2. <i>Provincial reports</i>	36
2.2.1. Eastern Cape.....	36
2.2.2. Northern Cape	37
2.2.3. Western Cape	38
2.2.4. North West	40
2.2.5. Gauteng	41
2.2.6. Limpopo	43
2.2.7. Mpumalanga.....	46
2.2.8. Free State.....	48
2.2.9. KwaZulu-Natal.....	49
3. Review of the four sectors	51
3.1. <i>The Infrastructure Sector</i>	52
3.1.1. Description of the sector.....	52
3.1.2. Status quo of sector	53
3.1.3. Sustainability	54

3.2.	<i>The Environment and Culture Sector</i>	57
3.2.1.	Specific Objectives of the sector	57
3.2.2.	Key successes	58
3.2.3.	Key challenges	58
3.3.	<i>Social Sector</i>	60
3.3.1.	Description of the Social Sector	60
3.3.2.	Relevance	61
3.3.3.	Effectiveness	62
3.3.4.	Training	62
3.3.5.	Sustainability	63
3.3.6.	Summary of the Social Sector	63
3.4.	<i>The Economic Sector</i>	63
3.4.1.	Relevance	65
3.4.2.	Effectiveness	65
3.4.3.	Sustainability	66
3.4.4.	General comments	66
3.5.	<i>Findings from case studies</i>	68
3.5.1.	Operations and compliance	68
3.5.2.	Employment conditions.....	70
3.5.3.	Training and exit strategy	71
4.	Analysis	73
4.1.1.	EPWP and unemployment by provinces	76
4.1.2.	Relevance	80
4.1.3.	Effectiveness	82
4.1.4.	Efficiency	86
4.1.5.	Feasibility	91
4.1.6.	Sustainability	94
4.1.7.	Scale of engagement.....	99
4.1.8.	Training programme.....	100
5.	Conclusions	103
5.1.1.	What works and what doesn't?.....	104
5.1.2.	Relevance	105
5.1.3.	Effectiveness	106
5.1.4.	Efficiency	107
5.1.5.	Feasibility	107
5.1.6.	Overall Outcomes and Impact	108
5.1.7.	Sustainability	110
6.	Key recommendations	111
6.1.1.	Reviewing the programme as a whole.....	113
6.1.2.	Recommendations: policy level	114
6.1.3.	Recommendations: design level.....	114
6.1.4.	Mainstreaming of labour intensification of infrastructure spending.....	115
6.1.5.	Government employment in a variety of line departments.....	116
6.1.6.	Recommendations: implementation level	116
6.1.7.	Way Forward.....	117
7.	Bibliography and documents reviewed	121

Glossary of terms

An important aspect of a methodology in assessment is the definition of core or key concepts and mechanisms in relation to EPWP. Many of the differing views debated in accomplishments and objectives arises from the assessment of the numbers employed; definitions are critical and will briefly be reflected on here:

Definition of job: According to STATSSA an employed person is anyone "who performed work for pay, profit or family gain in the seven days prior to the survey interview for at least one hour ". The EPWP generally refers to paid work as a work opportunity of any duration.

Allocated project budget: The budget is not made from an allocation from the EPWP is aggregate total apportioned to all EPWP compliant projects from a department or departments and reported to the EPWP Unit. The project budget includes all salaries, material costs and professional fees except the salaries of government employees. The aggregate sectoral and national budget is compiled from the sum of the project budgets in the EPWP quarterly annexures and spans one financial year.

Person-days of work: The number of people who worked on a project multiplied by the number of days each person worked. This has to be distinguished from the concept of a job i.e. paid work undertaken for medium to longer term duration with full employment rights and benefits.

Person-years of employment created: A person year is equivalent to 230 days of work (i.e. 365 days – 104 weekend days – 10 public holidays – 21 annual leave days) inclusive of paid sick leave. For task-rated workers, tasks completed should be used as a proxy for 40 hours of work, based on a task completed in a week.

Job Opportunity: A job opportunity is the paid work created for an individual on an EPWP project for any period of time. In the case of social sector projects, learnerships will also constitute job opportunities. The same individual can be employed on different projects and each period of employment will be counted as a job opportunity.

Person-Days of Training: EPWP training courses are generally conducted together with the Department of Labour. The number of Person-days of Training participants spent attending courses or modules of courses is captured and a distinction made between accredited and non-accredited training person-days. The content of the courses may relate to industrial, social or personal skills (such as life skills) training.

The **unemployed** according to the 'official' definition used by STATSSA are those people within the economically active population who: (a) did not work during the seven days prior to the interview, (b) want to work and are available to start work within two weeks of the interview, and (c) have taken active steps to look for work or to start some form of self-

employment in the four weeks prior to the interview. This is referred to as the official definition of unemployment.

Relevance is regarded as the appropriateness of objectives in relation to problem to be solved.

Compliance criteria are, in a compressed form, the points assembled from the standards and policy objectives which indicate the difference between an EPWP project and one which is not to be considered EPWP.

Effectiveness is defined as whether the purpose or agreed objectives of the Programme are being achieved.

Efficiency is a measure of the extent to which a programme is achieving its objectives optimally and within budget and programme.

Feasibility in relation to the EPWP is whether the practical conditions exist for implementation. It is measured ultimately in the capacity of the EPWP to achieve more with the existing resources and to scale up with additional resources.

Sustainability is defined here in terms of whether intended positive effects of the programme persist beyond cessation of the intervention.

List of Acronyms and Abbreviations

CBO	Community Based Organisation
DEAT	Department of Environmental Affairs and Tourism
DOL	Department of Labour
DPW	Department of Public Works
dti	Department of Trade and Industry
DSD	Department of Social Development
ECD	Early Childhood Development
EPWP	Expanded Public Works Programme
EPWSP	Expanded Public Works Support Programme
GDP	Gross Domestic Product
GEP	Government Employment Programme
GDS	Growth and Development Summit (2003)
HCBC	Home and Community-Based Care
HIV/AIDS	Human Immune Virus/Acquired Immune Deficiency Syndrome
HSRC	Human Sciences Research Council
ILO	International Labour Organisation
IT	Information Technology
ITT	A UK-based engineering consulting firm
LI	Labour Intensification
Logframe	Logical framework for the EPWP (2004)
M&E	Monitoring and evaluation
MER	Monitoring, Evaluation and Reporting
MIG	Municipal Infrastructure Grant
MTR	Mid-Term Review
NEDLAC	National Economic Development and Labour Council
NGO	Non-Governmental Organisation
PIG	Provincial Infrastructure Grant
PWP	Public Works Programme
SALDRU	Southern Africa Labour and Development Research Unit
SETA	Sector Education Training Authority
SMME	Small and Medium Enterprises
SOE	State-Owned Enterprises

List of Tables

Table 1.	Unemployment rate (per cent) by province, March 2001 to March 2006.....	15
Table 2.	EPWP's Performance Indicators and Targets.....	18
Table 3.	Issues mentioned by provincial leadership.....	25
Table 4.	Outputs from Infrastructure, 2004/2007.....	53
Table 5.	Social Sector Targets and Achievements April 2005 –March 2007.....	61
Table 6.	Venture Learnership Programme.....	64
Table 7.	EPWP Report card.....	74
Table 8.	EPWP employment and unemployment 2006/07.....	76
Table 9.	Wage bill for all EPWP sectors.....	81
Table 10.	Training-days, 2004-2007.....	100
Table 11.	Proportion of accredited to total training, 2004-2007.....	101
Table 12.	Spending on contracts for training, 2006/07, R million.....	101
Table 13.	Recommendations: Short and long term issues.....	111

List of Figures

Figure 1.	Comparative trends in unemployment.....	11
Figure 2.	Centre and periphery in labour markets.....	13
Figure 3.	Understanding and communication	20
Figure 4.	Feasibility of EPWP objectives	21
Figure 5.	Effectiveness of EPWP.....	22
Figure 6.	Re-labelling, accountability and targets	23
Figure 7.	Operations and compliance.....	69
Figure 8.	Wage conditions	70
Figure 9.	Anxiety and protest.....	71
Figure 10.	Training and exit strategy	72
Figure 11.	Work opportunities by year and province, 2004-07	78
Figure 12.	Work opportunities by sector, 2004/05-2006/07	79
Figure 13.	Average length of a Work Opportunity, 2006/07,days.....	85
Figure 14.	Spending the budget	88
Figure 15.	Wage and non-wage costs, 2004-07	88
Figure 16.	Relationships between budget, expenditure and wages.....	90
Figure 17.	Unspent funds and wages/expenditure, 2004-07	91
Figure 18.	Infrastructure: decline in proportion of wages in expenditure.....	95
Figure 19.	Impact of the EPWP on beneficiaries.....	97
Figure 20.	Impact on household savings and expenditure	98

Executive summary

A number of social surveys have established that one of the greatest needs in present South Africa is that of reducing the high level of unemployment by improving the prospects for jobs. As its first theme the Growth and Development Summit (GDS) of 2003 set out “More jobs, better jobs, decent work for all”. Although it was the second of seven initiatives, the Expanded Public Works Programme (EPWP) was specified to be “large enough to have a substantial impact” in this regard. Since its launch the EPWP has come to be regarded as the flagship employment project of post-apartheid government as it sets out to provide temporary job opportunities supported by training to enable job seekers to access more permanent employment. The achievement of the short term and longer term objective would, in turn, serve to alleviate poverty. These objectives were situated in the GDS as “part of our collective efforts” to halve unemployment by 2014.

It is universally agreed there is a great need to meet the crisis of structural unemployment particularly as those who suffered most intensely under apartheid are also those who have benefited least in terms of greater employment in the recent past. In terms of the official definition the LFS has established there are 4,4 million unemployed in September 2006, and of this African people constitute 3,9 million; in addition African people constitute the largest proportion of those classified as ‘discouraged’ work-seekers who number 3,2 million. In total there are thus at least 4,4 million people actively seeking work who could benefit from the Programme and another 3,2 million who are discouraged from seeking work who could also benefit; a total of 7,6 million people.

This gives an indication of the extent of the demand for employment. This is a demanding context for the EPWP and if it is to be designed to serve as an effective instrument to contribute significantly to halving unemployment, its contribution would need to be measured against the need to create 3.5 to 5 million additional jobs by 2014. A more recent EPWP document identifies “5,8 million unskilled unemployed individuals” who lack secondary education as “the target group” for temporary work and skills training. The most recent projection is for employment on the scale of over 2 million public works jobs annually before 2014 at the current growth rate to halve unemployment in South Africa by that date.

In this review the progress of the EPWP towards its original planned objectives is thoroughly examined. In the foundation documents mention is made of “persistent structural unemployment”, the need for “decent work for all”, and the objective of halving unemployment by 2014. Against this background the targets of the EPWP are fairly limited to those associated with a short term labour market intervention. This leads to a constant tension in public expectations and political statements between these modest targets set out at its inception and the wider social context. This analysis attempts to resolve this tension by examining the EPWP in two contexts: within its original parameters and (as the original framers) against the wider social background.

In response to this great challenge the EPWP Logframe recognises that 546 000 new jobs would have to be created each year to reach government's target of halving unemployment by 2014. It set out the objective for the EPWP of providing 1 million work opportunities in its first five years amounting to 650 000 or more person years.

Although it appears that reporting tends to provide greater numbers than will be found on projects, an indication of the **scale** of the work opportunities actually provided is given by the 316,815 work opportunities created in 2006/07. This translates into 85,701 equivalent person-years which is highest figure achieved to date. Although the EPWP is approaching the targeted 1 million work opportunities it is falling considerably short of the annual 130 000 person-years forecast. Work opportunities are considerably shorter than planned, the wage bill static, and the promise of training largely unfulfilled. Despite this the EPWP is meeting the targeted proportion of work opportunities for disadvantaged groups such as women and youth (although not for the disabled). The EPWP has taken time to gain momentum and there are signs that it is becoming more accessible and accepted but valuable time has been lost.

Although the EPWP is sometimes mentioned as a “massive” intervention against unemployment, its original design was for relatively modest numbers to be targeted. The achievement of full time jobs is considerably less than that targeted and relatively small when measured against the numbers of unemployed. The challenge is expressed in millions and the achievements of the EPWP at this stage are expressed in tens of thousands. This conclusion has led to proposals for the redesign of expanded public works in South Africa to meet this challenge.

The concepts of Relevance Effectiveness, Efficiency, Feasibility and Sustainability have been employed in the analysis and indicators sought from both the data available and interviews with key informants. The relevance of the EPWP is assessed in terms of its appropriateness in relation to the objectives of job creation and poverty alleviation, although it is also taken up in relation to individual beneficiaries and their households. Effectiveness is gauged largely in terms of the number of work opportunities actually created. Efficiency is assessed in terms of the capability of the EPWP to spend the money available, to turn funds into projects, and to translate expenditure into a wage bill which indicates that the maximum number of work opportunities have been created in terms of the funds allocated. Feasibility assesses the assumptions made about an enabling environment and sustainability draws conclusions about the capability of the EPWP in terms of sustaining employment and achieving the adoption of labour intensive methods in infrastructure.

The findings in relation to EPWP objectives were summarised in a Report Card, a necessary tool to recording the dispersed data about the EPWP and comprehending performance. Indicators of performance in six key objectives were identified: the number of work opportunities created, person-years created as an indication of the equivalent figure in full time employment, the number of training days achieved, the allocation of budgets to projects, the proportion of the project budgets actually spent and finally the demographic element – the achievement of employment of the targeted proportions of women, youth and disabled.

The report could be summarised as follows: “Can and must do better”. Although the key objective of one million job opportunities may well be attained, departments are allocating

budgets to EPWP projects, and the targeted proportion of women and youth are being achieved; there are major deficiencies. Unfortunately these substantially undermine these broad achievements. The considerable shortfalls in person years, length of work opportunities, actual spending of budgets, accredited training and exit strategies tend to undermine these achievements as they fall far short of target. The full time equivalent job expressed in person years has only advanced 34% towards target, spending is limited to 56% of budgets, training days achieved are 19% of the target and exit strategies are wanting. The average wage per work opportunity has declined over the years as the amount of wages transferred to the increasing numbers of employees is stagnant.

1.1.1. General assessment

A detailed analysis of the documents and data of the EPWP has been carried out with reference to key criteria and concepts mentioned in the terms of reference.

Relevance is assessed in terms of the appropriateness of the EPWP as a public works programme to provide sufficient work opportunities and wages to meet the challenge of mass unemployment and alleviate poverty. The design and scale of the Programme is found to be minor in relation to the national need but of greater significant in some provinces in relation to the numbers of unemployed. Taken as a whole, the EPWP work opportunities can be compared to 4% of those determined as unemployed in the official definition. The total wages paid by the EPWP are minor in terms of the provision of social grants but somewhat more significant in terms of unemployment benefits. The relevance of the Programme to beneficiaries has not been particularly surveyed but has been found from secondary sources to have led to an improved wellbeing and to a lesser extent to prospects for further employment.

The documents provided by the EPWP provide evidence that there has been progress towards the target of one million work opportunities by 2010, the prime measure of **effectiveness**. The estimated 698,557 work opportunities created by the EPWP in the period 2004/5 to 2006/07 are made up 174,845 in the first year, 208,899 in the second year and 316,815 in the third year. Although this does indicate progressive improvement year by year this does not indicate that the sum of these figures (698,557) are visible in current work opportunities. The annual work opportunities are designed to be short term and to fall away on completion. With some exceptions, the number of work opportunities created start at zero at the beginning of each financial year, grow quarterly and then are wound up again.

Another indication of effectiveness could be the ability of the Programme to have the greatest **impact** in those provinces with the greatest need. This is not a specific measure of the EPWP but a logical expectation if the EPWP is implemented consistently at a provincial level. The implementation of projects does, however, not relate to the rate of unemployment. For example those provinces with the highest rate do not necessarily have the highest level of EPWP work opportunities. KwaZulu-Natal for possibly historic reasons has accumulated 246,410 work opportunities over the first three years and has consistently provided about a third of the national figure; in the first year 31%, the second year 37%, and last year 36% of the total. The extension of the Programme appears to be more a reflection of state capacity

rather than responsiveness to need. KwaZulu-Natal along with Gauteng and the Western Cape constitute 60% of the national total of work opportunities. The latter two provinces have among the lowest rates of unemployment with KwaZulu-Natal in the middle rank. Gauteng which has the highest number of unemployed is achieving modestly in terms of EPWP numbers.

The measure of efficiency (as a set of ratios of outputs/inputs) is dependent on the scrupulous verification and validation of reporting, monitoring and evaluation. High quality data is itself a prime indicator of efficiency. A range of challenges in aspects such as capacity, communication, management, and the clarity of definitions, have been identified by a consultant and in this review as impairing the quality of reported data.

With this qualification, the data provided by EPWP has been analysed in terms of the use of resources to achieve objectives. This indicates that there are problems in terms of the **efficiency** of the Programme particularly in actual spending the funds allocated. Of a total of R21,6 billion allocated over the period 2004/05-2006/07, R12,9 billion was spent; or 60% of the total allocated. The proportion actually spent varies considerably across the provinces and sectors. Further analysis indicates that the Programme is less effective than it should be in terms of another measure; that of the wage bill. The proportion of wages in expenditure (R2,4 billion of the total R12,9 billion) or 18% of total expenditure indicates that there are difficulties in translating expenditure into actual work opportunities. This is a surprisingly low figure. Although “overheads” carried in the Programme include materials as well as the costs of management the figure of 82% of all expenditure which goes into the administration and other non-wage costs involved in the EPWP projects is high not only within the Infrastructure sector where this could be expected. The considerable variance both within as well as between sectors and provinces indicates that project management costs are uneven.

In terms of **feasibility** the study concludes that a number of the assumptions made about the operation of the Programme were not well founded. The terms of the Programme are not dictated from the national government. The championing or political element of the Programme, for instance, demands a high level of coordination and communication both vertically (between all spheres of government) and horizontally (between departments). An assumption that co-operative governance would be readily achieved in carrying out the EPWP mandate has not been vindicated and conclusions are drawn in this study that there are major obstacles in direction and oversight. Weaknesses in the training environment were also found to be a major impediment to accredited training and successful exit strategies.

Many of the features identified in the analysis such as the dominance of Infrastructure, the strengthening of Environment and the underdevelopment of other sectors, and the centrality of KwaZulu-Natal within the provinces, were also established in the interviews conducted with senior managers of EPWP. Although in the interviews these Principal Informants mentioned reasonable understanding of the Programme, that EPWP had become part of their core work, that it was cost effective, and that targets would also be met; a majority also mentioned that accountability was inadequate, that key stakeholders’ attitudes were uncertain or negative, that re-labeling was possibly or definitely taking place and that capacity problems existed. Sizable minorities also mentioned that budgets were inadequate and that the EPWP was inefficient.

The interviews, however, added other elements in relation to recommended changes. Among the key points raised by senior managers were the quality of EPWP employment, reporting and management information, coordination (vertical and horizontal), implementation, political support, accountability and incentives, and funding constraints.

In relation to the *quality of EPWP employment* the following concerns were mentioned: exit strategies, conditions of employment, the beneficiaries' understanding of the objectives and definitions, and the quality of training. Reporting and management information includes the issues of re-labelling, compliance with EPWP criteria, and the monitoring and reporting of projects.

Concerns about *Coordination* include questions of problematic communication across clusters, lack of clarity regarding requirement for Community Liaison Officers, limited municipal capacity, a lack of buy in, and the domination of infrastructure to the disadvantage of other sectors. *Implementation* includes the specific issues relating to sectors such as the question of the post-project maintenance of assets in infrastructure, inconsistent application of either wages or stipends, wages after training, the quality of staff training, and the need for legislation to ensure take up of environmental services and effective utilisation of Environment sector EPWP programmes. The *political questions* ranged over commitment to continuing with the EPWP, achieving buy in, the coordination role and leadership of DoPW and of the Provincial EPWP, and the politicisation of recruitment and processes in EPWP.

Accountability and incentives includes the issues of a lack of accountability within the EPWP, and within line ministries, the low importance of EPWP leads to allocation of poor quality or junior staff, and EPWP being perceived as add on rather than way of delivering core mandate.

1.1.2. Review of sectors

As mentioned above there are very different levels of budgetary support and implementation between sectors. Infrastructure has benefited particularly in having had a number of preceding community-based projects in roads and other construction and has fitted in without great additional effort into the work of the national and provincial Departments of Public Works.

The disproportions shown in leading and lagging provinces are also evident in a sectoral analysis. Over the period under review (2004/05-2006/07), infrastructure provided more EPWP work opportunities than the combined total of the Economic, Environment, and Social sector: 362,257 work opportunities as opposed to the combined figure of 336,300. Although this was anticipated in the numbers originally targeted, the Environment sector evidences growing experience in a number of successful longer term projects, there is particular concern with growth in the Social sector and, in a number of provinces, the Economic sector does not function at all.

Analysis of the proportions of each sector in the total EPWP expenditure gives a sense of the relative weight of the different sectors. Out of a total expenditure of R21,6 billion over the period 2004/05-2006/07, the Infrastructure sector constituted 80%, the Environment sector 15%, Social sector 3% and Economic sector 1%. These figures give some idea of the centrality of the Infrastructure sector.

There is, however, a wide range in the effective use of this investment: Infrastructure has been the source of 362,257 work opportunities but at a cost of R26,357 per opportunity while Environment achieved 269,233 opportunities at a cost of R9,522 per opportunity; almost a third of the cost of the former. The Social and Environment Sectors also show a greater ability to spend the money allocated.

Despite high hopes for the Social Sector, only the Environment sector stands comparison with Infrastructure. Made up of the well publicized Working for Water (DWAF) and a range of other Programmes such as Working on Fire (DWAF), the sector has gained a reputation for delivery. These Programmes are, however, largely created by national departments (particularly DWAF) and the provincial inputs and generally do not carry the EPWP logo. The cultural sub-sector, despite considerable potential, remains an adjunct.

Despite high expectations and the need to meet the needs of the sick and destitute, the Social Sector is still a shadow of what it could be. The HIV/AIDS pandemic which is impacting on the lives of 5 million families has created a huge need for effective home-based care, but provincial reports and field site visits tend to confirm that the envisaged army of caregivers is still at the platoon level. This sector has been expanding rapidly from a low base but has realized only 18% of the targeted 200,000 work opportunities. The sector provides the most acute challenge to the EPWP and to the departments of Social Development, Education and Health involved.

The Economic Sector is the smallest and is missing in many provinces. Despite attempts to bring coherence to its objectives and implementation, a number of provincial coordinators feel that the Sector is not moving ahead and the figures of beneficiaries confirm this.

1.1.3. Review of provinces

The EPWP is also not evenly spread throughout the provinces and work opportunities range from the 115,628 work opportunities created in KwaZulu-Natal to the 9,399 created in the Northern Cape in 2006/07. This is not necessarily a reflection of differing population densities; the Western Cape appears the most effective in providing short term work opportunities to 14% of those determined as unemployed through the rigorous official definition of those who have engaged in active steps to look for work or to start some form of self-employment in the four weeks prior to the interview. On the other hand the North West province is only able to meet part of the needs of 4% of those 'officially' unemployed.

It is, however, better aligned to the numbers of work-seekers in need than to the rate of unemployment: KwaZulu-Natal has the highest level of EPWP work opportunities, and has the second highest level of unemployed people. Gauteng has the highest number of unemployed and provides the fourth highest number of EPWP work opportunities. The pattern between delivery and numbers in need is, however, broken up in two ways; firstly the EPWP meets the partial needs of only a fraction of those in unemployment, and secondly the Western Cape which has one of the lowest levels of unemployment has the second highest offering in terms of EPWP work opportunities.

The dominant pattern appears to be that of the highest level of delivery being linked to capacity at two levels; firstly the tradition and experience in implementing public works (notable in KwaZulu-Natal's long experience in implementing public works through the Department of Transport) and secondly in the possible greater capacity and ability to attract competent public servants in the richest provinces of the Western Cape and Gauteng.

1.1.4. Conclusions and recommendations

The EPWP is found to have performed adequately in terms of its targets in relation to three criteria: the allocation of departmental budgets to EPWP projects, the creation of work opportunities, and the targeting of women and youth in employment. It has not fared so well in relation to the other criteria of person years generated, budgets spent, training, and adequate work conditions. Indeed on each of these issues performance has fallen far short and the achievement in other levels have been substantially undermined. The quality of each work opportunity is significantly below the expectations of its founding Logframe.

This study concludes that:

- The EPWP will probably reach the target of 1 million work opportunities particularly for women and youth (although not for the disabled);
- It will not, however, come close to targets for length of job opportunity, training, spending of budgets.
- The very low levels of training, particularly accredited training, severely undermine the exit strategy for trainees to find further employment;
- The design of the Programme is to provide short term employment and exit strategies into the open labour market, but South Africa is experiencing structural long term unemployment;
- Set against the broad challenge, the scale of EPWP is inadequate to the challenge of unemployment and poverty alleviation;
- The Programme takes on too many objectives and is not achieving its primary purpose;
- Assumptions of an enabling environment are not well founded;
- Effectiveness is hampered by the design of the Programme and institutional arrangements;

- Efficiency, measured in terms of wages per work opportunity, length of a work opportunity, and (most importantly) the general adoption of labour intensive methods is not being achieved;
- The measure of achievements against targets and inputs (i.e. of both effectiveness and efficiency) is compromised by problems with the quality of data;
- Although there are indications of some success, sustained employment resulting from well implemented exit strategies is not being realised on any scale.

Recommendations:

- The expanded public works should be continued but restructured and redesigned around two components with line departments to achieve objectives;
- Labour intensive methods in infrastructure should be fully researched, advocated and mainsteamed by DPW;
- Training should be separated from EPWP design and addressed within the national skills development framework;
- Special, less favourable conditions for EPWP employees should fall away; and
- Change should be carefully planned not to divert energies from important objectives.

1. Introduction, method and context

The EPWP (Expanded Public Works Programme) has a high profile in terms of the profile of government in meeting the basic needs of people and particularly those of the poorest. It has taken a prominent place in the State of the Nation address since 2004 and is widely perceived as the government's key instrument in meeting the promise of halving unemployment by 2015.

The EPWP was first announced by President Thabo Mbeki the State of the Nation Address of February 2003 and the subsequent Growth and Development Summit (GDS) of June 2003 confirmed its launch. Cabinet finally adopted the programme in November 2003.

Since the research has revealed there are a number of interpretations and different emphases of the Programme which make a rigorous review of the precise objectives and standards employed. Although the primary emphasis is widely understood to be the creation of additional work opportunities, the emphasis on training for the unemployed and the exit of trainees into more permanent employment is closely related.

In addition the EPWP is widely presented and understood as giving substance to government's commitment to eradicate poverty and bridging the gap between the first and second economies. It is one of government's priority interventions to correct these discrepancies and alleviate poverty through short term employment, training, and exit strategies.

These different objectives are generally seen as intimately related and overlapping; in the research which has been undertaken care has been given to separating out the specific measures which the EPWP incorporates to assess how the objectives are being met.

The EPWP it should be mentioned is one of a number of strategies of government to alleviate poverty. These are listed by the OPSC (2007, 10) as follows:

1. Promoting labour absorption in the formal economy, both by stimulating economic growth and investing in the development of human resources
2. Providing income support and reducing vulnerability by means of maintaining a social security system, inclusive of social grants and certain direct food security interventions (e.g. the school nutrition programme and food parcels)
3. Enhancing the quality of life through improved access to services and housing, generally of a subsidised nature
4. Supporting more and more remunerative self-employment and employment in small or micro-enterprises

5. Promoting self-employment through the creation of and/or support to income generating projects
6. Promoting land-based livelihoods or enterprise through land reform, with particular focus on land redistribution
7. Creating short-term employment through public works programmes.

Despite the EPWP forming part of a suite of interventions, in comparison to the other programmes, it has a high profile. The increasing absorption of labour in an expanding economy (the ASGISA strategy) which could have a crucial effect on unemployment is comparatively silent as employment in itself is not determined directly by government intervention. Other programmes have a very limited impact on employment. This leaves the EPWP as the most visible intervention in the battle to provide gainful employment for able-bodied unemployed men and women.

This Third Component represents the core of the Mid-Term Review and includes the consolidation of the range of information about EPWP's track-record (including from Component 1) and the South African context to assess its performance and derive recommendations for the future of the programme. This component will also make use of the key insights derived from the international review, Component 2.

1.1.1. Background

The research team, including the HSRC, SALDRU, and Rutgers University; has undertaken to meet the Terms of Reference provided by Shisaka Development Management Services which has been appointed by the Business Trust and Department of Public Works to assist in developing and managing the Expanded Public Works Support Programme (EPWSP). Through a number of discussions after the contract was signed and presentations of preliminary findings there has been close attention to the policy implications of the research and a focus on how the EPWP can be directed to achieving its primary goal.

The Terms of Reference for this section of the Mid Term Review entails the following tasks:

- An assessment of the progress made in achieving the results in terms of efficiency and effectiveness of all expected outcomes.
- An assessment of the assumptions underlying the design and conceptualization of the EPWP.
- Informing the programme with respect to policy, funding and institutional development in South Africa.
- Identifying critical constraints and propose realistic solutions for smooth future implementation.
- Based on the above analysis, the assessment should also propose appropriate redesign or revisions for the EPWP for the remaining time frame of the programme.

These objectives are also taken up in part in Components 1 and 2; this Third Component largely comprises the analysis and review of the interviews with key informants and to some extent beneficiaries, field visits, as well as reference to relevant documents and data. The interviews with senior management and political leadership in the EPWP and other stakeholders constitute a significant centre to the data gathering; the field visits provide the occasion for direct observation and discussion of problems encountered on the ground, and interviews with beneficiaries (although very limited) provide some potential corrective to group-thinking and conventional views based on 'in-house' attitudes.

From this data and experience, findings are drawn and an overall assessment made of the programme which leads, in turn, to the final recommendations.

1.2. Methodology

In this Component 3 report the emphasis is on capturing information and gathering data directly from those officials most directly involved in the implementation of EPWP. The research team has planned and undertaken key informant interviews with national stakeholders and with provincial lead departments, site visits in all nine provinces and gathered documentary material from officials for analysis. Altogether 45 interviews with key informants were undertaken as planned and a range of documents gathered such as profiles of projects, annual reports, speeches, list of projects, etc.

The identification and development of indicators of effectiveness and efficiency has been pursued by assessing inputs such as budgets and expenditures and outputs in training and work opportunities and establishing the relationship between the two.

There are various measures of impact that need to be undertaken to provide a thorough review of the EPWP:

Firstly the achievements need to be measured against the targets set for the EPWP; those of employment created in compliance with the standards set, the proportion of jobs created in terms of targets, and the quality of employment. These are assessments which need to be made on largely the basis of the standards and objectives internal to the EPWP.

Secondly there is the question of the impact of the EPWP on the broader question of the high levels of unemployment in South Africa. Its achievements have here to be set against the size of the labour force and the impact in provinces with the highest levels of unemployment.

Both levels of assessment are pursued in this research. The first level of assessment of the EPWP within its objectives is then set against the second level: that of the imperative of state intervention through the EPWP significantly reducing unemployment. Based on the analysis

below the assessment proposes appropriate redesign or revisions for the EPWP for the remaining time frame of the programme.

In addition to the interviews of key informants and site visits at the provincial level there have also been interviews with national departments. Unfortunately not all the interviews with high level civil servants and with politicians could be concluded within the timeframe of this report. Interviews were secured with the following categories of senior officials: the provincial EPWP directors, sector coordinators, and other senior officials. A schedule of interviewees is included as an Annexure.

In preparation for the site visits a method was outlined to observe directly the infrastructure or service delivered, to systematically interview the project manager, and ask open-ended questions of direct and indirect beneficiaries. Through these procedures it was anticipated that something of the impact of projects could be assessed: the significance and quality of the product or service, the contribution of the project to EPWP's broad objectives, the number of people employed, the type of training available (whether accredited or not), skills acquired, etc. An important aspect is also of the project's contribution to the Sector's objectives.

There are various measures of impact that need to be undertaken to provide a thorough review of the EPWP:

Firstly the achievements need to be measured against the targets set for the EPWP; those of employment created in compliance with the standards set, the proportion of jobs created in terms of targets, and the quality of employment. These are assessments which need to be made on largely the basis of the standards and objectives internal to the EPWP.

Secondly there is the question of the impact of the EPWP on the broader question of the high levels of unemployment in South Africa. Its achievements have here to be set against the size of the labour force, and the impact in provinces with the highest levels of unemployment.

Although the focus of this report is primarily on the assessment of the Programme against its targets, both levels of assessment are pursued in this research. The conclusions of the assessment of the EPWP within the objectives set out for the Programme are drawn against these objectives and then against the imperatives of making an impact on the wider question of state intervention of significantly reducing unemployment. Based on the analysis below the assessment proposes appropriate redesign or revisions for the EPWP for the remaining time frame of the programme.

1.2.1. Interviews and fieldwork

The methodology set out that key-informant interviews should take place with Provincial EPWP coordinating units (with Programme Coordinator) and with the lead Sector delivery departments (Infrastructure, Environment, Social, Economic). In each case it was considered

essential that high level officials be interviewed to provide authoritative judgments on progress and policy.

Although in some provinces there was fairly ready access to key officials, in other provinces there were challenges in organising interviews within a short period and achieving the necessary field visits at the same time. Although information and documentation of the research and assessment was circulated in advance by the research team, officials were, at times, difficult to access. As importantly sector coordinators were generally reluctant to make the necessary arrangements for project visits in advance of an interview. Given the short time period available before making the preliminary report of findings on 12 June 2007, this made it necessary to undertake much of fieldwork very rapidly.

Some difficulties were experienced with officials being unaware of the assessment, but the main hindrance to completing the interviews in time has been competing pressures on officials. Unfortunately the interview schedules coincided with a number of national and provincial meetings involving senior officials who were to be interviewed. There were also uncertainties whether site visits could be scheduled in advance of the key informant interviews – an organisational arrangement needed where many points needed to be covered over a short period.

1.2.2. Key Informant Interviews

A comprehensive questionnaire was devised to capture the opinion and facts on the key issues. It was designed to achieve the following:

- a) gauging their attitudes and perceptions to the EPWP;
- b) eliciting feedback on the progress made in the programme and its performance;
- c) soliciting their thoughts about the EPWP's key successes and failures; and
- d) soliciting their ideas about the programme's future design, implementation and direction.

The questionnaire included the profile of interviewee and the connection between the interviewee's portfolio and the EPWP and a wide range of questions about key issues. These included understanding of EPWP, opinions as to the achievement of targets, accountability, implementation, compliance criteria, design and framework. There were opinion surveys on priorities, budgets, capacity, institutional arrangements, projects, and reporting. Other questions related to the cost effectiveness, efficiency and the key obstacles facing the EPWP.

Some of the most important questions aimed at generating feedback on the successes, obstacles, changes, and the future of EPWP and gathered ideas about what interventions would most help EPWP achieve its objectives. Finally there were additional questions relevant to the infrastructure sector relating to EPWP compliance in Municipal Infrastructure Grant (MIG) and Division of Revenue Act (DORA) expenditure.

These individual stakeholder interviews were conducted with senior management (although, unfortunately, not with political leadership) involved in the implementation of EPWP to gauge perceptions and encourage feedback on the key successes and failures of EPWP and to explore ideas about future design, implementation, and direction. Interview schedules were planned to include directors, heads of departments, sector coordinators and other officials at a senior levels.

There were difficulties in scheduling interviews; those of communication, misunderstanding of timeframes, other priorities for officials not allowing the time, officials being away at national meetings, and the civil service strike starting on 1 June. Despite these difficulties, officials often mentioned that they valued the interview schedule (and were keen to retain a copy of the questionnaire as an *aide memoire* to their work) and were eager to share their experiences and expand on some of the improvements which could be made. Many of the longer-established officials involved in the EPWP regard the public works they had been involved in prior to the launch of EPWP in 2003 as important antecedents and had considerable experience to share. The questions succeeded in drawing out well considered responses to key issues regarding the current operation and potential future of EPWP.

While on occasion it was necessary to reschedule interviews to ensure that the most senior officials were interviewed, informant interviews were successfully completed with 45 senior stakeholders.

1.2.3. Project field visits

A small number of EPWP projects (1 in each of the 4 sectors) were planned to be visited in each of the provinces to get a general sense of the EPWP experience on the ground. This provided the opportunity to get some idea of the scale of projects, attitudes of project managers to EPWP, and some idea of the range of successes and failures. These have been vital to understanding the wide variety of projects, innovatory approaches, and the issues of coordination between EPWP, departments and project managers.

If there had been greater time available, there would have been more opportunity to make a judicious selection of projects from EPWP project lists and to spend more time on site to engage more fully with beneficiaries. The project visits were often undertaken with some urgency; although during the time available the basic questions of the application of EPWP objectives could be assessed and useful material gathered from project managers, workers, and other beneficiaries.

The interviews and fieldwork was largely completed to meet the deadline of 12 June 2007 even though the analysis was at a preliminary stage. The data made available through these processes was systematically compiled and analysed to provide the tables and comparative data which is presented here.

1.2.4. Documentary analysis

There has been a considerable literature generated around the EPWP in the form of evaluations, reports, policy documents, regulations, guidelines, etc. These have been gathered and read to help assemble a holistic view of the Programme. Many assessments relate to programmes such as Working for Water or Working on Fire and similar projects which are generally considered to be within the EPWP parameters are also considered. A schedule of these documents is available in the *Bibliography and documents reviewed*.

The main focus of the documentation has been on building an appropriate database to make a rigorous measurement of targets and achievements possible. In addition key informants were requested to provide additional data or information (documents, reports) to help assess the performance, obstacles, and lessons to be drawn by sector and province. These have included a wide range of material such as annual reports from the provincial Department of Public Works, speeches, brochures, progress reports, profiles of projects, electronic lists of projects, etc.¹ Unfortunately this material was found to be quite uneven (e.g. not all departments provide full reports on EPWP) and reports from sectors other than Infrastructure (except for Environment) tend to be weak. Despite this the extensive documentary material located does provide invaluable data and authority to the assessment.

1.2.5. Limitations of the research

The research has certain limitations. These need to be noted in relation to the method which has been adopted, the limited sample of sites and personnel, and the speed at which the findings have had to be delivered. The method of including EPWP senior personnel is valuable in capturing the views of those most involved in implementation but less so in analysing the views of those not directly involved and in drawing together the views of communities and beneficiaries. While there has been a reasonably good range of views among those most involved in implementing EPWP it can be imagined that some officials were defensive as adverse comment may reflect on their performance. The emphasis on capturing the views of provincial and national officials involved in EPWP has meant that in-depth interviews with municipal officials have been left in abeyance.

The limited number of sites which could be visited in the time available (33) has meant (although useful in a qualitative sense) that they do not constitute a scientifically representative sample. This does constitute, however, a fairly large number of EPWP sites which have been systematically researched.² Problems were also encountered at the

¹ With a clearer early understanding of the wide range of official material and greater time available it would have been possible to access each of DPW annual reports, EPWP budgets, presentations, MEC's speeches and occasional documents for the nine provinces. The documents involved are voluminous. Despite this reservation, a comprehensive volume of material has been compiled and read.

² Apparently other Case Studies have been commissioned by EPWP but were not made available; these would have been very useful to conduct comparative exercises across sectors and provinces.

provincial level in working from a provincial list of projects to make more of an independent sampling. Generally the sites visited were those proposed by the EPWP officials. Analysis of a number of key indicators of these projects has been undertaken and has succeeded in going beyond the particular detail of projects (significant though this can be) to drawing out key elements such as compliance issues, attitudes of beneficiaries, payment of stipends and wages, other working conditions, physical conditions for beneficiaries, etc.

1.2.6. EPWP objectives and standards

The key objective of the EPWP can be summarised as follows: a nation-wide programme which will draw significant numbers of the unemployed into productive work, so that workers gain skills while they work, and increase their capacity to earn an income (EPWP Logframe, p13).

The objectives of the EPWP will be achieved by:

1. Creating productive employment opportunities by:

- Increasing the labour intensity of government-funded infrastructure projects
- Creating work opportunities in public environmental programmes (e.g. Working for Water)
- Creating work opportunities in public social programmes (e.g. community health workers)
- Utilising general government expenditure on goods and services to provide the work experience component of small enterprise learnership / incubation programmes

2. Enhancing the ability of workers to earn an income, either through the labour market or through entrepreneurial activity by

- Providing unemployed people with work experience
- Providing education and skills development programmes to the workers.

Necessary for the assessment of the implementation of the objectives of the EPWP are the precise objectives themselves, the standards set out in policy documents, and the criteria for compliance.

In constructing the questionnaire, the questions posed to senior officials, and the research guide to the assessment of site visits; reference is made to what is termed the “compliance criteria”. These are, in a compressed form, the points assembled from the standards and

policy objectives which indicate the difference between an EPWP project and one which is not to be considered EPWP.

1.2.7. Institutional arrangements: championship and oversight

The EPWP is a Programme with a wide-ranging set of objectives including: poverty alleviation, short term job creation, training, and the development of an exit strategy to provide access to further employment. Given its multi-faceted nature it demands a high level of inter-departmental coordination to succeed. The responsibility for its implementation has been given to the National Department of Public Works which has set up an EPWP Unit to direct its work and record its performance. In foundation documents objectives were set for the EPWP and spelt out in targets (such as the well-publicised one million jobs by 2009), the standards to be observed and the operational principles in a Logframe which still remains the basic policy text.

The DPW takes responsibility for championing EPWP among “all spheres of government and state-owned enterprises”; this is a considerable task potentially involving 36 national departments, about 90 provincial departments, and 64 metros and district municipalities. In practice few departments constitute the core and many departments which could be expected to participate fully (such as Housing) surprisingly are only peripherally involved.

The responsibility for the implementation of the EPWP falls largely on the Provincial Departments of Works which operate as the overall coordinator and the lead department for the Infrastructure sector. Sector coordinators have come from participating departments although in some provinces their work has administrative support from the DPW. The Coordinators have the responsibility of championing the EPWP provincially, helping plan projects and getting their “buy-in” through the allocation of staff and funding. The EPWP projects are meant to be compliant (i.e. labour intensive, have governance and operations compatible with the sectoral lead department, provide paid employment in the form of wages or stipends and accredited training); there are, however entirely open definitions of work opportunities in terms of length of time and wage rates paid. An agreement reached at NEDLAC removes EPWP projects from having to conform to important aspects of the South African labour code.

The Infrastructure sector had a head-start as traditionally infrastructure projects have been managed by the DPW and the preceding public works served as models from which there could be scaling up.³ The new Infrastructure plan was developed by the Department of Public Works with inputs from the Departments of Transport, Housing, Provincial and Local Government, Water Affairs and Forestry, Public Enterprises, Minerals and Energy and Education. Over time, however, most of these departments appear to have fallen away and not make a contribution to this sector. The departments of Housing, Water Affairs, Public Enterprises, and Minerals and Energy and Education appear now peripherally involved in

³ A number of projects within the EPWP are, for example, still labeled “Community Based Public Works” the name which applied to public works prior to the launch of EPWP.

Infrastructure if involved at all. This provides some indication of the many possibilities opened up in the Infrastructure plan but not able to be concretised.

The implementation of the EPWP has had keen oversight at its launch in 2004. The DPW provides general oversight and reports on all sectors, but the DPLG is also involved in taking responsibility for oversight of provincial and municipal implementation largely through setting EPWP principles as a requirement for MIG. Access to PIG funding is made directly with National Treasury. The expansion of public works signalled the inclusion of the Economic, Social, and Environment and Culture Sectors led by the Department of Social Development, Environment and the dti. These newly added sectors do not have the historic cohesion of Infrastructure and some show a number of weaknesses in coordination and implementation. The Economic Sector in particular is not evident in a number of provinces.

Responsibility for the EPWP falls within the Second Economy section of the Economic Cluster in terms of the Government's Programme of Action. The dti provides the secretariat and is the lead department for the Economic Cluster with responsibility for the targets to halve unemployment and poverty by 2014. There is, however, declining reporting on the progress of the EPWP within the Government Programme of Action in the Economic Cluster (see relevant Annexure). Although the Department of Public Works provides annual reports on the EPWP, the oversight and direction of the EPWP appears weak in the Economic Cluster or associated Departments. The EPWP is not mentioned at all in the last dti annual report although there is reference made to the objective of halving unemployment by 2014 and the founding documents link the EPWP to this objective (the dti, 2006). In six out of seven of the Economic Cluster parliamentary briefings which are intended to report on the Programme of Action including the Second Economy objectives, there has not been reference to the EPWP. There have, however, been occasional reports from the representatives of the Social Cluster. Only two Portfolio Committee reviews of the EPWP have been traced and these did not involve the dti or sector lead departments.

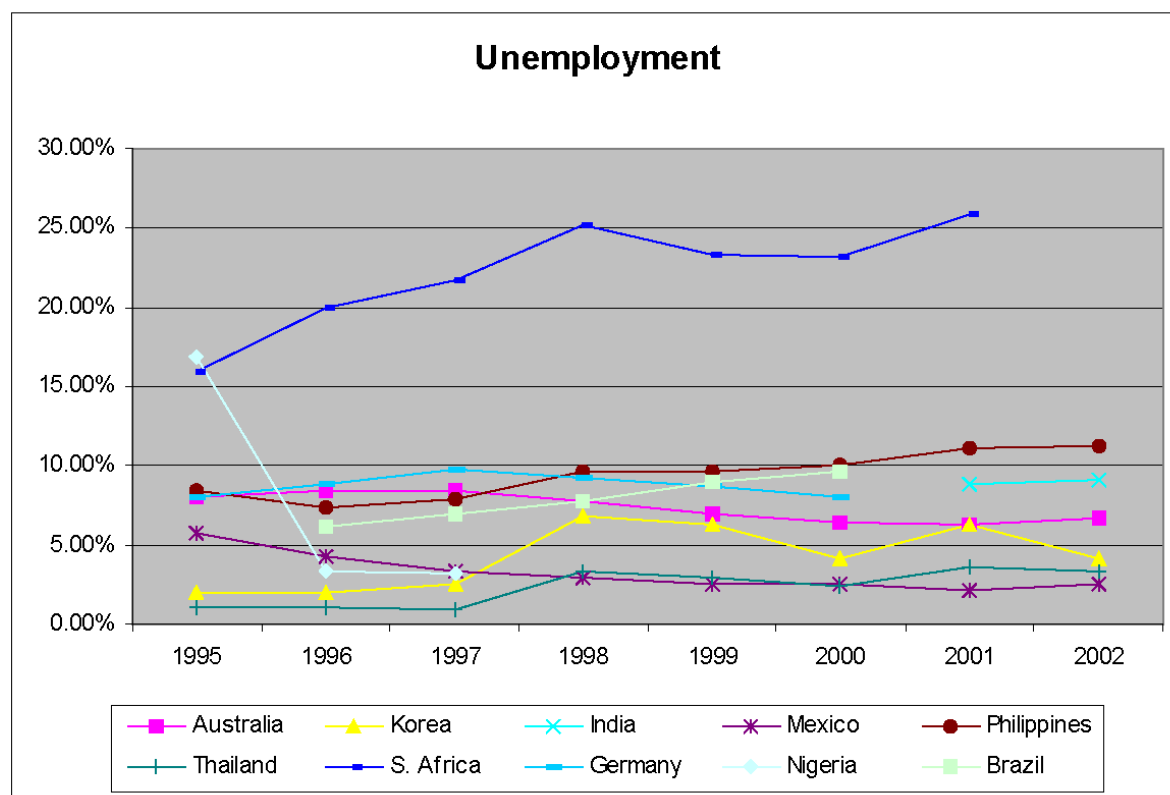
In short, there is an exceedingly complex web of direction and oversight which has stressed the capacity of implementers to bring together departments in all spheres into developing EPWP projects. The provincial level is most active in the implementation, for example, but appears only loosely in communication with the municipalities which report to the DPLG.

All this makes accountability for the EPWP targets very difficult to achieve and this issue has been confirmed by interviews with senior officials. The lack of additional funds, conflicting institutional loyalties, various lines of reporting, and high levels of co-ordination required in implementation has certainly affected the progress of projects and the numbers employed and trained.

1.3. The context of unemployment

Reducing unemployment is one of South Africa's greatest socio-economic challenges. South Africa has one of the highest rates of open unemployment, compared to other stable economies globally, and the official measure of unemployment rate is about 27%. This problem has been developing for a number of years. It can be attributed to a number of causes such as a rapidly expanding labour force, large jobs losses in mining and agriculture over the 1980s, and slow job creation in other sectors between 1970 to now. There is a strong racial bias in the experience of joblessness and poverty as the burden of unemployment falls largely on African population both in numbers and as a proportion of the population (31,6% in November 2005). The existing jobs for many African people are also largely low-wage, casual and without benefits.

Figure 1. Comparative trends in unemployment



Source: ILO/KILM (Key Indicators of the Labour Market) quoted in DTI, nd, p38

The comparative trends show that the higher levels of unemployment are not a matter of slight difference in ranking but that those of South Africa are of a substantially different order. In Figure 1 the nine other countries in a survey had unemployment rates generally

within a band between 3 to 10% while South Africa has figures consistently above 20%. The range between South Africa and the other countries in the sample is not of degree, of being somewhat higher than the broad band of comparative unemployment rates, but one of a different order. Within those countries experiencing structural unemployment, South Africa has the most severe manifestation of a social problem of joblessness with impact in social dislocation, crime, and hopelessness. The enticement to young women to accompany killers in serial murders is often that of an offer of employment and curriculum vitae have been found on the bodies of the most recent occurrence on the South Coast of KwaZulu-Natal.

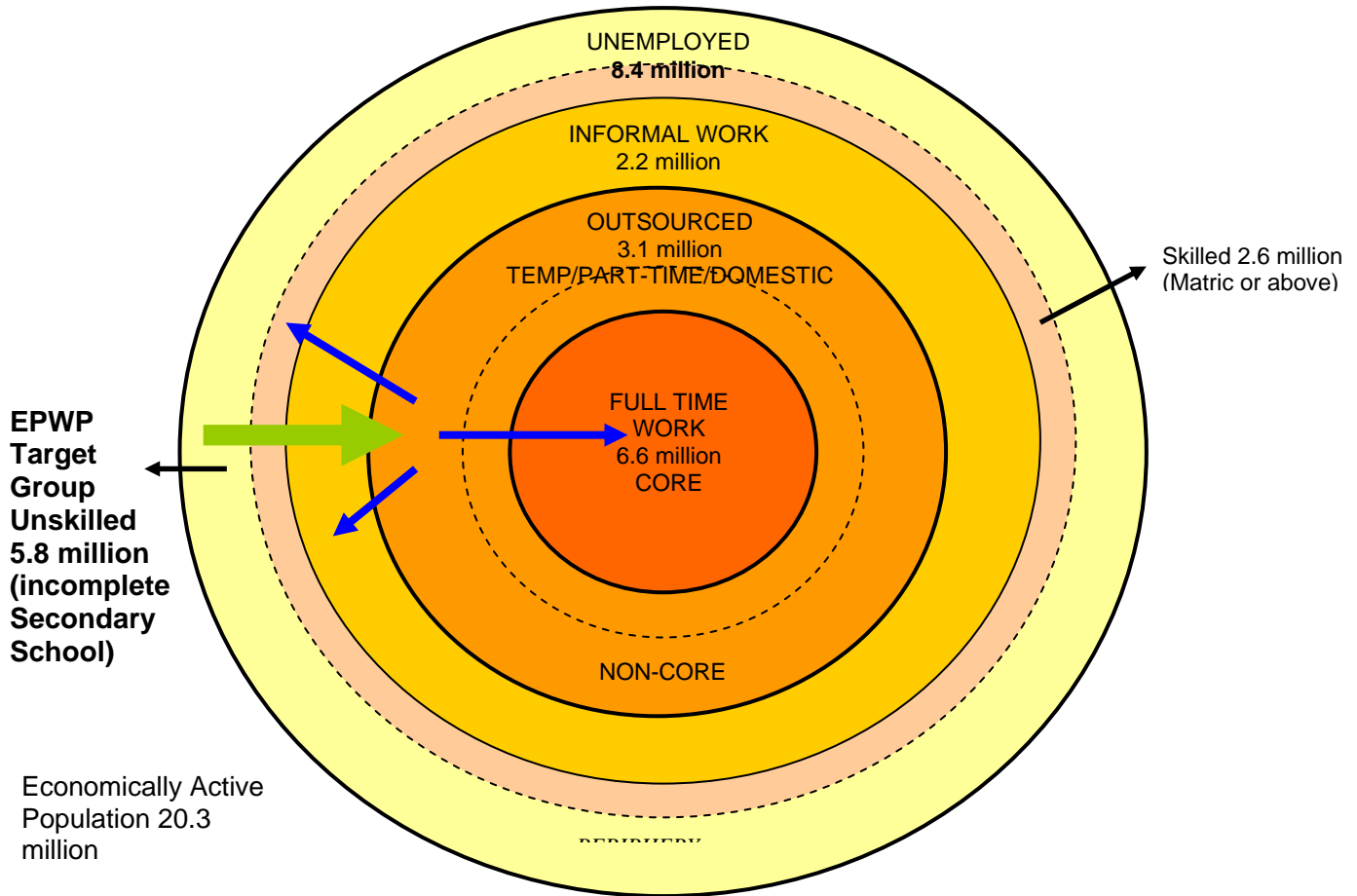
The long term unemployed live in desperate conditions; as much as 67% of those that are unemployed have been looking for work for over a year. It appears that among the youth 55.8% of the youth labour force is unemployed, which is double that of the adult workforce (dti, nd: v). Among African women in rural areas 47.2% are unemployed. Although there has been considerable increase in educational opportunities the educational threshold even for unskilled jobs is rising consistently.

It is generally agreed there is a great need to meet the crisis of structural unemployment particularly as those who suffered most intensely under apartheid are those who have benefited least in terms of greater employment in the recent past. Indeed until recently the prospects for employment have substantially worsened. In terms of the official definition there are 4,4 million unemployed in September 2006, and of this African people constitute 3,9 million; in addition African people constitute the largest proportion of those classified as 'discouraged' work-seekers who number 3,2 million (LFS, 2006). In total there are thus at least 4,4 million people actively seeking work who could benefit from the Programme and another 3,2 million who are discouraged from seeking work who could also benefit; a total of 7,6 million people making up the numbers of the 'broad' definition of unemployment (LFS, 2006).⁴

This gives some indication of the extent of the potential demand for EPWP employment. This is a demanding context for the EPWP and if it is to be designed, as stated in founding documents, as a means of being an instrument to halve unemployment it would need to be situated within a strategy to create 3.5 to 5 million additional jobs by 2015.

⁴ LFS, 2006, Figure 2: Unemployment and discouraged work-seekers, September 2001 to September 2006.

Figure 2. Centre and periphery in labour markets



Source: EPWP, 2006 drawn from Figure 1.1 in von Holt and Webster, 2006.

More specifically the EPWP has identified the 5,8 million unskilled workers who lack secondary education as the targets for public works or other initiatives to draw them into the benefits of economic growth. Although the EPWP could not (and, for a number of reasons, probably should not) provide the full complement of jobs for this group, the characteristics of these workers – extreme poverty, inadequate preparation for work, distance from work centres – requires state intervention to make the transition to the ‘first economy’. The EPWP is most often identified as being the appropriate instrument.

The EPWP has commissioned research to identify the challenge of unemployment and the resources need to meet it. The model developed by Kirit Vaidya and Farhad Ahmed for the

EPWP, of the demand for work particularly among rural unemployed at different rates of pay and days of work, has considerably advanced the targeting of public works employment. These researchers estimate that there are 2.5 to 3 million households which have no individual employed and no access to remittances and who live under the poverty line and would benefit by having at least one family member gainfully employed. At wage of R30-R50 a day, an estimated 2.4 to 3.7 million people would seek EPWP employment (if restricted to one job per household). The scale explored by these authors of “the extent to which EPWP would provide employment to those who are unemployed” is to provide work opportunities for between 2.4 to 4 million workers at any one time (Vaidya and Ahmed, 2007).⁵ The overall assumption they made, as researchers commissioned by the EPWP, was that the Programme itself would provide employment for the likely labour supply at the different wage rates.

The key question, however, is the extent to which the economy will grow and provide new jobs as the EPWP operates largely to provide for the “residual unemployed” i.e. those without immediate prospect of being absorbed into jobs even as employment expands. A set of scenarios constructed by the HSRC Employment, Growth and Development Initiative (EGDI) set out differing demand for public works employment according to economic growth rate in GDP. Assuming that government is committed to halving unemployment by 2014, a rate of 3% growth will require public works employment of 2,9m, at 4,5% a requirement for 1,5m job opportunities, and at 6% a smaller requirement.

The various projections measuring the levels of unemployment and labour demand in different ways all conclude that the scale of unemployment represents an enormous challenge to the post-apartheid government and a scale well beyond the targets for the EPWP set in the Logframe.

1.3.1. Contextualising changes

Although the general context of unemployment has been fairly stable over the past few years there have been changes of degree. In particular there have been changes in the rate of unemployment by province which indicate changes in the level of demand for EPWP employment. Generally the ‘rural provinces’ appear to be experiencing an increase in the rate of unemployment with Limpopo, the North West and KwaZulu-Natal showing the highest levels of increase. The exception to this trend is the Eastern Cape which has shown a substantial reduction in employment possibly in response to substantial regional development through state-led infrastructure development and industrial growth.

⁵ The authors make set of these projections from different assumptions of wage rates and number of days per work opportunity, Vaidya and Ahmed (2007), iv.

Table 1. Unemployment rate (per cent) by province, March 2001 to March 2006

Province	Mar-01	Mar-06	% Change: Mar-01 to Mar06
Limpopo	28.1	35.6	26.7
North West	27.9	31.8	14.0
KwaZulu-Natal	26.2	29.9	14.1
Free State	27.4	28.3	3.3
Mpumalanga	26.3	27.4	4.2
Northern Cape	23.8	23.5	-1.3
Gauteng	28.2	23.3	-17.4
Eastern Cape	28.4	22.1	-22.2
Western Cape	19.0	15.9	-16.3
Total	26.4	25.6	-3.0

Source: Table 2. Vaidya and Ahmed (2007)

1.3.2. EPWP's contribution to overall job creation

How might EPWP jobs compare to that being created in the rest of the economy?

There is considerable debate as to whether EPWP opportunities could really be called “jobs”, particularly where they last for a few weeks although such description. However, it is worth noting that the official definition (adopted from the ILO definition) of a employment is not very onerous. According to the Labour Force Survey, a person is considered employed if they were engaged in any kind of economic activity for at least one hour in the previous week. This includes unpaid family workers and subsistence farmers.

In an effort to compare like with like, calculations are made to see how work opportunities compare to a general notion of a job, i.e. full time employment. These calculations provide numbers of “full-time equivalents” which have been created. The definition of an EPWP work opportunity is not limited as in the LFS to very recent work and could represent opportunities undertaken by a beneficiary more than once a year.

1.4. Structure of the report

This report presents the findings of the EPWP Mid-Term Review study in the following structure:

- Section 1 gives the terms of reference for the Component 3 study, provides an introduction to the whole, and spells out the methodology;
- Section 2 presents the findings largely from the key informant interviews and documentation and reviews provincial performance;
- Section 3 presents the sectoral and provincial review which includes reports on the site visits;
- Section 4 provides an analysis of the achievements and
- Section 5 brings the review to its conclusion by drawing together the key findings, presenting a set of conclusions, and the recommendations which flow from the conclusions.
- The key recommendations are presented in Section 6.

2. Findings

In this section the operation and performance of the EPWP over the years 2004/05-2006/07 is assessed on the basis of four research activities: interviews with key informants, provincial reports, sector reports and finally case studies written up from site visits. The reports have compiled from interviews, observation and a wide range of documentary sources including project profiles, annual reports from provincial DPW, status reports, and the narrative and statistical reports of EPWP nationally.

Although this may lead inevitably to repetition, the findings are presented systematically under these headings:

Key Informant Interviews:

- a) General review
- b) Analysis of challenges and proposals for change

Provincial reports

Sectoral reports, and finally

Site reports and analysis.

2.1.1. The EPWP Report Card

At the centre of the assessment of the EPWP in terms of its original design, institutional arrangements, objectives, and targets is the EPWP Logframe which sets out, line by line, how the EPWP will be operationalised. The Logframe makes mention of a large number of specific targets to be achieved over the five year period of its operation. Since mention of these targets is scattered throughout the Logframe and many are not specifically measured, a Report Card has been compiled of the six key targets to highlight key objectives and simplify comparisons by putting together key performance indicators, the targets and the current numbers. It serves as a summary sheet of commitments and compliance criteria to be kept in mind during the analysis of sectors and provinces.

Table 2. EPWP's Performance Indicators and Targets

EPWP Indicator	5-year Target
1. Number of work opportunities created	1 000 000 +
a. Infrastructure	750 000
b. Environment & Culture	200 000
c. Social	150 000
d. Economic	12 000
2. Person-years of employment created	650 000+
a. Infrastructure	250 000
b. Environment & Culture	200 000
c. Social	200 000+
d. Economic	18 000
3. Training (number of people + person days)	15 579 000
a. Infrastructure	9 000 000
b. Environment & Culture	2 005 000
c. Social	4 535 000
d. Economic	39 000
4. Project budget	
a. Infrastructure	R15 billion
b. Environment & Culture	R4 billion
c. Social	R2 billion
d. Economic	Unspecified
5. Actual expenditure ⁶	Percentage of budget
6. Demographic characteristics of workers	
a. Youth	(40%) 400 000
b. Women	(30%) 300 000
c. Disabled	(2%) 20 000

The research in this component has focused on generating data and perspectives from the key informant interviews and site visits. This material has been analysed in the following way: the data from the 45 completed questionnaires were captured in spreadsheets and reproduced in tables and the nine provincial reports synthesised around such keywords as capacity, compliance, coordination, communication, expectations, implementation, infrastructure, labelling, labour intensive, targets, and unevenness.

2.1.2. Key informant interviews: general review

Many of the features identified in the analysis such as the dominance of Infrastructure, the underdevelopment of other sectors, and the importance of KwaZulu-Natal within the provinces, were also established in the interviews conducted with senior managers of EPWP.

⁶ Actual expenditure is the expenditure on the project by the contractor plus the expenditure by the professional service provider appointed to design and supervise the project. The actual expenditure excludes expenditure on government management & administration (Guidelines, July 2005).

Graphical representation of these points is made below. The interviews, however, added other elements.

A fairly comprehensive questionnaire was used to capture the opinion of Key Informants and facts on the key issues. These were designed to provide feedback from these Key Informants on their personal involvement in and attitudes and perceptions to the EPWP; the response of other stakeholders to the EPWP, progress made in the programme and its performance; assessments of the EPWP's key successes and failures; and ideas about the programme's future design, implementation and direction.

The questionnaire included the profile of interviewee and the connection between the interviewee's portfolio and the EPWP and a wide range of questions about key issues. These included understanding of EPWP, opinions as to the achievement of targets, accountability, implementation, compliance criteria, design and framework. Opinion was requested on priorities, budgets, capacity, institutional arrangements, projects, and reporting. Other questions related to the cost effectiveness, efficiency and the key obstacles facing the EPWP.

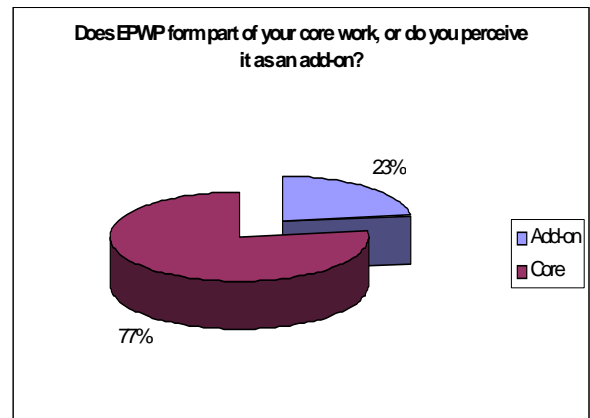
The responses to a number of the questions relating to the personal involvement of Key Informants are presented in a cluster of graphs in Figure 3. From these figures it is clear that most senior officials (77%) regard their work on the EPWP as core to their daily activities, although 23% considered the EPWP as an "add-on".

Most of these officials (58%) felt they understood the EPWP "very well" but a large minority (42%) felt that they knew of EPWP "reasonably well" or "not well". Commitment appears stronger than knowledge. In terms of their personal involvement more officials felt that their involvement was "core" than that they knew the EPWP "very well". These Key Informants reported rather different views of their environment for implementation; 44% report that stakeholders regard the EPWP "positively", while 41% are "unsure" and 16% are "negative".

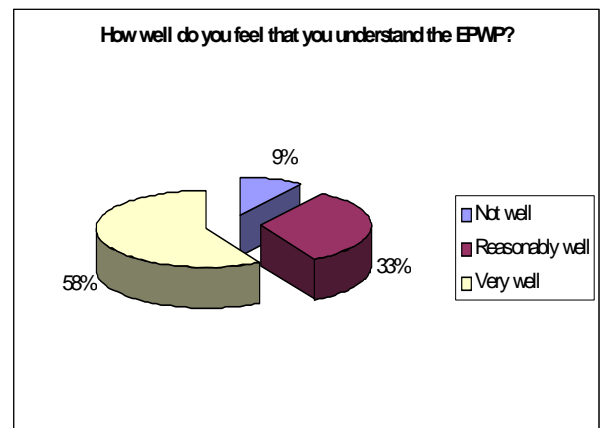
The graph below provides a review of the settings in which senior EPWP officials work; the centrality of the EPWP to their work, their knowledge of the EPWP, and the implementation environment.

Figure 3. Understanding and communication

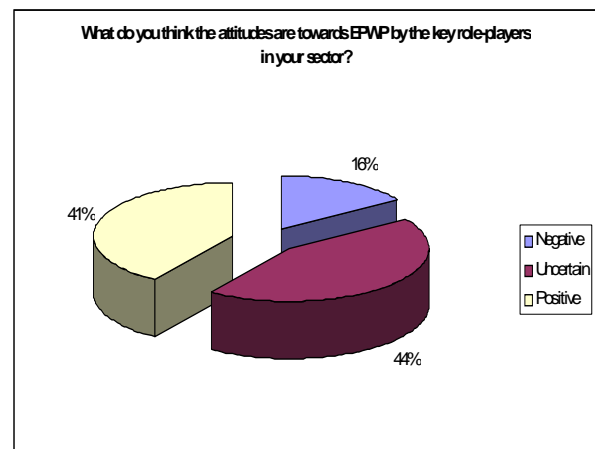
Most senior officials regard their EPWP as core to their work, but 23% feel it is an add-on.



Most senior officials feel they understand the EPWP very well but a large minority, 42%, feel they know it reasonably well or not well.

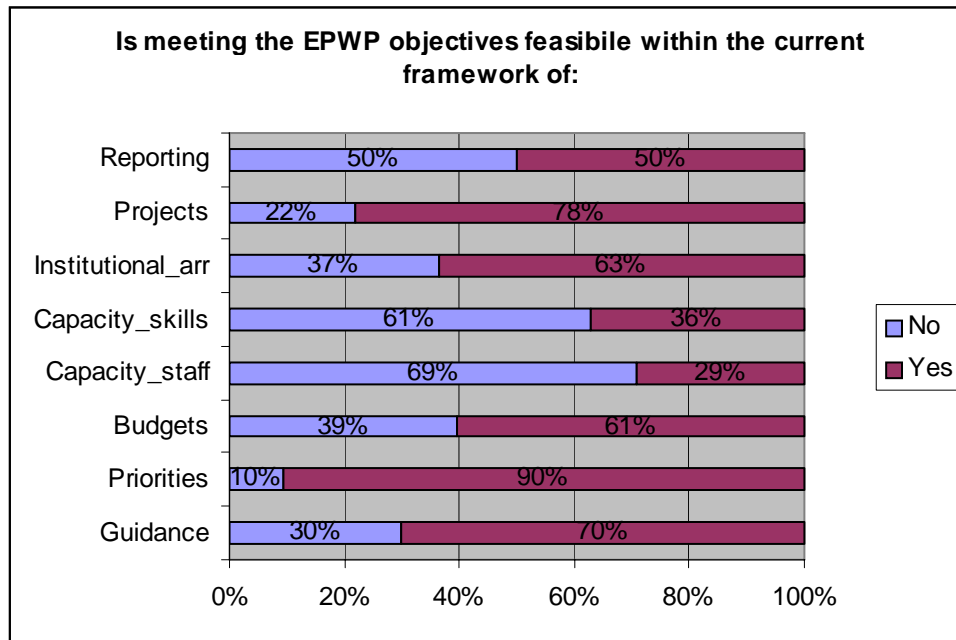


The attitude towards EPWP by stakeholders is seen by senior officials as spanning a wide range: 44% of stakeholders regard EPWP positively, 41% are unsure, and 16% are negative.



Source: Survey of Key Informants

Figure 4. Feasibility of EPWP objectives

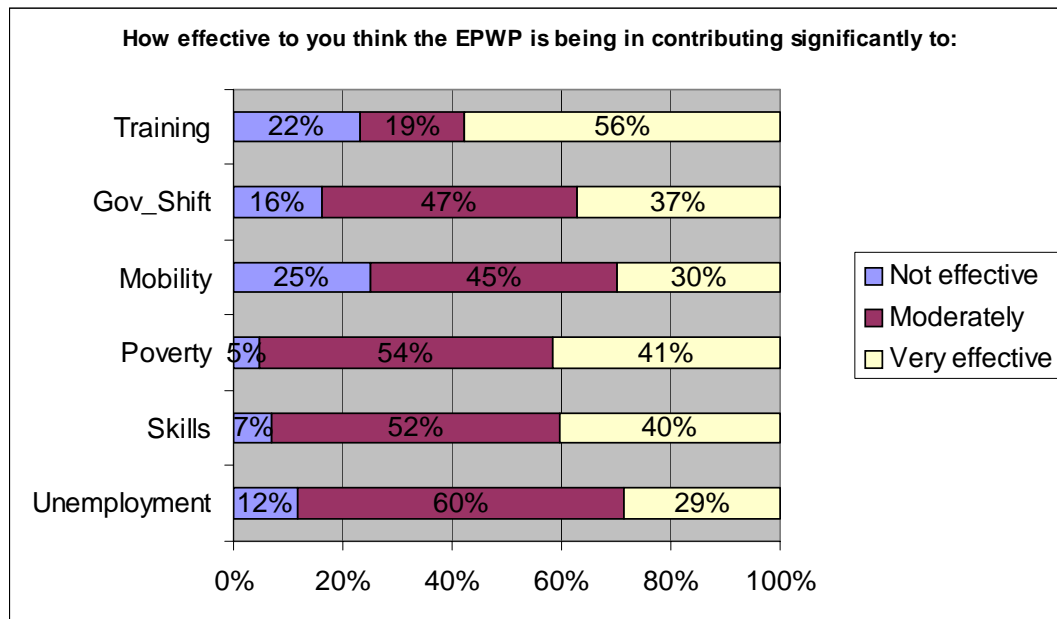


In assessing further the working environment, capacity and other issues related to effective implementation of EPWP, the Key Informants reported the following:

- The EPWP objectives were feasible within the framework of priorities, guidance, projects, institutional arrangements, and reporting:
- They were less feasible in terms of budgets, skilled staff capacity and general capacity in terms of staff.

The latter points are worth examining further. In relation to budgets while 61% of senior managers said that objectives could be reached in terms of budgets, a sizeable minority (39%) said that they could not. The main constraint identified in terms of the realization of objectives is that of capacity in terms of sufficient staff and the staff having sufficient skills: 61% of senior officials felt they did not have sufficiently skilled staff and 69% felt that they did not have sufficient staff.

Figure 5. Effectiveness of EPWP



Senior officials had a range of opinion in relation to the effectiveness of the EPWP. Most regarded training within the EPWP as “very effective” (although a strong minority, 22%, regard training as “not effective”).

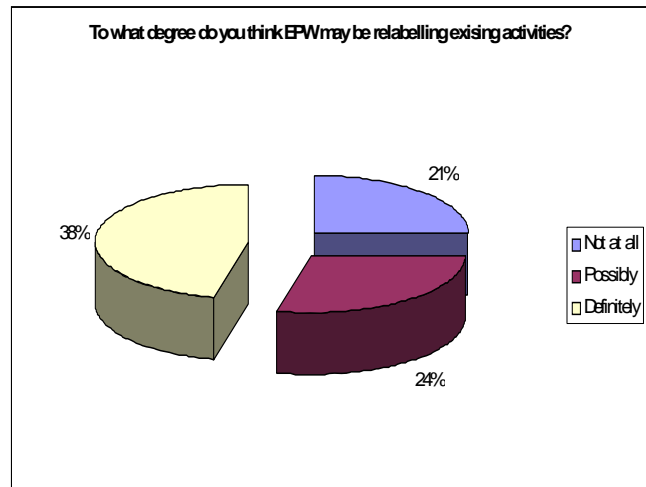
Similar large majorities (in terms of “very effective” or “moderately effective”) are recorded in relation to alleviating poverty, providing skills, providing employment and shifting government expenditure towards EPWP objectives (“Gov_Shift). Significantly in relation to “Mobility” i.e. the success of exit strategies in terms of ensuring a transition from training and temporary employment to further employment, there is a sizable minority (25%) which feels the EPWP is “not effective”.

Senior officials appear to have an open-ended attitude towards the re-labeling of existing projects as “EPWP projects”. In Figure 6 below 38% of senior officials stated that EPWP was “definitely” re-labeling existing activities, 24% thought it possibly could happen, while 21% did not think it could happen. In a graph not presented here 70% of senior officials considered that there were projects or programmes that could be included and reported on under the EPWP that currently were not.

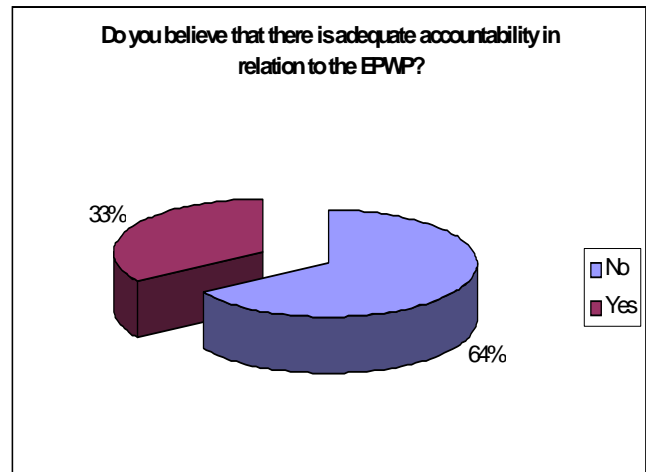
These responses tend to indicate that senior officials have an “inclusive” attitude towards the EPWP, possibly feeling that re-labeling is not necessarily incorrect or that additional existing programmes could be included. There is considerable pressure on provincial leadership to report progress in relation to the EPWP targets and this could influence attitudes.

Figure 6. Re-labelling, accountability and targets

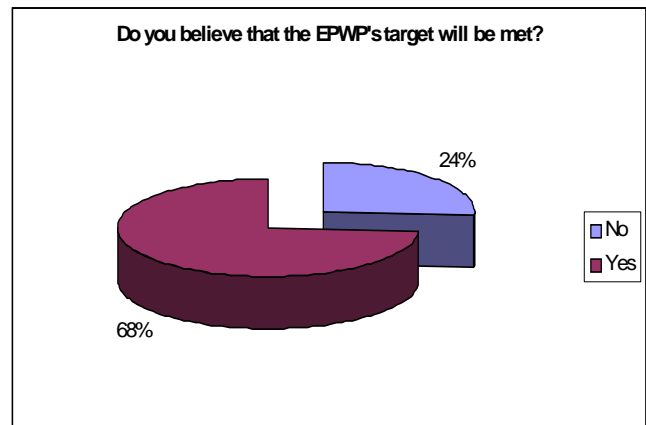
38% stated that EPWP was definitely re-labelling existing activities, 21% did not think so while 24% thought it possibly could happen.



Considering accountability 33% felt that there is adequate accountability while 68% stated there isn't adequate accountability in relationship to the EPWP.



A large majority of senior officials (68%) feel that the EPWP targets will be met, while 24% believe the targets will not be met.



To conclude: the graphs in Figure 6 also feature two major concerns within the EPWP, firstly whether there is sufficient accountability to ensure good and effective working relationships, and secondly whether EPWP targets will be met.

In relation to accountability 33% of senior managers felt that there is adequate accountability within the EPWP while 68% stated there is not. A large majority of senior officials (68%) feel that the EPWP targets will be met, while 24% believe the targets will not be met.

These figures indicate that, although there is considerable optimism that targets will be met (and some stated that the targets were modest enough to be realized), a surprisingly high proportion feel that there is not adequate accountability within the EPWP.

This attitude was expressed both in relation to the institutional arrangements of the EPWP (which one expressed as leading to “zero-accountability”) and to the responsibility for EPWP not necessarily being part of performance contracts.

2.1.3. Key informant interviews: analysis of challenges and proposals for change

Among the key points raised by senior managers were a number of concerns which could be clustered in order of priority on the following heads:

The quality of EPWP employment
Reporting and management information
Coordination (vertical and horizontal)
Implementation
Political support
Accountability and incentives
Funding constraints.

In relation to the *quality of EPWP employment* the following concerns were mentioned: exit strategies, conditions of employment, the beneficiaries’ understanding of the objectives and definitions, and the quality of training. Reporting and management information includes the issues of re-labelling, compliance with EPWP criteria, and the monitoring and reporting of projects.

Concerns about *Coordination* include questions of problematic communication across clusters, lack of clarity regarding requirement for Community Liaison Officers, limited municipal capacity, a lack of buy in, and the domination of infrastructure to the disadvantage of other sectors. *Implementation* includes the specific issues relating to sectors such as the question of the maintenance of assets in infrastructure, inconsistent application of either wages or stipends, wages after training, the quality of staff training, and the need for legislation to ensure take up of environmental services and effective utilisation of Environment sector EPWP programmes. The *political questions* ranged over achieving buy in, the coordination role and leadership of DoPW and of the Provincial EPWP, and the politicisation of recruitment and processes in EPWP.

Accountability and incentives includes the issues of a lack of accountability within the EPWP, and within line ministries, the low importance of EPWP leads to allocation of poor quality or junior staff, and EPWP being perceived as add on rather than way of delivering core mandate.

While a number of senior managers spontaneously mentioned they are strongly committed to the EPWP continuing into the future, in interviews they made a number of critical appraisals.

Table 3. Issues mentioned by provincial leadership

Issue	Percentage
Quality of EPWP employment	23%
Reporting and management information	22%
Coordination (vertical and horizontal)	20%
Implementation	14%
Political support	12%
Accountability and incentives	7%
Funding constraints	2%
	100%

In an analysis of the responses of provincial leaders to the question of key obstacles the most important issues were shared fairly evenly between the *quality of employment, reporting and management information, and co-ordination*. In relation to the quality of employment the following issues are gathered: exit strategies, conditions of employment, the beneficiaries' understanding of the objectives and definitions, and the quality of training. Reporting and management information includes the issues of re-labelling, compliance with EPWP criteria, and the monitoring and reporting of projects.

Coordination includes questions of problematic coordination across clusters, lack of clarity regarding requirement for Community Liaison Officers, limited municipal capacity and contributes to a lack of buy in, and the domination of infrastructure to the disadvantage of other sectors. *Implementation* includes the specific questions relating to sectors such as the question of the maintenance of assets in infrastructure, Inconsistent implementation (stipend levels) lack of coherence - wage levels vs stipends, wage after training, service delivery during staff training, the Need legislation to ensure take up of environmental services and

effective utilisation of Environment sector EPWP programmes. The *political questions* ranged over achieving buy in, the coordination role and leadership of DoPW and of the Provincial EPWP, and the politicisation of recruitment and processes in EPWP.

Accountability and incentives includes the issues of a lack of accountability within the EPWP, and within line ministries, the low importance of EPWP leads to allocation of poor quality or junior staff, and EPWP being perceived as add on rather than way of delivering core mandate.

These are the most important issues identified in interviews and will be reflected in the broad review of provincial reports and other data sources below. The discussion of the provincial implementation of EPWP will be undertaken on the following basis: compliance and reporting, communication and co-ordination, political and management issues, meeting objectives, and capacity and implementation.

2.1.4. Quality of employment

Although it may not appear immediately as closely associated, the issue of the quality of EPWP employment is closely linked and often raised in relation to that of compliance and reporting. The concern about the quality of employment is raised in relation to a number of issues which were also mentioned in site visits:

- Inconsistent implementation of wages; the application of wage rates; and unpaid labour;
- The generally low level of wages even compared to other low wage employment;
- Confusion over whether wages or stipends should be paid and uncertainty over duration;
- Grumbles from workers that wages are consistently not paid on time;
- The persistence of unpaid volunteers continuing in EPWP projects;
- Unclear exit strategies based on market demand and the need for skills;
- Uncertainty about paying wages during and after training; service delivery during staff training.

An issue often mentioned by those interviewed is that employment on EPWP projects is too short enough to allow adequate training and to achieve the exit strategy set out in policy.

In interviews in (North West) senior officials mentioned the unevenness of stipends from sector to sector in the province and beneficiaries are paid different stipend amounts between and within sectors:

On the some project, for instance, beneficiaries are paid R50 per task per day and while others are paid R62.50. In the social sector, beneficiaries are paid R500 or R1000 per month. Issues of providing beneficiaries with a decent wage were raised during interviews

Officials also mentioned that in some of the projects there has not been the support through EPWP that could be expected e.g. in Mpumalanga a pre-school does not have stipends for teachers or volunteers apparently because the lead department has yet to approve its governance after many years engagement.

The most often mentioned problem is that of late payment which is a chronic condition mentioned in a number of projects and programmes.

Contractors on infrastructure projects have poor record regarding labour relations, especially paying people on time.⁷

In Gauteng poor quality of employment was reflected in inadequate training and exit strategies.

A senior official felt that the lack of definition of the minimum conditions in the reporting of a work opportunity meant that there was a disincentive to provide longer periods of employment. He mentioned that workers who are employed for longer periods are counted more than once and all workers on a project with an aspect of EPWP compliance could be entered in a report.

Examples of the last point are found in the construction industry where contractors only are being developed but all workers on the project considered as beneficiaries. Other examples include ECD in which there is some training of a pre-school teacher but all pre-school learners are included as beneficiaries although they do not have direct support in meals, etc.

This creates resentment among those workers who get no wage or training benefit while being regarded as EPWP workers.

2.1.5. Standards and reporting:

Many of these issues associated with the quality of work and training have only become apparent during the reporting stage as the definitions of compliance are considered. Senior officials often mentioned that clarity on definitions is a priority. This issue goes to the heart of the compliance criteria employed in reporting data to the EPWP Unit. In many cases these criteria are not rigorously defined with different standards being applied in the various provinces. An experienced Manager of Monitoring and Evaluation stated that it was not possible, for instance, to know whether the target of creating “additional work opportunities for a minimum of one million people” could be met as different measures of a “work opportunity” were being applied. As is indicated in the definition, a work opportunity is any paid work “created for an individual on an EPWP project for any period of time”. There could be both under-counting and over-counting.

⁷ This issue is raised in further reporting below and in the CASE study of Working for Water.

In some projects it seems that the entire workforce on a project could be included although only some employees were strictly speaking EPWP beneficiaries. He considered that a period of 4 months should be set in the definition of a “work opportunity” as training in less time was not possible and training is essential to EPWP compliance. In his province this was the standard they worked to but nationally a filter was not applied to work opportunities less than 4 months although training was not possible in that period.

The low level of statistical definition in particular in relation to that of a “work opportunity” means that many officials feel that targets will be met because the quality of work opportunities is low: i.e. EPWP work opportunities do not necessarily lead to training because they are very short term. On the current basis some M&E managers do not regard the statistics gathered as credible or that they are debatable; they may be applying stricter rules on reporting than in other provinces.

EPWP coordinators who are not clear what combination of criteria should apply regard one element of compliance e.g. training of a single pre-school teacher as the basis for regarding all employees on a large project as EPWP beneficiaries.

The question of how a project becomes regarded as EPWP compliant is a matter of considerable debate.

- It appears that many officials do not have a sharp distinction between projects which have the same objectives as EPWP and EPWP projects.
- Many projects may share the same objectives without providing wages, stipends or training for their workers and be considered as EPWP projects; and may be re-labeled.
- The distinction between EPWP and other projects is generally clear in Infrastructure as there is the additional standard of labour-intensity but less clear in the other Sectors.

During the site visits researchers were, at times, taken by EPWP officials to projects which were regarded as EPWP compliant and provided with a written profile. They were, however, not on the provincial list of EPWP projects and reported on; it appears that the misunderstandings arise from insufficient communication between Monitoring and Evaluation and Sector Coordinators.

A number of projects which were incorporated either by being listed as EPWP projects or in receiving some government support regard themselves as being “colonised” of pre-existing projects (community and governmental) as “EPWP”. These projects were formed independently of the EPWP but later incorporated rather than being launched by the EPWP. In a number of cases among non-infrastructure projects visited, the projects were considered EPWP but were without stipends for workers or training; in these circumstances there appeared no benefit to be included in the EPWP other than to provide additional weight to the figures.

Officials regard the re-labeling of existing projects as EPWP compliant as occurring widely. There are a variety of views here. A number of officials feel this is not necessarily a bad practice as projects will eventually come to receive benefits from their incorporation into EPWP. Most of the non-infrastructure sites visited during this study, however, have been found to have conditions below those of EPWP compliance i.e. stipends were not paid or only paid at a very low level to one or two workers from a sectoral department while NGO support may be at a higher level.

While these projects are included in reporting (although scrupulous M&E managers may be keeping them in the “exclusion” file) this does not necessarily mean that project managers have a clear understanding by of what benefits could apply by being regarded as EPWP. A number still regard the NGO sector rather than lead departments as possible funders of training and staff development. In one province a flagship social project with international recognition and support is included in a EPWP brochure but does not appear on the national list of EPWP compliant projects.

Many of the sites visited were of projects which have a long history as community projects before being incorporated into EPWP reporting and the project management often complains that there has not been any significant benefit thereafter. The loose arrangements between some sectors and projects were reflected by the Social Coordinator in a province who explained frankly that none of the Social Projects were yet properly registered as EPWP. Instead he suggested a visit to a project which was most closely aligned but not compliant.

It appears that the listing of EPWP projects in provinces, although reported nationally, may not be circulated among provincial officials.

- Many site visits were made on the direction of EPWP coordinators to projects which were found not to be EPWP compliant and not on the provincial list of EPWP projects.⁸
- The problem appears to arise as many coordinators do not maintain a clear schedule of their projects and reporting is often to a national department and not to the provincial coordinators.

EPWP M&E managers are aware of some of these difficulties and appear to be improving standards of reporting. They mention they may “park” (or exclude) projects considered not to be fully EPWP compliant from the final provincial list until they are verified. It appears communication between M&E and sector coordinators is not always good; as some coordinators are not aware that these “parked” projects should be upgraded to become EPWP compliant.

Part of the difficulty mentioned by officials is that of the Department of Social Development and other departments’ onerous registration and training requirements.⁹ In a number of cases project managers regarded these requirements as beyond their capacity to complete. A

⁸ In this case the data compiled in annexures to EPWP annual reports may be valid than the information available from EPWP officials in the field.

number of the projects regarded as EPWP compliant are not receiving funding as they are struggling with institutional and constitutional governance issues. Their project managers regard compliance as a control measure on community projects rather than an instrument for social development.

2.1.6. Communication and co-ordination

Virtually all managers mentioned that a major weakness of EPWP is that of communication and co-ordination and the question was linked to political will and direction. Undoubtedly improved communication and coordination vertically (between National, Province and Municipal spheres of government) and horizontally (across provincial departments) is one of the key challenges faced in successfully implementing EPWP.

While in a number of provinces officials recorded improvements over time, many mentioned that coordination is weak as the responsible department does not have the necessary authority to insist on participation from other departments. In particular it is widely recognized that the link between EPWP coordinators and municipalities is poor and in some provinces does not exist at all.

Since municipalities tend to report to the DPLG nationally on the DORA and other funding received the information only then flows thereafter (if at all) to provincial EPWP coordinators. In a number of provinces the municipalities are not represented on the provincial EPWP coordinating committees although these are the institutions which report directly to the EPWP on progress. This appears to be the cause of much of the mis-identification of projects as EPWP compliant, although there are a number of other issues which tend to blur the relationship between projects which appear similar to that of EPWP and those which are fully EPWP compliant.

Unclear institutional arrangements appear to be hampering effective coordination. Some coordinators mentioned the combination of various departments in a single sector was unclear. In one province the social coordinator argued they needed the participation of departments in cross-cutting arrangements as holding back their work. In other instances projects “migrate” from one sector to another. For instance, since participants in one province needed training in entrepreneurship their project was moved from culture to economics and the credit was then lost to the sector which had incubated the initiative. This may be inevitable but causes resentment.

⁹ According to a recent interview (in mid-October 2007) on SAFM one of the national coordinators of ECD mentioned that the sector was open to the upgrading of existing ECD establishments to meet the necessary standards. This is, however, not confirmed in one of the site visits. There appears poor communication between independent HCBC projects and the lead department; in a recent tragedy involving the burning to death of handicapped children the Department of Social Development had no knowledge of its existence.

Coordination is no easy task. There is an extraordinarily wide range of stakeholders with which those involved in EPWP implementation have to draw together. The following combinations of stakeholders were mentioned:

The challenge of coordination: Extensive linkage with stakeholders

1. Province DPW, local municipalities & training service providers
2. Political heads, accounting officers
3. Sector champions in government
4. Premier, MEC, HODs, Mayors
5. DEAT, DWAF, DAC, DoL, Provinces
6. DoL, SETA, implementing bodies, National departments
7. Provincial departments and municipalities
8. DPW and its political head, presidency, lead departments (DSD, DEAT), Treasury, DoL and SETA
9. Municipalities and MECs, national departments
10. Provincial line departments and municipalities, DoTPW
11. Local political players, Municipal senior managers,
12. DDGs in ECD and HCBC
13. Dept of Social dev, Health & Orbit college
14. Municipalities, MECs and Councillors
15. Municipalities, Provincial Departments
16. Field workers, PMS civil society , MIG
17. Municipalities & Agencies, Provincial Departments, HOD
18. Government across the board
19. Social dev and other dept, SETAs, NGO, Communities
20. Conservation Directorate
21. Provincial sector coordinators, municipalities, national departments, communities
22. Communities, other govt dept, Premier's office, Private sector
23. Dept of Social dev, Education, Health
24. Province, National, Municipalities
25. Public bodies, Private sector, Labour
26. Dept of Health & Education, Municipalities and councillors
27. Dept of Transport, Housing, Education, Health, Soc Dev, PW, Municipalities & Public bodies

2.1.7. Implementation

A number of issues relating to the issues in the implementation were raised in interviews. There are difficulties in the assessment of efficiency as the primary emphasis of the Programme and the officials associated with reaching its goals is generally that of implementation i.e. effectiveness.

There were two considerations in relation to implementation:

- **Budgetary difficulties:** Although there is a question of capacity and the quality of management in relation to unspent allocations (as will be more fully assessed below) there is considerably less attention is given to the efficiency in spending the allocated budget appropriately to achieve the maximum effect. The efficient use of funds to achieve objectives is impaired by this significant problem. In interviews there was some mention that the EPWP allocations are not always clear at the beginning of a financial year. Funds can be “poached” from departmental budgets for other purposes, and that some departments do not always make their commitments clear in the first place. These uncertainties affect planning, although it may be that under-spending is largely a question of budgets not being set out annually (as required in EPWP reporting) but being multi-year.

The “EPWP” budget is not well understood and should be explained here; the figures presented in the annual Statistical Reviews produced by the EPWP Unit are not made up from an allocation to the EPWP for expenditure but are derived from the sum of the project budgets planned and budgeted for annually in each sector and province. The “budgets” are thus the portion of total *existing* departmental expenditure which is allocated to EPWP projects without any additional financial support derived from their compliant status. There is often a misunderstanding that additional financial support will follow compliant status being achieved, but there is not. Under-spending is an indication of the incapacity of departments to spend the on planned projects funded from the existing departmental budgets of those departments participating in the various EPWP sectors.

- **Understanding and cooperation:** Interviewees mentioned that although they were committed to the EPWP along with other officials in their Sector there was not necessarily the support from others in their department. In the survey of officials mentioned above, key role-players in their sector 41% were found to be positive about the EPWP and 16% negative, but the largest segment, 44%, was uncertain. In part this was explained by the fact that the EPWP is a new Programme and that not everyone who had heard of it understood its objectives and methods. Many felt, however, that this was partly due to the political leadership of their department not giving priority or a clear indication of support. All this impacts on effective implementation and efficiency in the use of resources.

2.1.8. Political support

Political support for the EPWP is critically important to its effectiveness as the Programme depends on willing cooperation and productive coordination between departments. Without high level political direction and participation in the process to clear the way for provincial and sectoral plans and implementation there can be frustration and low levels of performance.

A number of senior officials mentioned that there is a tendency for senior officials to delegate responsibility for EPWP to junior officials in their departments and that this made decision making very difficult. This may indicate a low political priority attached to the EPWP, a feeling which is replicated elsewhere, or a tendency for responsibility to be delegated to lower level officials to allow them to grow. Despite this, improved coordination is reported between departments over time.

The question of political support is linked to that of the lead department in EPWP; a number of officials felt that it was difficult for the DoPW to provide the necessary authoritative leadership and that this could be part of the explanation for the weak performance of the Economic Sector.

2.1.9. Accountability and incentives

A major issue mentioned by senior officials was the problem of accountability in relation to EPWP implementation. Accountability for the EPWP is difficult because of its cooperative and coordinated nature; the Programme depends on its success to an extent on the commitment of the departmental officials who participate and cooperation between other departments. (An example mentioned is that of the use of school facilities for sports which can involve both the Department of Education and that of Sports and Recreation.) Since the Department of Public Works is the lead department in each province (with the exception of KwaZulu-Natal) there is generally better reporting and closer oversight and responsibility in the Infrastructure Sector with which it is more closely associated. Many officials reported that, for instance, responsibility for the operation of the Economic Sector was not easy to pin down; as the dti was not involved and the necessary coordination was often not being achieved.

A number of projects were found not to report to the provincial EPWP coordinators, but directly to national departments. In these cases information about performance was being relayed back to the provinces from the national level although this was not certain.

The communication and accountability of the EPWP towards the local communities in which projects are operating is not generally reported. This has discouraged the broad involvement of civil organisations who are important stakeholders in the EPWP.¹⁰ In many sectors the

¹⁰ This appears to vary by sector with Environment, for instance, more closely engaged than other sectors.

Programme is seen as a government or inter-departmental initiative rather than one of partnership with the community.

The problem links back to the institutional arrangements built into the EPWP, while the DPW has responsibility for key aspects of the Programme, the responsibility for other departments is more difficult to track. This is reflected in interviews in which a number of officials responsible for EPWP mentioned that these activities were only part of their work responsibility or that they had a largely personal and voluntary element.

It is often unclear whether the responsibility for meeting EPWP objectives are included in job descriptions or in performance contracts. As mentioned above, however, 77% of officials stated that the EPWP had become part of their core work and 23% said it was an add-on. In a number of cases it was mentioned that this responsibility had only recently become clear and defined.

One senior official has stated the EPWP is regarded as “an accountability free zone” i.e. that it is difficult to pin down who or which department is responsible to deliver. The wider problem is that the commitment and responsibility for EPWP in many department having programmes under EPWP does not appear to provide significant value-added to the department or individual officials, but adds an important bureaucratic cost.

2.1.10. Funding constraints

Since allocations are often made up from a number of departments (and all should include the Department of Labour for a SETA for training) there can be differences over financial responsibility for different functions and misunderstandings that more funds are available than can be accessed. Such issues were uncovered in site visits. There is the anomaly that an important minority of senior officials report budgetary restraints but actual expenditure is well below annual budget. There are two possible explanations: firstly the EPWP allocation may not be permanent and “clawed back” when needed elsewhere and secondly there may be capacity constraints as departmental capacity is specifically excluded in the EPWP budgets.

2.2. Provincial reports

Concurrent with the interviews with key informants has been the assessments of the work of the EPWP in the nine provinces.

As set out in the proposal, interviews with key informants took place at the provincial and national level in all nine provinces with senior officials involved in the implementation of the EPWP with provincial coordinators and senior line department officials. These interviews were conducted using the Key Informant questionnaire. Quantitative and qualitative analysis was then undertaken: the specific responses have been captured in databases which provide tables, and the qualitative material incorporated in part in provincial reports and elsewhere in the findings.

Since the EPWP is implemented largely at a provincial basis and coordination with municipalities is at an early level (the responses of municipalities were considered mainly within the First Component), the analysis of provincial reports and the responses of key informants precedes the sectoral analysis which is supported by a number of case studies.

These provincial reviews have drawn on a number of sources; the key informant interviews, documentation provided during visits, local reports and observation. The nature of these reviews falls between field reports and analysis and carries something of the judgment of the author after informed engagement with senior officials. In general these reports are based on interviews and documentation; the statistical analysis of provincial performance against EPWP objectives will be considered in the Section on Analysis.

Many of the reports were written under some constraint as the public sector strike was in progress at the time of a number of the provincial visits.

2.2.1. Eastern Cape

In the Eastern Cape the objectives of the EPWP, in particular job creation, capacity building and poverty alleviation are high on the provincial agenda.¹¹ Despite this commitment officials acknowledge they are behind in terms of achieving their objectives although they express confident they are on track.

Many of the projects are short in duration and do not allow for meaningful training. Despite this the EPWP is seen as the right tool to fight unemployment and poverty because it provides the unemployed some income and training if possible, which they could use to

¹¹ This point is reinforced by an active promotional campaign on SAFM spelling out the number of work opportunities created.

better their lives. Although the programme started slowly but there appears growing commitment to making it work. The difficulties are reported to be that officials dragged their feet as they felt EPWP work was not part of their core duties.

Through workshops and other means of communication, people came to understand what EPWP stands for and how it works. In spite of the fact that there could be an element of re-labeling of the projects, workers are not affected by this pattern.

The Department of Public Works regards all state departments as its stakeholders as well as municipalities, public bodies and the private sector. Although there is said to be cooperation, communication is lacking. Poor communication is held responsible for the exclusion of many projects which have the character of EPWP such as electrification, municipal water and sanitation programmes, etc. Spoornet is also seen as a potential partner but has not come aboard.

The constraints identified as retarding progress in the EPWP include a lack of personnel, no separate budget for EPWP, few projects, no Economic Sector projects and a lack of proper reporting.

Other areas that need attention are the definition of roles of senior management as it is felt that senior management only pays lip service to EPWP. The lack of commitment on their part is said to be clear when they delegate junior officials to steering committee meetings. These junior officials act only as observers as they lack power to make binding decisions. To alleviate this problem, there is the common view that the HoDs performance agreements should include delivery on EPWP.

The existence of these difficulties is acknowledged and people point out that there is always room for improvement. The Vuk'Uzakhe programme is considered a model which could be successfully used within EPWP. There is full agreement that the EPWP should be continued into the future.

2.2.2. Northern Cape

In the Northern Cape officials interviewed were generally well informed of and favourable towards the EPWP. They were confident that the EPWP could achieve the set targets in job creation and skills transfer. Despite this they were unsure about the Programme's impact on alleviating poverty and officials in the Economic Sector officials were unsure about their role.

The general feeling of progress largely rested on the possibility of work opportunities being created through the EPWP and training and skills development on short-term projects.

The main failures were identified as follows:

- Poor leadership (e.g. lack of support from senior provincial government officials) and co-ordination. The current Provincial Co-Ordinator had been appointed only a month or so ago and provincial co-ordination structures were hardly functioning.
- Poor reporting, as seen for example in the data included in quarterly reports.
- Much re-labelling taking place (though not seen as a problem but part of the necessary acceleration of initiatives that was to be driven by the EPWP). At the same time some projects were also not captured, e.g. economic sector projects, due to the weak leadership in the sector.
- Lack of capacity especially within local government (both district and other municipalities).
- Limited number of accredited training service providers.
- Limited budgets.

Proposals on future design

Informants highlighted the point that the present design of the EPWP had not yet fully tested yet and that implementation had not been consistent. The key recommendations made include:

- Addressing co-ordination and leadership failures.
- Strengthening capacity at all levels, e.g. setting up a dedicated EPWP Unit within the provincial government machinery, ensuring that dedicated officials are appointed and trained at local government level.
- Improving budgets for EPWP.

2.2.3. Western Cape

The EPWP in the Western Cape is being actively led by the Department of Transport and Public Works, which has an active commitment to the programme. The MEC has taken a personal and direct interest in the EPWP, with which he is closely identified, particularly (and unusually) with the Economic Sector component.

However, since its inception in the Western Cape the programme has faced significant problems relating to:

- unclear roles and responsibilities,

- problematic implementation and reporting, deriving in part from conceptual confusion about the nature of the EPWP and its objectives, and
- limited buy in from personnel in each of the key line ministries responsible for implementation.

In a 2006 evaluation of the programme a senior manager described the programme as ‘an accountability free zone’, and it was found that there was no accurate information on programme expenditure or monitoring of achievements.

There is a high degree of fluidity and lack of clarity in terms of EPWP sectoral responsibility, and it was hard to identify senior managers with responsibility for the non-infrastructure programmes. Only in the Infrastructure sector was a senior official leading EPWP activities.

In the Environment and Economic sectors, for instance, the EPWP team were not able to identify a senior manager able to participate in the Mid Term Review representing these sectors. In both these sectors responsibility has been delegated to relatively junior personnel, one of whom was employed on a short term contract. For these personnel their ability to manage sectoral programme development, implementation and coordination was significantly undermined by their status.

This suggests a lack of senior management buy-in in these sectors. In the Economic sector the EPWP team were not able to identify the sectoral coordinator able to participate in the review, as the sector is still under development. This sector is primarily focussing on a training based initiative, Learnership 1000, whose EPWP compliance is not fully established.

Restructuring

Some progress in addressing these issues has been made over the last year, with the reorganisation of the EPWP management team, in an attempt to clarify roles and responsibilities, and also with concerted attempts to bring the municipalities on board, in terms of promoting their understanding of the EPWP, and programme implementation.

In the Infrastructure sector there has been a concerted attempt to reorient the programme away from small scale add on projects, separately managed from regular Department of Transport and Public Works activities, by bringing EPWP infrastructure projects directly under the management of a senior staff member responsible for provincial roads, rather than being managed through a separate PW team. However, this shift is very recent, and has yet to have an impact.

It was suggested that the DoTPW was not necessarily an optimal location for overall EPWP coordination, due to the lack of political status of the Department, and its inability to enforce or promote EPWP participation in any meaningful way.

The need to address the perceived lack of incentives to promote EPWP implementation was raised in all interviews, with a number of recommendations emerging repeatedly; including:

- Writing EPWP objectives in the KPI of senior managers,
- Ensuring responsibility for EPWP implementation is clarified across the sectors, and
- Ensuring that coordinating staff are sufficiently senior to be able to achieve their mandates.

Significant levels of EPWP activity could only be achieved if it became part of the way of delivering on line ministries core mandates, rather than a marginal add-on activity, which is how it is generally perceived.

Currently the programme is still characterised by confusion over definitions and goals, unclear lines of responsibility, and limited sectoral buy-in. There remains confusion over what comprises EPWP compliant activity across the sectors.

Reporting is focussed on throughputs in terms of temporary work opportunities created and workers ‘trained’ irrespective of the impact of the training or its relation to provincial skills demands, or the contribution of temporary jobs created or training to sustained poverty reduction. This concern was raised by all the Key Informants interviewed, who felt that this short term and process focus was a severe limitation to the programme.

The site visits confirmed these findings regarding impact and compliance. The infrastructure workers, for instance, were not confident that the work experience and training they had received would promote their subsequent employment prospects. In the social sector project the only benefit flowing from the EPWP was the funding of training for pre-existing staff members, rather than the creation any new employment opportunities, highlighting the questionable EPWP compliance of the programme.

A great deal of EPWP work is underway in the province, with a number of dynamic and committed staff, but institutional constraints, lack of conceptual clarity, unclear objectives, a focus on short term job creation and training, rather than sustainable exit strategies, and lack of incentives for participation across key line ministries is significantly constraining the scale and impact of their efforts.

2.2.4. North West

The success of EPWP in the North West rests on complete buy-in and compliance by all stakeholders especially municipalities (Mayors and Councillors), MECs and government Departments. However, at the moment only a few Departments are taking part and the majority of municipalities are not involved. EPWP projects are occasionally used by councillors to employ those with political connections. There were mixed feelings on the role of IDT in the province. The agency was implementing a number of infrastructure projects but not applying EPWP principles.

In interviews with officials a number of points were raised:

Beneficiaries are paid different stipend amounts between and within sectors. In some project, beneficiaries are paid R50 per task per day and while others are paid R62.50; the social sector employees are paid R500 or R1000 per month. This causes resentment and officials referred to the relevant MINMEC agreement and the need to provide beneficiaries with a decent wage.

There is a general concern about the lack of training or its quality in some projects particularly as there is a general scarcity of accredited training institutions in the province and a lack of planning from the project managers rather than the Department of Labour.

Despite this training facilitation plays a critical role; the social sector led credits Orbit College for its success.

The targeting of beneficiaries was mentioned as an issue; in two of the projects visited beneficiaries were not from the community or the country. There was also discontent in one project about the allocation of contractors.

The following challenges were identified:

- The need to provide funding and mentors for the learnership programme;
- The implementation of learnerships especially for National Youth Service primarily because there is no dedicated funding for the programme and mentors;
- A lack of capacity (limited staff) and competency (lack of skills and understanding) within municipalities and departments. Hence, municipalities and departments would choose to do business as usual.

There is a general awareness of EPWP, but it is often viewed as an add-on to an individuals' work load. There is no Economic sector functioning in the province.

2.2.5. Gauteng

In Gauteng there are difficulties in attitudes and perceptions towards the EPWP and apparently there was a perception among politicians that EPWP was delaying delivery of infrastructure. Provincial officials expressed poor political will to drive EPWP in Gauteng; halfway through the programme it is really just getting started. The Provincial Cabinet is apparently not discussing EPWP and Mayors seemed unaware of it until last year when the President mentioned it. The sentiment expressed is: "The EPWP falls on middle-management with no higher level political interest or buy-in".

The feedback on programme progress was that overall the EPWP only kicked off in the past year (i.e. 2005/6) so the province is just getting going. Prior to that, implementing agents (IA) such as IDT and Xhasa were implementing projects in the province, but much of this was

discontinued due to non-performance. Since these IA were not consistent around the training aspect, many projects could not be reported. The province is now in the process of trying to ratify its first provincial strategic plan for EPWP which means that current initiatives were not carefully prepared and planned.

There are questions about the quality and reliability of reporting. In the Status Report to MINMEC (1-2 March 2007) the statistics indicate that the Gauteng Infrastructure sector has already reached over 300% of direct delivery by Provinces target and that work opportunities created already total 106% for 5 year target. The Sector Coordinator actually says that they doubt they are even at 10% of target. Apparently (as understood from a Gauteng official, and national EPWP M&E official) there was gross over-reporting in the first year where many non-compliant project were listed as EPWP. This has not been corrected and this exaggerates their achievement then and, correspondingly, shows a sharp dip in performance currently.

The Environmental sector has initiated some interesting pilots regarding exit strategies. In two projects (a cleanup project in Soweto and security project) all 85 beneficiaries were placed in permanent jobs thereafter. This is regarded as a huge success but these examples are not being documented and replicated. Across sectors the exit strategy continues to be a gap.

There is no Economic Sector activity at all. The coordinator was given the task as an add-on, and she eventually gave up because departments were not really interested and it is not in her performance agreement anyway.

Successes:

- Some provincial officials have been dedicated enough to drive the programme despite all the challenges of lack of support, accountability, etc.
- Recently improved quality control and validation of data.
- Sector guidance from national has been useful.

Failures:

- Inadequate political and senior management support for / commitment to EPWP and its projects as there are no binding imperatives.
- Poor training and exit strategies.
- Funding tends to be redirected (towards Infrastructure and Environment).
- Inconsistent participation in EPWP-related projects with nobody taken to task.
- Level of awareness of EPWP apparently still low.
- Wage levels inconsistent across sectors / programmes.
- Inability to meet high expectations of beneficiaries / communities for programme to improve their lives.
- SETA linkage / support weak.

Suggestions for programme's future design, implementation and direction

- Force accountability. Drive through policy / legislation and performance management starting at the highest level (HOD).
- All departments should have an EPWP unit to enable a dedicated focus on the programme.
- Concretize institutional arrangements, especially between provincial and local government level.
- Broaden definition for infrastructure EPWP beyond just civil engineering. There should be relevant EPWP guidelines for every Sector.
- Address challenge of training (relevance, link to market demand, etc.).
- Address challenge (and monitoring) of exit strategies.
- Increase and ring-fence EPWP budgets.
- Improve M&E procedures (reporting, validation).
- Find ways to bring in SoEs and private sector more to leverage more jobs.

2.2.6. Limpopo

The overall feeling among those interviewed in Limpopo is that EPWP is attempting to do something valuable, and it is merely a question of refining it and improving the institutional framework, implementation and coordination systems, etc. There was no soul searching to the effect that it is not in principle a valuable intervention.

For DWP, this conviction goes back to pre-EPWP days, even to before the CBPWP. At least two of the officials at DPW responsible for EPWP coordination for the province had worked to implement the CBPWP and its predecessor, and both feel dedicated to the idea. This was expressed not so much in relation to labour intensity, but the idea of that government budget could be used as an instrument to foster job creation.

Most of the concern expressed about EPWP relate to management and co-ordination rather than to the conception of EPWP. A variety of specific issues were raised, which include:

- Lack of authority of DPW relative to other provincial departments responsible for implementing EPWP; problem especially acute vis-à-vis dept of Provincial and Local Government.
- Confusion regarding role of DPW relative to National DPW office in Limpopo, especially but not only in respect of reporting.
- Lack of understanding and adherence among sister departments of EPWP guidelines.
- Lack of planning and project management skills among government officials.
- The tendency of senior officials to treat EPWP as an add-on and/or to assign second-rate, dispensable staff to EPW and/or not maintain consistency in who deals with EPWP, e.g. represents at EPWP meetings.

- Lack of concern among sister departments for DoRA (and failure of Auditor General's reports to pick up on this), as well as suggestions that guidelines allow too many loopholes that allow them not to contribute to EPWP. They respond to DPW initiatives by stating: 'It's not your money'!

Other comments:

- Even though DPW is responsible for **coordination** of EPWP in the province, when EPWP was launched DPW was slow to have its own projects underway and act as champion of the infrastructure component. A 2-year delay was ascribed to internal resistance within DPW although by whom was not clear.
- Resistance of the private sector to labour-intensive construction is an important factor, and this is not really getting better.
- There are too few accredited service providers for training, causing a bottleneck; this is partly attributed to the fact that the SETAs are not providing enough assistance to institutions struggling to meeting demanding standards.
- Training is not always appreciated, especially by older people.
- Learnerships – how to strike balance between providing adequate support and 'pampering' – this emanates from a concern with first cohort as they behaved as though they were 'government's contractors', i.e. as opposed to competitors in an open marketplace.
- Should introduce more **specific targets** regarding the kinds of people they should aim to benefit e.g. 'vagabond males', 'lumpen proletariat', 'former combatants', etc.
- Contractors on infrastructure projects have poor record regarding labour relations, especially paying people on time.
- When DPW changed its EPWP road standard to 'sealed roads', this diminished the share of employment in project budgets.
- There was a disagreement between the ILO advisor and the Road Authority of Limpopo (RAL) official about whether in fact there is more scope for labour intensity than is considered acceptable, and also whether there should be more attention to large roads projects that government regards as "hands off" because they are high volume.

What was not mentioned:

- A statement that the Limpopo EPWP needs for more money – except to the extent that they might want to expand or need/want to expand in the future.
- Coordination; there were not complaints of too many actors although this does appear the case and contributes to complexity of implementing. The Social sector co-ordinator from Department of Health and Social Development, for example, listed something about eight different initiatives that fall within social EPWP in Limpopo, and at least four different partner provincial departments; and there is a similar situation in the Environmental Sector.

Feedback on the progress being made in the programme and its performance:

There was general appreciation that the learner ventureship programme had come a long way, not least because DPW had been working at it for a few years prior to EPWP and had learned some hard lessons. The overall impression is that they now know what they are doing.

In contrast to its predecessors, EPWP lends itself to clustering of projects, meaning that there is now scope to have more of a concerted impact over time, which in turn means more chance of emerging contracts becoming sustainable.

Thoughts about EPWP's key successes and failures:

Despite the overall DPW EPWP co-ordinator feeling there were many difficulties, the impression is that the EPWP is functioning fairly well in Limpopo, and moreover that it has lots of scope for expansion and improvement. The fact that it seemingly already makes a significant contribution to provincial employment in infrastructure is not to be sneezed at, though this needs some qualification.

Ideas about the programme's future design, implementation and direction

Either more teeth for DoRA, or another instrument to ensure more compliance with the spirit of EPWP.

.

Reconsider the role of DPW being the lead department at provincial level; (though, having said this, I would want the same individual coordinator to remain in his capacity as coordinator, even if it meant relocating to the premier's office or another structure.

.

More detailed targeting is needed.

More development of planning and project management capacity with responsible government departments.

Resolve the odd situation with national DPW office in Polokwane.

2.2.7. Mpumalanga

The EPWP appears well structured in Mpumalanga with the DPW appointing a number of capable officials to work together with the Sector Coordinators by taking minutes of meetings, providing advice, and visiting projects. Despite this, a number of projects still are unevenly aligned to the EPWP criteria; with some of the project management clear that they are running EPWP projects, others not.

The EPWP forms Programme 3 of the Department of Public Works and in its most recent annual mentions insufficient commitment from Provincial Departments and Municipalities. The DPW has responded by entering into MoU with all stakeholders to “mobilise commitment” and enhance reporting.

The following constraints are identified:

- Insufficient participation by stakeholders;
- Lack of understanding of the implementation of EPWP by newly elected municipal councillors and appointed officials;
- Insufficient understanding of the reporting requirements of DORA; and
- Lack of training for EPWP participants resulting in jobs not being counted.

In some sectors there is a lack of clarity and some unhappiness about the institutional arrangements e.g. projects developed by the Cultural Sector with support from the national department appear to migrate to the Economic Sector when training in small business management is provided.

EPWP compliance: Although in interviews it was mentioned that more projects could have been registered as EPWP compliant than have been, it is also true that a number projects considered to be EPWP are not meeting the fundamental compliance criteria. Some of the most prominent projects profiled as EPWP do not have either accredited training or wages or stipends for workers.

In the infrastructure projects there appears to be greater emphasis on Sakh’abakhi Contractor Development Programme for sub-contractors rather than providing training for unemployed. This has caused the anomaly that sub-contractors who have many advantages are further benefited while the poor unemployed are not. These workers are then trained ‘on the job’; a form of training which is not accredited or even overseen.

Inclusion of a project in EPWP should bring benefits to a project from the lead department in training and stipends, but this appears to be unevenly achieved.

Reporting: A number of Projects have been unaware that they are listed as EPWP compliant. The schedule of EPWP projects appears more rigorous than the view of regional officials and co-ordinators who regard projects as compliant when they are not.

There is now more active M&E of all sectors and the M&E officials are moving on from reporting to monitoring which involves site visits to 10% of EPWP projects. The results of this work do not, however, appear to be available to officials.

Training: It appears that the training in 'hard' skills; such as those of the construction industry are the most difficult to achieve. Criticism and appraisal:

- Beneficiaries complain there is too much emphasis being provided in some of the 'soft' skills, such as life skills.
- Officials state that the 'hard' skills considerably longer than 'soft' skills to acquire. Training a bricklayer, for instance, requires 80 days instruction.
- There are often delays in the provision of training which needs to be preceded with a training plan, funding, and the identification and appointment of training providers. There is the difficulty that many of the opportunities for temporary employment run their course before training can be organised.
- Training of the unemployed without the immediate prospect for employment has raised questions of its effectiveness.

Effectiveness:

- There appears a relatively high level of coordination between key departments such the Department of Labour, DPW, and the many other departments.
- In Agriculture (Environment) there is a feeling that the EPWP framework with its accent on accredited training and job provision does not necessarily encourage the notion that participants should become farmers i.e. produce for themselves and for the market.
- In some of the projects there has not been the support through EPWP that could be expected e.g. a pre-school does not have stipends for teachers or volunteers.

Site visits were readily organised as the Public Works officials know the projects, their location and sectors. A number of these projects have written EPWP profiles. During fieldwork officials confirmed that the sites were EPWP projects, and gave essential support and directions to the various sites to ensure the sites could be visited in the time available. The visits thus had an aspect of both inspection and support; when problems (such as the lack of stipends) were raised advice and support was given for this to be accessed.

Despite their presence, the interviewees seemed quite prepared to make critical assessments of the way in which their projects were still being integrated into EPWP and the key problems they face.

Recommendation:

There should be a published list of all EPWP projects with their names, sectors, number of beneficiaries, training, and forms of support such as stipends and the department or departments providing this support. This should be readily available and the basis for coordination among officials and coordinators as well as the task of the M&E department.

2.2.8. Free State

There appears sufficient understanding of nature and working of the EPWP in the Free State. Officials confirm there is enough documentation for implementation and regard the Programme as the right tool for the alleviation of unemployment and poverty as well being the training ground to equip people with skills. In partnership with other state departments, municipalities, communities, SETAs, the private sector and the premier's office, the targets are considered as achievable.

Challenges:

- One lacking element is the involvement of the dti. As a result, the Economic Sector is not receiving the attention it deserves.
- Senior management is seen as being not pro-active in EPWP activities characterized by their not attending meetings.
- Lack of capacity in terms of staffing particularly in the district councils is seen as a major obstacle in the delivery of EPWP. Many positions especially at deputy levels are vacant although steps have since been taken to fill these.
- The budget (which includes the employment of key personnel) is considered insufficient and the main cause of the lack of delivery. Officials argue it is difficult for EPWP activities are to be executed using the existing budget to do more.
- Some feel that the budget as such is not a critical issue and it can be easily handled if the EPWP were to be an independent department with powers to do things without having to rely on the budgets of other departments.
- Transparency is another issue. Though no specifics were made available, there is the view that the deliberations of the MINMEC (a forum of the Minister and the provincial MECs) are not filtered down as people would like to see it happen.
- Attendance is restricted to senior officials and those responsible for the implementation of EPWP have no chance of influencing the forum particularly in

view of the complaint that senior management is not fully committed to the programme.

- With regards to reporting, the feeling is that monitoring, evaluation and reporting are not adequate. Responsible officials are not able to demand accountability from the other departments especially the municipalities. There is nonetheless a sense that room for improvement exists in this area though progress is severely retarded.

There is optimism as far as the future of the programme is concerned. The programme, however, needs to be adapted to changing conditions and circumstances from time to time. The present short-comings are not seen as failures, but as a learning curve for the future.

A suggestion is made that the programme be included in the Key Performance Areas of the senior personnel.

2.2.9. KwaZulu-Natal

The EPWP in KwaZulu-Natal is managed by the Department of Transport; this is an unusual arrangement as usually the Department of Public Works has this responsibility. The Department of Transport has a history in social projects which it sees as a living example of a large-scale labour intensive project which led to the adoption of EPWP nationally, and EPWP work has a high priority among its senior officials.

In some sectors, however, this is felt to be hindering rather than helping their development as an all-rounded approach involving all Sectors is not being driven. In the Social Sector there have been delays in progress towards EPWP objectives for several years because of uncertainty about which Departments to include in the sector. In many instances a Department may straddle two sectors and officials are uncertain where to put the emphasis.

Although in interviews it was mentioned that more projects could have been registered as EPWP compliant than have been, it is also clear that a number of EPWP projects are not meeting the fundamental EPWP criteria. In the Social sector, for instance, none of the projects are regarded as being fully EPWP compliant as they are either 'infant' projects or are existing projects which have yet to be integrated into the EPWP.

Compliance

A number of Project Managers outside of Infrastructure are unaware that their projects are listed as EPWP compliant. This means that their reporting is generally to National Departments which are providing some kind of support rather than to the provincial EPWP. Indirectly these departments could be passing on information to the national EPWP without the provincial officials being aware of developments. These projects generally don't have stipends for learners nor accredited training.

No lists of projects in the various sectors were available apart from those in Infrastructure. It is not clear how other Sectors are reporting as the information was not available at the provincial level and enquires were directed to the national M&E i.e. DoT does not appear to be coordinating other sectors except Infrastructure. A number of the projects visited outside of the Infrastructure Sector were not aware they were included in the EPWP.

The Infrastructure projects appear well organised on EPWP criteria while the other Sectors project managers do not appear to be aware that they are regarded as EPWP projects. The Social Coordinator explained frankly that none of the Social Projects were yet properly registered as EPWP and suggested a project which was most closely aligned.

The Infrastructure sector has a good level of EPWP compliance through the design of projects and the follow-through in monitoring and evaluation. The M&E Department is committed to extending the indicators on which they are reporting.

While training in the Infrastructure Sector is well organised and accredited with the support of the Department of Labour, it is not clear what other accredited forms of training are available. In the Social Sector training is dependent on supportive NGOs and not on the Department of Labour or other official bodies.

- There appears an unclear level of coordination between key departments such as the Department of Labour, DPW, and the many other departments.
- In some of the projects there has not been the support through EPWP that could be expected e.g. a pre-school does not have stipends for teachers or volunteers.

Site visits were difficult to organise as the Sectors Coordinators required an interview before settling on the site to be visited. In most cases this involved extensive delays and site visits could not be undertaken in the interim.

3. Review of the four sectors

This section brings together a short report on each sector built around the analysis of key EPWP documents, data on the sectors, interviews with key informants, and material from the site visits. Summaries of the case studies are presented in the analysis of each sector and the key features of these case studies have been analysed and compiled in the form of tables. The specific objectives of each sector are considered against the data on performance and other aspects of the sector.

In broad institutional terms the effectiveness of a sector is assessed in the number of work opportunities and training days created and efficiency in terms of the ability to spend money allocated to the sector to set projects in motion. The reviews will also consider the debates taking place about the prospects for the sector, successes and failures, and capacity to make changes.

The reviews can be introduced with some observations arising from the visits to the provinces and discussion with key officials. In all provinces it appears that the infrastructure sector, which is closely related to the DPW, is dominant. Although the “Expanded” part of the EPWP refers to the introduction of other sectors apart from that of Infrastructure, this has some way to go before other sectors can be regarded as fully fleshed and operational. A mature sector could be regarded as one which has stable and operational institutional arrangements, local champions, and experience to make things work.

The Infrastructure projects are those with the largest budgets, which generally have professional project managers, and pay somewhat higher wages. Training in construction also appears to have been planned from the inception of the programme and (even though there are major challenges) is working better than in other sectors.

As mentioned above there are very different levels of budgetary support and success in implementation between sectors. Infrastructure has benefited particularly in having had a number of preceding community-based projects in access roads and other construction and has fitted in without great additional effort into the work of the national and provincial Departments of Public Works. The sector has been built on the commitment of officials, many of whom had gained their knowledge and experience in preceding labour-intensive community projects.

Not all EPWP sectors are active in all provinces or developed to the same level. While Infrastructure is the standard foundation for the EPWP, at the time of this Review other sectors are growing unevenly. Some are still in the developmental stage, others have growing capability, but others are hardly registered. There is a considerable range of results when each province is compared; in some provinces one or another sector may not operate or only operate at a low level. As a number of the provincial reports indicate, the EPWP itself is

barely launched in some provinces. The weakest component appears to be Economic and the lack of involvement of the dti was mentioned as one of the critical weaknesses here.

The disproportions shown in leading and lagging provinces are also evident in a sectoral analysis.

3.1. The Infrastructure Sector

3.1.1. Description of the sector

The infrastructure sector has, in a sense, pride of place in the EPWP. Many provincial departments of Public Works and Transport trace their antecedents to previous community based projects and experiments in increasing the labour intensity of road construction. The Department of Transport in KZN, for instance, has been operating the Zibambele programme for a number of years in advance of the launch of EPWP in 2004 to engage some of the poorest members of the impoverished community in labour intensive methods to maintain low volume roads. This is regarded as something of a model to be applied throughout South Africa and the Department has won awards for performance in the field. Other Departments of Public Works trace similar antecedents such as with the Gundo Lashu programme in Limpopo or more generally in the CBPWP.

The sector has within EPWP the following objectives:

- Increasing labour intensity of government-funded infrastructure projects
- Increased training in labour-intensive construction
- Provide unemployed people with work experience
- Provide education and skills development programmes to the workers

There is considerable debate about the possibilities of labour intensive construction and its limits. Aspects of construction, such as bridge building, are inherently labour intensive while other aspects, such as earth moving, are generally considered to be plant intensive with very limited prospects for greater labour-intensity.

At its inception the Infrastructure Sector stated that its mission was to expand the use of labour-intensive methods in construction to all other types of infrastructure. Low-volume roads, trenching, storm-water and sidewalks were targeted as sub-sectors where labour-intensive construction, rehabilitation and maintenance would increase steadily over time. The labour-intensity of these four focus areas was expected to rise through the enforcement of conditions through Provincial and Municipal Infrastructure Grants (PIG and MIG).

3.1.2. Status quo of sector

Over the past three years some R17bn has been allocated to projects in the Infrastructure although considerably less (R9,7bn) has been spent and a total of 362,257 work opportunities created. This is by far the greatest component of the EPWP as indicated in Table 4.

Table 4. Outputs from Infrastructure, 2004/2007

Province	Projects	Total Employment
KN	500	144,534
GP	1,432	107,656
FS	210	32,376
WC	809	26,734
EC	614	24,285
MP	444	18,124
LP	124	16,470
NC	138	15,510
NW	279	11,967
		397,655

Source: M&E department, EPWP

The Infrastructure Plan set the target for 750 000 employment opportunities and the achievement over the first three years (387,655) indicates that this will most probably not be achieved. The Logframe anticipated that the average duration of these projects would average four months which translates to 250 000 person-years of employment. All the workers employed on these projects were to receive training funded by DOL from its existing budget. In addition, 250 emerging contractors would be put through Constructions Education Training Authority (CETA)-registered learnerships to gain the necessary skills to build this infrastructure utilising labour-intensive method. The Department of Public Works (DPW) would also arrange for mentorship and access to finance for these learner contractors.

The Sector is by far the largest in the EPWP and has a number of high-profile flagship projects to its name. It appears to be employing more women than would have been anticipated. The key challenges are those of bringing together the wide range of infrastructure projects currently now being undertaken by State Owned Enterprises, municipalities, and government departments and to raise the level of training and human development generally to become more effective.

There is a need for increased advocacy of labour intensive methods and for more rigorous enforcement of the contractual means available. There is also a need for more extensive training in hard skills at a time when the construction industry is booming and there is a notable lag in training particularly at the middle levels of the industry.

The effectiveness and efficiency of the sector will be discussed below in the analysis of the EPWP as a whole and in relation to other sectors.

3.1.3. Sustainability

The key question in the sector is the viability and extension of labour-intensive methods in construction. There are two levels at which the issue needs to be discussed: firstly whether benefits are accruing within the types of infrastructure development originally targeted and secondly whether labour-intensive methods could be extended further. Although the benefits would not be enormous in a wider context¹² the future of the sector depends on the greater adoption of these methods by the private sector and the better use of instruments to enforce them.

Part of the difficulty is marked in continuing debate about the orientation of construction towards labour-intensive methods. The issues appear two-fold: firstly there is a development of standards and technique in access roads to the level of the “sealed road”. At the launch of the EPWP it appeared that the labour-intensive contracts would be those applying to low volume access or gravel roads, trenching, and pavements. The raised standard of rural roads appears to have upset easy decisions about the typical labour-intensive infrastructure project and intensified debate.

The second issue at stake is whether there is sufficient buy-in from the private sector and determined and intelligent enforcement of labour-intensive contracts in “traditional” as well as higher volume roads. The doubts expressed in debates within EPWP are precisely about these issues; whether there will be sufficient quality of infrastructure, whether timelines could be met, and whether there would not be much greater overheads in the employment and training of more workers.

The doubts about these policies are hindering the prospects for further widening work opportunities and the possibilities for greater uptake in both the public and private sectors.

Labour intensive public works could be considerably extended in the view of some officials and contractors. The most labour intensive work is in bridges. In this sub-sector some are arguing that pre-stressed concrete could be constructed on site and concrete mixed on site to employ more workers.

¹² A study by McCord and van Seventer (2004) concludes that the impact of shifting R3bn expenditure from machine to labour based infrastructure over a year period would add to employment by 1% and the income of the poorest quintile by 2%. This is not regarded as of great significance, but if projects were directed to areas of greatest need there could be a greater impact.;

The targets for the EPWP were originally set assuming that certain types of infrastructure which are generally accepted as conducive to LI methods, were being included. Apparently this is not the case. The biggest challenge in the sector, it appears, has been to get the municipalities, the prime builders of such infrastructure to make full use of LI methods. The next challenge for the EPWP is that they report this properly so that the implementation of LI methods can be monitored and the trends analysed.

An engineering consultant in Durban who is well aware of these debates argues that large construction companies are bending to the wind and factoring EPWP labour intensive techniques into their future standard approach. They would adapt to the new policy framework if it was enforced.

The problem is often that planning takes place many years before construction begins; this planning is generally pre-EPWP and is difficult to re-orientate to more labour-intensive methods e.g. plant intensive construction may take less time and the project is planned to be completed in a shorter period than labour intensive methods would allow.

There are a number of instruments available to direct more infrastructure projects to become labour intensive; EPWP conditions now apply in terms of the conditional provincial and municipal infrastructure grants (PIG and MIG). Projects could be required to work labour-intensively in accordance with DPW guidelines which cover identifying, designing, and producing tender documentation for labour-intensive projects. These guidelines require provinces and municipalities to apply eligibility requirements for appointment of contractors and engineers on labour intensive projects (they must be qualified in the use of labour intensive methods).

Surprisingly officials and project managers report that these instruments are not generally adopted. It appears that many public officials (and the EPWP officials are not the only ones involved in decision-making in this regard) do not see the significance of such enforcement.

This will mean that larger contractors will also be required to use labour-intensive methods. Provinces and municipalities prioritise and decide on projects using their PIG and MIG funding, using normal allocation methods, such as Integrated Development Plans (IDPs)

Although DPW will provide support to provinces and municipalities to simplify implementation of labour intensive methods; there does not seem to be prospects for significantly scaling up the present level of operations and, although the total of work opportunities may be met by 2009, those in relation to targeted person-years will not.

Although there has been a steady stream of labour-intensive construction projects, the targets of the EPWP will only be met if the use of these methods is increased significantly. An authoritative view within the EPWP is that the current targets are more likely to be met if the smaller more common LI projects are comprehensively targeted as originally planned: low volume roads sealed roads, gravel roads, stormwater drainage and trenching etc. Getting larger projects is a bonus, but the greatest potential at the moment still lies in getting the bulk of the small (municipal) projects to implement and report on the EPWP. This means that it will need to go beyond the small common LI contracts and needs to move also executing

larger projects labour-intensively. These issues appear new but were raised in the original logframe which stated that significant scope existed then for higher standard infrastructure to use labour-intensive methods (Logframe, 2004: 8.3.4).

The slow forward movement on the issue points to a need to improve close monitoring of infrastructure projects to understand better the current achievements and challenges.

Although some provinces such as KwaZulu-Natal have proceeded with their own model regulations, labour-intensive methods demand continuous encouragement from the EPWP. The lack of progressive movement towards greater expenditure on wages in the sector, as described below, poses a number of questions about trends within the sector.

3.2. The Environment and Culture Sector

The Sector has to be set within the natural resource management paradigm to understand its significance. Decentralization of natural resources is aimed at involving the local communities in the management of their own environments. While the objective is the alleviation of poverty and unemployment through public works in the short-term, the ultimate aim is to empower the communities in the creation of their own employment opportunities through establishment of small, medium and micro enterprises (SMMEs) as well as providing skills for employment elsewhere in the economy. Business and employment opportunities can be identified in programmes that include sustainable land-based livelihoods, tourism and waste management.

3.2.1. Specific Objectives of the sector

The Environment and Culture Sector is made up of the Departments of Environmental Affairs and Tourism as the lead department, Water Affairs and Forestry, Arts and Culture and Agriculture. The Sector Plan is very specific about what needs to be done and achieved. For the period beginning 2004 and ending in 2009, the Environment and Culture sector aims to achieve its objectives through five core programmes. Each programme is allocated its own budget and specific deliverables. In all instances, the programmes are expected to lead to the creation of sustainable jobs and, where possible the establishment of small, medium and micro-enterprises (SMMEs) including black economic empowerment (BEE) to benefit in particular the local disadvantaged communities.

Briefly, the programmes are:

- (a) *Sustainable Land-based Livelihoods*, which includes Working for Water, Working for Wetlands and Working on Fire. This programme entails the removal of alien species and combating of desertification.
- (b) *Working for the Coast*. Here the focus is on the rehabilitation of coastal areas and protection of the tourism infrastructure including the beaches. Sustainable fishing and breeding are also part of this programme.
- (c) *People and Parks*. This programme aims at achieving participation by communities in the management of their own environment. The creation of benefit sharing models between communities and conservation areas and upgrading of the infrastructure within these areas are key points.
- (d) *Working for Tourism*. The creation of tourism infrastructure, information centers and participation by local communities are critical points of this programme.
- (e) *Working on Waste*. This programme aims at the protection of the quality of the environment, encouraging the use of environ-friendly technologies and recycling of waste as a livelihood strategy.

3.2.2. Key successes

The successes of the environment and culture sector can be explained in the following manner (CASE 2005 & 2007 and Altman 2004):

(a) Incomes

Whereas people first depended on irregular employment, family and state grants for the sources of income, the EPWP has provided them with a stable source of income. People now have dependable income, and this has meant an improvement in their lives. Otherwise they would still be living in poverty.

(b) Well-being

EPWP work has not only meant better income sources, but has contributed to self-confidence as people are no longer dependent. At a social level, they can afford to belong to local credit associations like burial societies. Children can afford to go to school and have their fees paid. For those that never had banking facilities, they now have access to these facilities.

(c) Reduced vulnerability

Poverty and lack of an income make people vulnerable in a number of ways. The EPWP has led to reduced vulnerability as people can now afford to feed themselves and their families. Furthermore, some have even managed to build and or improve their own dwellings something they could not do without any income. The skills they acquire at the programme level allow them to enter the labour market better equipped than before.

(d) Sustainability

Sustainability is particularly high among the contractors who have gained skills in the areas of management and entrepreneurship. These people have confidence in the training that they get through the programme especially that the training is accredited.

(e) Relevance

As a job creation exercise, the environment and culture sector targets the vulnerable groups of the society, namely the very poor, women, youth and the disabled. The sector aims at creating both short and long term jobs and the social benefits (well-being) that accompany income earning individuals.

(f) Effectiveness/ efficiency

The EPWP jobs offer safety nets against destitution. The implementation of the EPWP the environment sector has been in existence for sometime. Many people have benefited from it in terms of the programme offering them an opportunity to earn some income.

3.2.3. Key challenges

While the sector has enjoyed some successes, it also faces specific challenges such as the following:

(a) Monitoring and evaluation, and reporting

The environment and culture sector has a very large number of programmes and projects. As a result, it is difficult to evaluate as monitoring and evaluation reports are at an early stage. For example, once people leave (exit) the programme/ projects, it is difficult to know whether they are able to find employment that uses the skills they get from the programmes.

Although the reporting lines appear clear, some of the stakeholders feel in the dark in accessing provincial sectoral reports.

(b) Sustainability

This point is much related to the one above at the community or individual level. The multiplier effects of the programmes cannot be determined and what happens to beneficiaries after leaving the programme is unknown.. Besides this, many feel that the short training of 2-days in some instances is neither effective nor beneficial as this training is not accredited and cannot be relied upon to find alternative employment. Graduates do not feel confident without their certificates.

The length of contract periods is another factor that constantly comes out from interviews. In spite of the fact that participants claim to understand that the EPWP jobs are only temporary, there is a strong feeling that the contracts are too short.

At another level, sustainability is challenged by the fact that wages are low and below the poverty line in many cases. In a study Altman (2004) conducted among the households of programme beneficiaries, it became clear that people cannot access for example better health care systems or save money for the future, nor even get credit from a bank. Having said these, it is to be remembered that EPWP jobs are not meant to help people live lifestyles of that nature, but only to provide them with very basic sources of income. In simple terms, these are safety nets jobs against abject poverty.

(c) Capacity

There is a strong feeling that provinces are understaffed. Officials interviewed in the provinces indicated that without properly staffed districts in particular, little progress can be made. On the other hand, the Departments see the problem as that of lack of training among the staff members. To this effect, the Department of Agriculture, Conservation and Environment in particular places great emphasis on the training needs of the staff (Minutes 25 May 2007).

(c) Overlaps

The overlapping of projects can make it really difficult to tell the nature of a project. The building for example of chalets, roads, electrification and drainage system within a conservation area is mainly a tourism and infrastructure exercise inside a park – it is clearly not fire fighting or alien species removal. The difficulty then emerges when one has to evaluate the contribution of these activities – are the contributions credited to tourism or environment? The link therefore between nature conservation and tourism is very strong. There exists great interdependency between the two areas. Without revenue

from tourism, protected areas would struggle only with state allocations. On the other hand, without nature conservation areas and heritage sites, tourism would be severely curtailed.

3.3. Social Sector

3.3.1. Description of the Social Sector

The EPWP Social sector, is led by the Department of Social Development, and includes the Departments of Education as well as the Department of Health. The sector relies on non-governmental organizations (NGOs), community-based organisations (CBOs), and faith based organisations (FBOs), all serving as implementers. In addition other government departments such as Department of Labour and the Sector Education and Training Authorities (SETAs) are involved in the sector at the level of training. Altogether this constitutes quite a wide range of stakeholders to coordinate activities.

The EPWP social sector consists of two programmes; the Home and Community-based Care (HCBC) and the Early Childhood Development (ECD). A total of 2.9 million beneficiaries are expected to benefit from the sector.

Initially (in the Logframe), sector targets were set at 150 000 work opportunities and more recently the number has been revised to 188 000 work opportunities, and the provinces with the highest targets are Eastern Cape, KwaZulu-Natal and Gauteng (Table 5). Progress has varied between provinces. Between April 2005 and March 2007, a total of 40, 799 work opportunities were created in the sector, a considerably smaller number than the target. The provinces that seem to be doing well in this sector are Mpumalanga, Free State, North West, and Northern Cape. Noted is the absence of social sector projects for Gauteng between 2005 and March 2006.

Table 5. Social Sector Targets and Achievements April 2005 –March 2007

Provinces	Achievements to date (April 2005-March 2006)			Achievements for April 2006-March 2007
	Target	Work Opportunities (WO)	%	WO
EC	30,268	235	0,7	8,276
FS	11,656	2,214	19	47
GP	29,704	0	0	3,869
KZN	40,420	6,474	16	156
Lim	25,756	320	1	1,763
Mp	14,100	5,117	36	1,499
NC	4,136	969	23	353
NW	15,228	3532	23	2,979
WC	16,732	891	5	2,105
Total	188,000	19,752	13	21,047

Source: Public Works EPWP, June 2007

3.3.2. Relevance

A number of documents reviewed acknowledge the relevance and benefits of the both the broad objectives of the sector, that is of reducing poverty, inequality and accelerating service delivery. Other specific objectives such as job creation and reducing income insecurity have also been seen as relevant. These broad and specific objectives are viewed as necessary given high levels of unemployment and poverty in the country. According to the Health Systems Trust (2007:3)

Given the lack of effective education and little or no useful work experience amongst many citizens, plus the historic ‘dependence’ of communities and groups on government for services and, increasingly, for livelihoods, the EPWP can help spearhead the important goals of self-reliance and of increasingly self-managed communities operating within and helping to build working local economies.

There is also consensus on the need to expand the sector in terms of the number of those who benefit directly and indirectly. Therefore an increase in the number of jobs created in proportion to the demand for the services but most importantly, these jobs need to be permanent. This latter suggestion of creating permanent jobs is a radical shift from EPWP overall objectives which have always been seen and defended as temporary.

Conversely, the targets proposed of creating 188 000 work opportunities seem too miniscule and thus the sector’s overall impact on poverty and unemployment will be very limited.

There is also confusion in relation to EPWP specific terms and thus of objectives of the sector. For example, it is not always clear what is meant by “net” and “gross” work opportunities in the Social sector. Furthermore, the difference between “learnership” and “work opportunities” is difficult to understand during implementation and reporting (CASE, 2007). This is despite the fact that both are clearly defined in various documents. This is how it’s articulated in the Social Sector Plan (2004:11) “The programme aims to target 122 240 work opportunities 17 400 of which will be through learnerships over five years through a three pronged programme...” Hence the confusion seems to be whether provinces should provide work opportunities as well as learnerships or whether through work opportunities, learnerships should be created.

3.3.3. Effectiveness

It is difficult to quantify the effectiveness as well as efficiency of the sector. This is in part because the numbers (related to budgets, works opportunities and targets) provided by national and provinces are often not consistent. Undeniably, this “challenges assertions about the extent and pace at which implementation is occurring, nationally and provincially” (CASE, 2007:15). Reporting at provinces and national level is often not reliable. For example, while national reports (see table1) state that Gauteng has created 3 869 work opportunities, a report by Gauteng (June 2007:5) states that “there is no dedicated budget in this sector, reporting is not done.” It is thus clear where national sourced the 3 869 figure of work opportunities from.

3.3.4. Training

The effectiveness of the programme could also be diluted by the challenges faced by SETAs. According to the Health Systems Trust some of the weaknesses with SETAs include:

- SETAs have degrees of flexibility, administrative overload, and their application processes for accreditation of service providers are sluggish.
- The change from informal education process to the highly sophisticated formalised system proposed by HWSETA and ETDP SETA was too rapid and left other long standing service providers in limbo.
- SETA approved courses are often too high a level to meet the EPWP constituency.

Nevertheless, SETAs are not totally to blame for these problems. The Department of Public Works and beneficiaries could shoulder some of the responsibility. In fact “ there is a strong tendency in the EPWP to push candidates to too high a level of training given the paucity of formal education and its general poor achievements with literacy, maths, and comprehension” (Health Systems Trust, 2007:10). Eager to receive a stipend, beneficiaries take up training without prior experience and or interest in the sector in the long term or use what they have learnt in the communities. Training them becomes a huge challenge and keeping them is equally difficult.

3.3.5. Sustainability

The sustainability and potential impact of this sector is could be undermined by the type of jobs the sector and indeed the rest of EPWP seeks to create. Temporary jobs are welcome to the unemployed but the limited stipends and work insecurity should not lead to the unintended consequence of widening the pool of those casually employed. The transformative agenda of the EPWP could be unintentionally subverted if all work opportunities merely keeping people in poverty rather than leading to the objective of “decent work” set out in the GDS.

The sector’s recent objective of turning 60% of all jobs created to permanent is a welcomed step towards job security.

Furthermore, the exit plans and opportunities have been limited in the sector. As such after 12 or 24 months of training, most beneficiaries will be unemployed and without the regular income from the stipend. Indeed, “what happens to individuals who have not achieved economic self-sufficiency by the end of the period. Are they simply left to become unemployment again and for the skills that they have gained to be gradually lost. This erodes the gains made by the EPWP and keeps its effects marginalized” (Health Systems Trust, 2007:5).

3.3.6. Summary of the Social Sector

The broad and specific objectives of the social sector can make a significant contribution in the country’s fight against poverty, unemployment, and HIV and AIDS. There is widespread agreement on the need for the sector and certainly its expansion. This is regardless of the challenges and unevenness in implementation, the sector seems to be making significant progress. The fact that demand for services far outweighs the set targets, it is then probable, that set targets will not be met. Challenges range from funding and budget issues, lack of capacity, lack of information and communication between all stakeholders, reporting, and monitoring and evaluation. Finally, the potential impact of this sector lies in its ability to create permanent jobs.

3.4. *The Economic Sector*

It is difficult to find a concise and clear description of what constitutes the EPWP Economic Sector, but it appears mainly to comprise the Venture Learnership Programme plus a less well defined set of activities in support of co-operatives and certain activities in support of the National Youth Service Training initiative. The Venture Learnership Programme (VLP) part, which clearly represents the larger share (in terms of attention and budgets) of the EPWP Economic Sector, consists of two kindred programmes:

- The Vuk'uphile Programme, which develops labour-intensive contractors, and
- The New Venture Creation Learnership Programme (NVCLP), which seeks to develop small businesses in other areas.

In terms of objectives and broad strategies, it would appear that the NVCLP is largely modeled on the Vuk'uphile Programme, which itself is modeled on the Gundu Lasho project that was begun in Limpopo in 2001. The NVCLP differs from the Vuk'uphile Programme mainly in that it seeks to expand to a more diverse selection of sectors. Significantly, both have in common that they seek to assist in the establishment or scaling-up of black-owned enterprises that, in the first instance, will avail themselves of opportunities to tap into government's procurement spending.

The targets for the VLP and its two components through 2008/09 are as follows:

Table 6. Venture Learnership Programme

Province	Vuk'uphile	NVCLP	Target
GP	80	0	475
MP	94	122	275
EC	95	51	275
FS	20	30	275
LP	56	120	400
NW	30	0	175
WC	54	200	475
NC	25	0	175
KZN	54	0	475
Total	508	523	3000

At this stage, the role of the EPWP in supporting co-operatives appears to entail the provision of training. An undated memorandum originating from the National Department of Public Works states that:

The [economic] sector also focuses on cooperative training. Business skills will be provided to board members of cooperatives. Department of Labour funding has been made available for the training of 400 cooperative members. Furthermore, the Department of Public Works and the Department of Trade and Industry is collaborating on the development of a cooperatives model. This model will be completed by September 2007.

The reference to the Department of Trade and Industry is reassuring, given that otherwise the DTI's role in the EPWP Economic Sector is unclear.

3.4.1. Relevance

The EPWP Economic Sector seeks to develop the small businesses sector through a two-fold strategy of assisting the further development of already-existing small businesses, and assisting the establishment of new small businesses. The non-exclusive focus is on the previously disadvantaged, and the various initiatives cut across a variety of economic sub-sectors, i.e. types of goods and services. There is an emphasis on using the government's own procurement system as a potential source of business for these small businesses, as well as skills development and facilitated access to finance.

There is a concern that the aims are too diffuse. In a review of the VLP, the authors ask:

What is the priority, entrepreneurship development or job creation or poverty alleviation? This has implications for the kind of learners selected to participate in the programme (Hudson et al. 2007, p.17).

The suggestion of the quote is that perhaps the objectives of the EPWP public sector are too broad and unfocused, for which one practical implication may be that it is not targeted with enough precision.

3.4.2. Effectiveness

There is little evidence to date regarding the effectiveness or impact of the EPWP's Economic Sector activities. We posit three reasons why this is so.

First, in relative terms, the number of beneficiaries is very small.

The second reason is that there appear to be few focused evaluations of the EPWP's economic sector.

The third reason it is difficult to comment intelligently on the performance of the EPWP economic sector is that it is indistinct from other initiatives with which, in terms of objectives and approach, it overlaps, not least the National Contractor Development Programme.

As for the case study work conducted as part of the Mid-Term Review, there were four case studies of projects purportedly belonging to the EPWP economic sector, of which one was in KwaZulu-Natal, one in Mpumalanga, one in Limpopo, and one in Eastern Cape. We say 'purportedly' because, although each of these projects was identified for our consideration by the respective EPWP provincial co-ordination unit, in two of them the participants/beneficiaries were adamant that their activities had no connection to the EPWP at all, nor, looking at their activities, should they logically be regarded as part of the EPWP Economic Sector.

3.4.3. Sustainability

The question of sustainability can be addressed at two main levels. At the level of the programmes themselves, they are sustainable in the sense that there is no particular reason why they cannot carry on and, for that matter, improve. (The likelihood that they may struggle to expand significantly was mentioned above, but is a separate issue.) At the level of specific beneficiaries, the issue of sustainability means something else entirely. Intuitively, it means learners who, following their experience with EPWP, will be able to ‘make it on their own’. Hudson et al.’s review of the VLP cites one mentor from Eastern Cape who claims that of the 51 learners being mentored by his firm, “10-15 of these will succeed”.

The experience therefore is that not all learners will succeed, although this should not be unexpected. Given the inherent risk in private enterprise, one is not necessarily attempting to “ensure the sustainability” (survival rate) of learners, but to improve their chances of survival, and in particular to compensate somewhat for the disadvantages they have faced by virtue of race and, often, gender. Having said that, what is the appropriate benchmark against which the survival rate of learners can be judged? That is difficult to say, given that, in principle, this would have to be determined by sub-sector and, to some extent, for different areas of the country. The statistics for survival rates of different types of South African SMEs are at any rate surprisingly difficult to find, though there are numerous high-level generalisations.

Turning briefly to one of the other activities within the EPWP economic sector, namely support to co-operatives, we have even less information, but arguably enough to raise some concerns. For example, a progress report for the EPWP economic sector for the period February to June 2007 includes a list of co-operatives in Limpopo which have received training. From the list, it is clear that these co-operatives are by and large producer collectives, i.e. they involve a group-based enterprise. This is to be distinguished from, say, marketing co-operatives, the function of which is to assist their members by securing better terms for input purchases and output sales, or processing co-operatives which benefit primary products on behalf of members. The concern is that producer collectives are notoriously fragile; for government, they are an appealing way of pursuing poverty reduction projects, but rarely an efficacious way. While EPWP can tally the number of co-ops and co-op members receiving training, it is entirely another thing to ascertain how many people derive sustainable benefits from these co-operatives.

3.4.4. General comments

What is striking about the economic sector of the EPWP is how diverse it is. This is of course true of the EPWP overall, but arguably it is a particular feature within the economic sector. In the words of the Cabinet Memo which approved the EPWP conceptual framework:

The overall impression is that, while some of what is being done within the ambit of the EPWP Economic Sector is valuable (noting various concerns raised above, especially in respect of efficiency), the EPWP gains little from having the EPWP Economic Sector, and these activities presently making up the EPWP Economic Sector gain little from their association with the EPWP.

3.5. Findings from case studies

Altogether 33 site visits were undertaken by the research team in all of the nine provinces and in all sectors (although 28 were fully analysed in a database). These site visits were conducted on the advice and often with the accompaniment of officials of the provincial EPWP and reports have been written and are available in a short form in the Annexures.

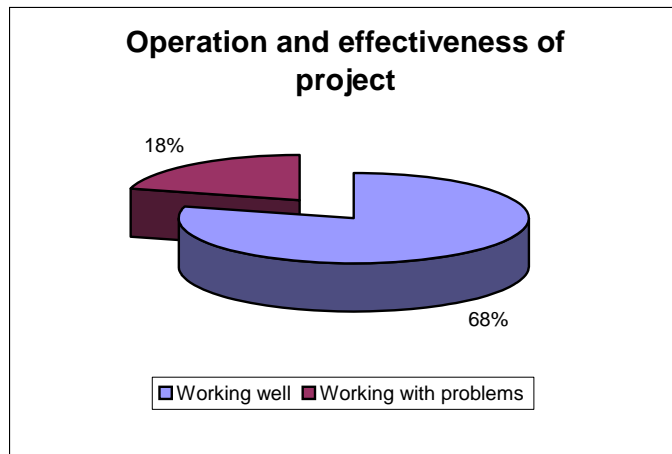
These site reports have been entered into a database and analysed according to a number of criteria including coordination, operation and effectiveness, compliance, civil society, participation, community relations, employment conditions, and training. The graphs below present the data analysed from these site reports.

3.5.1. Operations and compliance

A generally good level of operation was found among the projects visited although a number indicated they were operating with some difficulties. The majority were found to be compliant although there was found to be varied levels of understanding among project managers; most of whom knew of the relationship with EPWP but a significant minority which did not. Most of the projects had to maintain a high level of communication with a wide range of stakeholders.

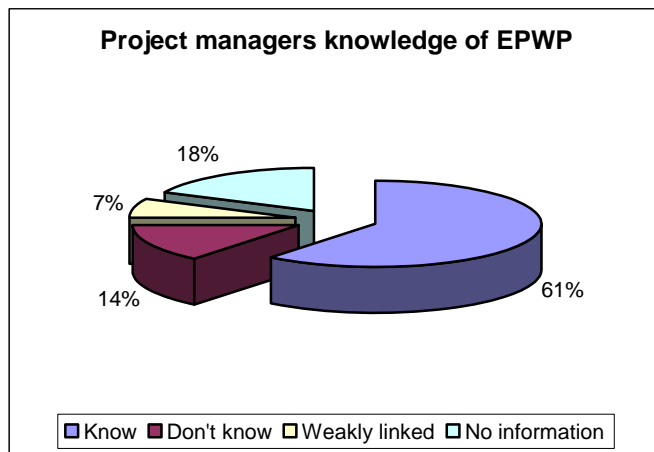
Figure 7. Operations and compliance

68% of the projects were covered were found to be working well while there were 18% that were working with problems.



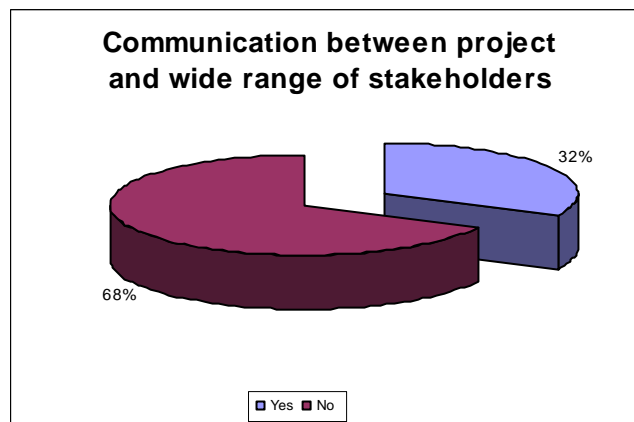
n=28

61% of the project managers knew of the association between the EPWP and project, 7% of the projects that was found to be weakly linked and 14% did not know of the link between EPWP and project.



n=28

68% of the projects had achieved communication with a wide range of stakeholders while 32% were assessed not having achieved this communication.



n=28

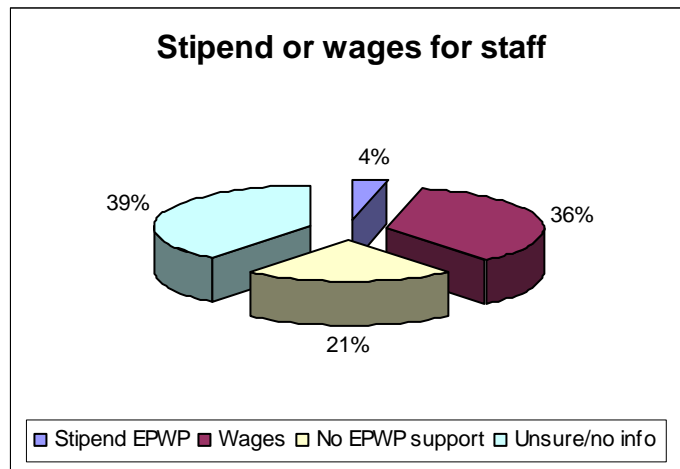
3.5.2. Employment conditions

In the analysis of key informant interviews there was found to be a high level of concern about the conditions of employment. This was also found in reviewing the site reports; there appears to be unclear rules as to the operation of stipends or wages and in a significant number of projects there is no support for employees from the EPWP. What appears to be happening in such cases is that a project manager may be supported from one of the departments involved in the EPWP but not the remaining operational staff who remain as volunteers.

This also seems to be the case in relation to concern among employees about wages differing for work at the same level or, more in evidence, the paying of some workers and the expectation that others should continue as volunteers.

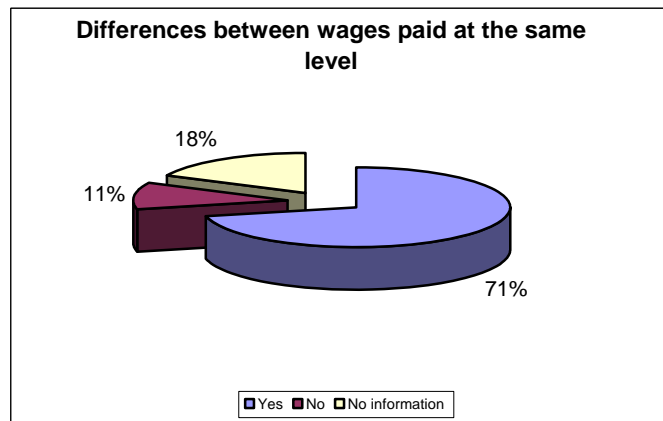
Figure 8. Wage conditions

In 39% of the projects employees received stipends, in 36% they received wages from the EPWP. In the remaining 21% of the projects there was no EPWP support to employees.



n=28

Among the projects, 71% showed evidence of differences between wages paid to employees at the same level. In 18% of projects there were no differences in wages paid to employees at the same level.

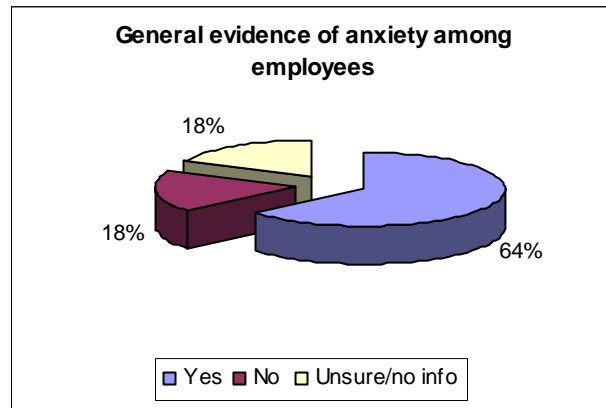


n=28

There were found to be generally poor employment conditions in many projects. This is reflected in the figures in relation to attitudes among employees as a high proportion were found to be anxious about their future because of the short term nature of their contracts and for other reasons. Among the projects there is a fairly high level of employee dissatisfaction with 65% having experienced either protests or strikes from their employees.

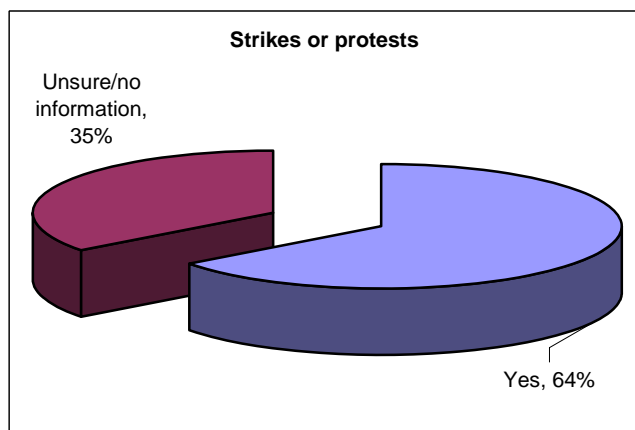
Figure 9. Anxiety and protest

In 64% of the projects there was evidence of employees experiencing anxiety about their work while in 18% of projects there was not; on the remaining 18% this could not be judged.



n=28

A high level of projects were found to have experienced grievances among employees as 64% had experiences strikes or protests.



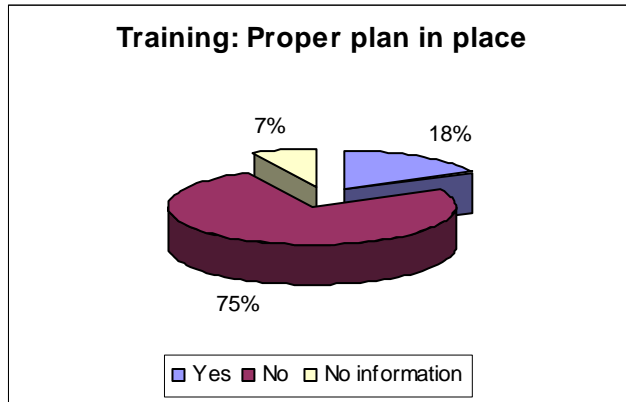
n=28

3.5.3. Training and exit strategy

The training of employees is a high priority set by the guidelines and policy statements of the EPWP. The strategy is to provide short term employment and training during this period to prepare workers to seek employment on the labour market. Despite this intention, most of the projects were found not to have compiled a training plan although a majority also were able to access accredited training. On the critical issue of the exit strategy; the preparation of employees to find other employment, further training or self-employment most were found not to have a prepared strategy.

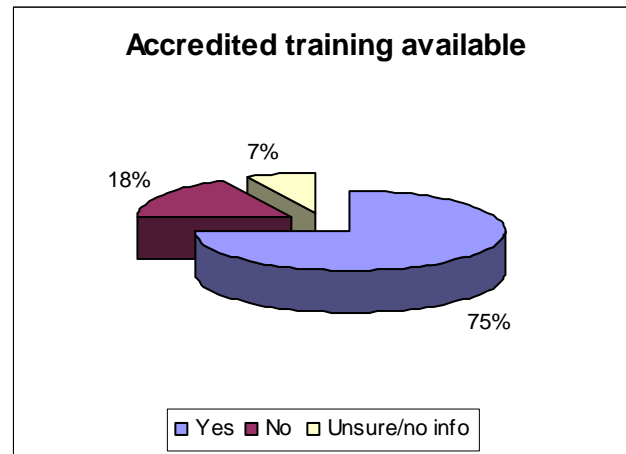
Figure 10. Training and exit strategy

Among the projects, 75% had no proper plan in place for training while 18% did. The remaining 7% could not be judged.



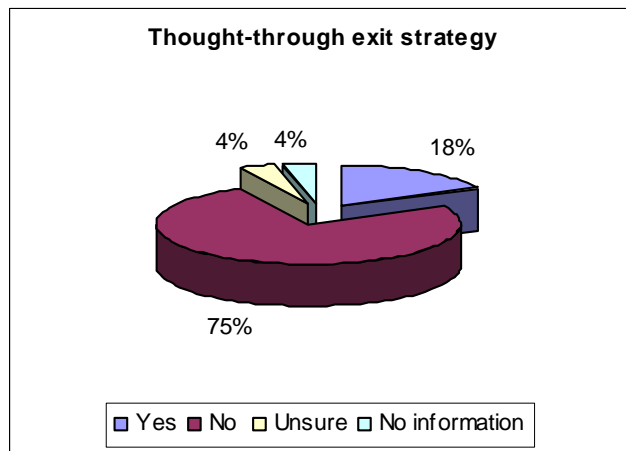
n=28

Among the projects 75% could access accredited training however in 18% there was no accredited training available and the remaining 7% could not be assessed.



n=28

Among the projects, 75% did not have a thought through exit strategy, 18% did, and the remaining 8% could not be assessed.



n=28

4. Analysis

In this section the data gathered on the broad indicators of performance of the EPWP is analysed on the criteria of relevance, effectiveness, effectiveness, and sustainability. In the analysis indicators are utilised to measure whether the performance of the EPWP meets the targets set out in the original Logframe and Cabinet Memorandum.

This section opens with the review of performance against targets, moves on to the analysis of the interviews with key individuals and concludes with a review of training.

The presentation of findings and analysis begins with a comprehensive review of the EPWP targets in a “Report card” which sets out the current performance against specific indicators. Following this the analysis proceeds to develop the link between targets and indicators to draw out the broader aspects of performance. The “Report card” is an essential summary of the key targets of the EPWP and compresses the extensive data and statistics generated by the EPWP into a simple table.

The six indicators are those of the number of work opportunities created, person-years created as an indication of the equivalent figure in full time employment, the number of training days achieved, the allocation of budgets to projects, the proportion of the project budgets spent, and finally the demographic element – the achievement of employment of the targeted proportions of women, youth and disabled.

The “Report card” presents the achievements of the past three years set against the 5 year targets. On the indicator which receives the greatest public attention, that of **work opportunities created (EPWP Indicator 1, EI1)**, the EPWP is performing plausibly and more or less on target to provide the one million work opportunities targeted.

The leading sector here is that of Environment which has already exceeded its target, followed by the Economic Sector which had a fairly low target. Infrastructure is seen to dominate the creation of work opportunities with the provision of 362,237 out of the 716,399 work opportunities although it is lagging in meeting its own target.

The target is coming within reach largely because of the activity of the environmental sector which has already achieved 135% of its five year target. In fact the other major sectors such as Infrastructure, which has reached 48% of the target, and the Social Sector which has reached 38% of its target, have not performed well. Only the tiny Economic Sector is approaching the target with 83% of the work opportunities being provided so far.

Table 7. EPWP Report card

EPWP Indicator	5-year Target	3-yr Status	% Progress over 3 yrs
1. Number of work opportunities created	1,000,000	716,399	72%
a. Infrastructure	750,000	362,257	48%
b. Environment & Culture	200,000	269,233	135%
c. Social	150,000	57,064	38%
d. Economic	12,000	10,003	83%
2. Person-years of employment created	650,000	219,914	34%
a. Infrastructure	250,000	115,817	46%
b. Environment & Culture	200,000	66,484	33%
c. Social	200,000	35,884	18%
d. Economic	18,000	1,730	10%
3. Training (number of training days)	15,579,000	2,973,817	19%
a. Infrastructure	9,000,000	1,124,840	12%
b. Environment & Culture	2,005,000	1,110,870	55%
c. Social	4,535,000	715,925	16%
d. Economic	39,000	22,182	57%
4. Project budget, R billion			
a. Infrastructure	R15.0	R17.4	116%
b. Environment & Culture	R4.0	R3.2	80%
c. Social	R2.0	R0.7	35%
d. Economic	Unspecified	R0.3	Unspecified
5. Actual expenditure	R21.6 ¹³	R12.8	59%
6. Demographic characteristics of workers			
a. Youth	400,000	280,176	70%
b. Women	300,000	332,187	111%
c. Disabled	20,000	7,192	36%

Source: Data assembled from the Quarterly Reports of the EPWP Containing data and information for the period 1 April 2004 to 31 March 2007, or drawn by datasets provided by the EPWP Unit.

¹³ The R21.6 billion allocated in "Actual expenditure" is the total of all yearly budgetary allocations and not a target set in the original Logframe.7

The gap between performance and target is pronounced in relation to **person-years of employment created (EI2)**; here it is very unlikely that the target of 650 000 person-years over five years will be reached and it appears as though there will be a substantial gap between target and performance. Infrastructure has advanced the furthest while the Economic Sector has lagged behind the other sectors. None of the sectors have advanced further than half of what was expected. Infrastructure reaches 46% of target, Environment and Culture 33%, Social Sector 18%, and the Economic Sector only 10%. The much lower achievement in length of work opportunity than originally planned as represented by these figures to a large extent undermines the achievement of the target in work opportunities. There is a relationship between the two indicators. Measured against the planned length of work opportunity the work opportunities achieved appear to be substantially shorter. This shorter engagement is what contributes to the higher number of work opportunities since for (more or less) the same wage vill more beneficiaries are engaged. The reasons for this trend are difficult to analyse from the data alone; there are a number of possible explanations: communities may decide to rotate available work to benefit more individuals or more smaller and shorter projects may lead to this result.

In relation to the number of **training days (EI3)**, there is a substantial gap between target and performance: 2,97 million training-days amounts to only 19% of the total of 15,6 million training days. The Environment Sector which has considerable experience in programmes such as Working for Water comes closest to the target with 55% of the target, followed by the small Economic sector at 57%, the Social sector at 16%, and Infrastructure with 12% of the number of targeted training days. As in relation to the length of working opportunity, in all sectors there is major under-performance in training; indeed the two indicators could be closely (but inversely) linked.

The EPWP appears to have been able to attract sufficient **project funding (EI4)** (although the figures have not been deflated to represent the value of the Rand in 2004). Altogether R17.4 billion has already been allocated in the Infrastructure Sector which is in advance of the target of R15 billion or 116% of the original target. The Social Sector is lagging the most (at 35% of its target) in attracting budgetary allocation and this may explain low performance by other criteria. Unfortunately the achievement of the targeted budget may not be what it seems: it appears that the budget figures may indicate multiple years even though the EPWP reports state the budgets are single year.¹⁴

The difficulties in relationship to **actual expenditure (EI5)** appears to be one of the most graphic problems in the EPWP as the budgetary allocations are not spent. These figures need to be read carefully as they indicate departmental allocations which have been assigned to EPWP projects over the past three years (not the five years in the column heading). Here the R21.6 billion represents the allocation across the first three years and the R12.8 billion the expenditure so far. The various sectors have only managed to spend 59% of the allocated budget which is an indication of the ability to spend to achieve the objectives of the EPWP.

¹⁴ This point was made in discussion of slides showing this development.

This is a major difficulty for the EPWP as under-spending indicates problems in actual budgetary allocation, priorities, and capacity to implement.

Finally the figures in relation to the **demographic characteristics of workers (EI6)** are presented. The EPWP has undoubtedly been successful in being able to meet the figure of women constituting 40% of the total employment – indeed at the figure of 111% of the original target the final performance will be in excess of the target. The EPWP shows an ability to provide employment opportunities to draw in sufficient unemployed youth to reach 70% of the target and the five year target is also likely to be reached. The EPWP provision of employment for the disabled is, however, dragging; at a current figure of 36% of the target it is unlikely to be attained.

The “Report card” helps to present a quick overview of the whole and is followed up by more detailed examination of the “big picture” indicators.

4.1.1. EPWP and unemployment by provinces

In the table below the broad picture of the EPWP’s performance is set against the challenge of unemployment as measured by the numbers in the “official” definition. Unlike the assessment of the EPWP work opportunities as a proportion of the labour force (which indicates the extent to which the EPWP workers directly participate in the labour force) the measure of the EPWP work opportunities against numbers of unemployed is purely comparative. It sets out two related figures as a measure of the potential against which the EPWP work opportunities can be ranked.

Altogether in 2006/07 the EPWP contributed some 317 000 work opportunities against the general challenge of 4,4 million unemployed.

Table 8. EPWP employment and unemployment 2006/07

	EPWP work opportunities	No. unemployed “official” definition	Proportion of EPWP work opportunities as proportion to the no. of unemployed
KwaZulu-Natal	115,628	882,000	13%
Eastern Cape	52,136	638,000	8%
Western Cape	44,080	326,000	14%
Gauteng	27,637	1,085,000	3%
Limpopo	20,133	365,000	6%
Free State	17,172	281,000	6%
Mpumalanga	16,739	352,000	5%
North West	13,891	339,000	4%
Northern Cape	9,399	123,000	8%
	316,815	4,391,000	7%

Source: 4th Quarterly Report 2006/07 and LFS 2006.

Although the number of work opportunities created by the EPWP amounts to 1% of the total labour force (which is the generally the measure used in international studies of public works), assessed against the number of unemployed there is greater (although still very meagre) impact. This measure could be useful in appraising what potential the EPWP could offer to the large numbers of unemployed and the extent to which it is performing against the background of the target data. In relation to the numbers captured in the broad definition of unemployment the EPWP amounts to some 4% of those in the “broad” definition and to 7% against the numbers in the “official” definition.

The final column in the table measures the number of EPWP work opportunities as a proportion of the total number of unemployed. KwaZulu-Natal has the highest level of EPWP work opportunities, and has the second highest level of unemployed people. Gauteng has the highest number of unemployed and provides the third highest number of EPWP work opportunities. The Eastern Cape has the third highest number of unemployed and provides the fourth highest number of EPWP work opportunities. The pattern between delivery and numbers in need is, however, broken up in two ways; firstly the EPWP meets the partial needs of only a fraction of those in unemployment, and secondly the Western Cape which has one of the lowest levels of unemployment has the second highest offering in terms of EPWP work opportunities.

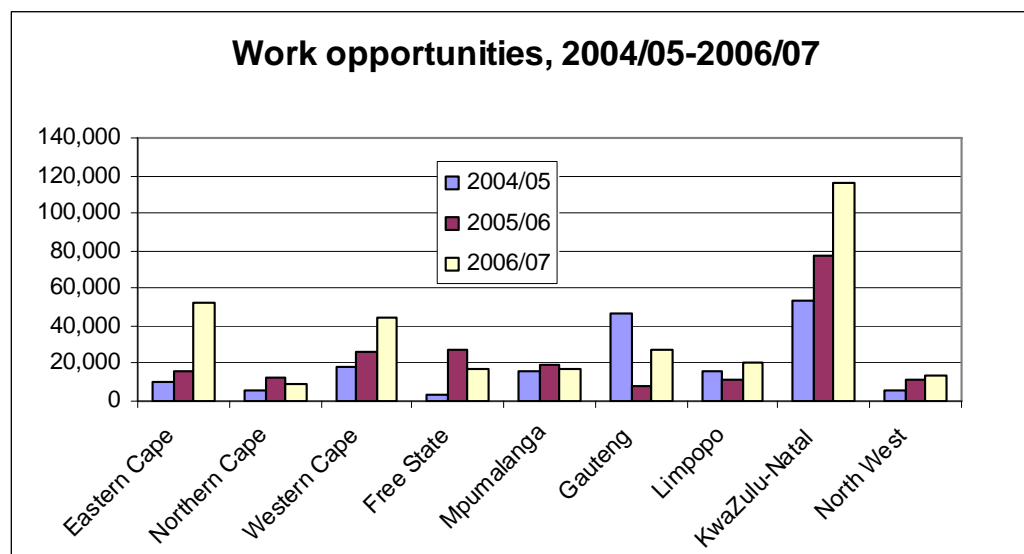
The dominant pattern appears to be that of the highest level of delivery being linked to capacity at two levels; firstly the tradition and experience in implementing public works (notable in KwaZulu-Natal’s long experience in implementing public works through the Department of Transport) and secondly in the perceived greater capacity and ability to attract competent public servants in the richest provinces of the Western Cape and Gauteng.

It appears that KwaZulu-Natal is most capable of providing additional public works opportunities to in proportion to the high numbers of unemployed in the province. The province creates more than twice the number of work opportunities than the next province in rank. Gauteng has the lowest proportion (3%) of work opportunities created in relation to the number of unemployed.

The original GDE statements and the Logframe did not set out targets by province or against the background of numbers of unemployed. Despite this it is worth examining the responsiveness of the various provinces to the challenge of providing more work opportunities through EPWP. From this it appears that the work opportunities provided by the EPWP are not directly related to the numbers of unemployed. The EPWP is not evenly spread throughout the provinces and work opportunities range from the 115,628 work opportunities created in KwaZulu-Natal to the 9,399 created in the Northern Cape in 2006/07. This is not necessarily a reflection of differing population densities; the Western Cape comes closest (at 14%) to providing short term work opportunities as against numbers of unemployed calculated through the rigorous official definition of unemployment. On the

other hand the North West generates work opportunities equivalent to the needs of 4% of those ‘officially’ unemployed in the province.

Figure 11. Work opportunities by year and province, 2004-07



Source: Data assembled from the Quarterly Reports of the EPWP and Annexures containing data and information for the period 1 April 2004 to 31 March 2007.

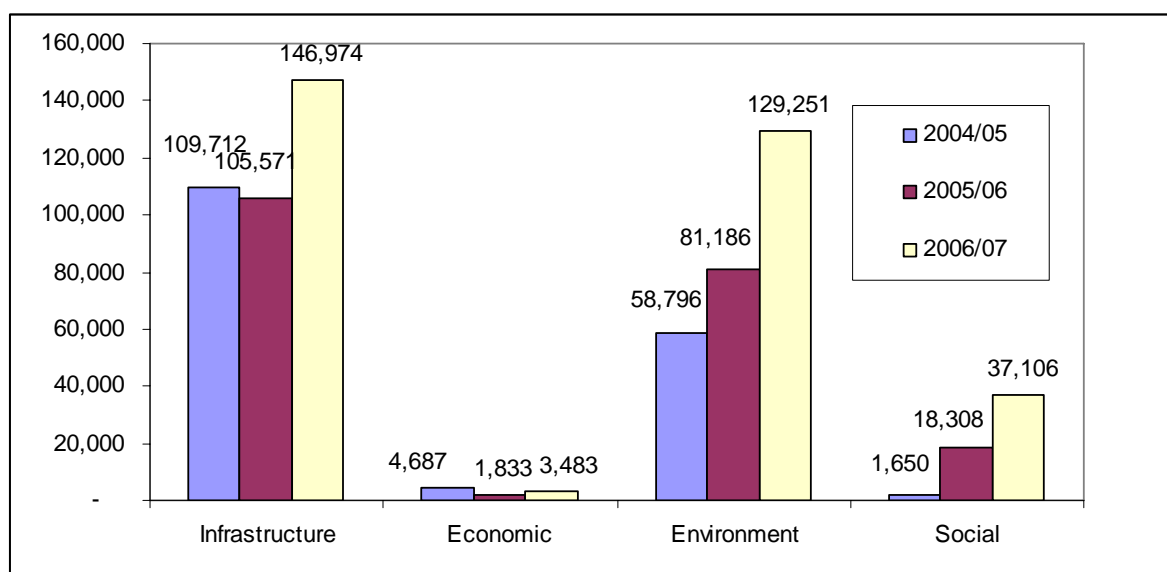
To what extent are provinces contributing to the total figure of work opportunities created? The graph above shows that KwaZulu-Natal dominates the field and that the contribution of other provinces appears minor in comparison. The lead of this province continues over the three year period. As was revealed in interviews with senior management, a number of provinces can be seen just at beginning of EPWP initiatives, with five provinces providing less than 20 000 work opportunities a year over the last financial year.

The lead established by the KwaZulu-Natal EPWP is one which has consistently provided work opportunities each year and this has to a lesser extent been the case in the Eastern and Western Cape and in the North West. In other provinces such as Gauteng, Limpopo, the Free State and the Northern Cape there has been uneven expansion of work opportunities with rises and declines over the years.

In Gauteng there appears to have been a strong start with the launch of EPWP (although these figures are in dispute), followed by a collapse the following year, and then growth in 2006/07. The most recent report indicates that the province has not yet reached the first year level of work opportunities.

Although there could have been expected that there would be steady growth and progress from the launch to the present, there has not been a straight line of progress towards the future.

Figure 12. Work opportunities by sector, 2004/05-2006/07



The creation of work opportunities by sector is presented by sector in Figure 11. The figure indicates fairly steadily rising work opportunities but also considerable unevenness in the implementation of EPWP not only by province but also by sector. The Infrastructure sector appears fairly well established but growing unevenly while the Environment sector is making steady advances just short of those in Infrastructure. The other sectors are, despite considerable promise, not yet well developed.

The Infrastructure Sector dominates the picture with numbers of work opportunities rising from 109,712 to 146,974 between 2004/05-2006/07. It is followed by Environment which has risen between 2004/05-2006/07 from 58,796 to 129,251 work opportunities. The Social Sector has risen between 2004/05-2006/07 from 1,650 to 37,106 work opportunities. The Economic Sector has progressed uncertainly between 2004/05-2006/07 from 4,687 to 3,483 work opportunities.

A considerable expansion of the Social Sector is projected in the baseline report on EPWP related work opportunities which put the potential for work creation at approximately 438 000.¹⁵ Although there has been rapid growth from a low base the actual achievements at 37 106 work opportunities are a fraction of the target of 150 000. Although raising the targets marks an attempt to be more effective, the growing gap between target and realization only increases a sense of failure and frustration.

¹⁵ Social Cluster monitoring and evaluation media briefing by Minister of Social Development, Dr Zola Skweyiya on behalf of the Social Cluster. 8 May 2007.

<http://www.info.gov.za/speeches/2007/07050815151001.htm>

Reviewed as a whole Infrastructure appears to have had a head-start but is not now advancing at the same pace as in the pre-EPWP programmes, Environment is showing strong growth, and the Social sector demonstrates the ability to increase rapidly but from a very low base. The two main Sectors, Infrastructure and Environment, clearly dominate the field.

In the section below the discussion will move from the assessment of the EPWP in the aggregate to study the performance against the concepts of relevance, effectiveness, and efficiency.

4.1.2. Relevance

Relevance is regarded as the appropriateness of objectives in relation to the problem to be solved; in the EPWP this translates into the two key objectives of providing work opportunities to the unemployed to provide income and training, skills and information linked to exit strategies for participants, and expanding engagement in labour-intensive programmes particularly to the number of work opportunities created. The relevance of the EPWP can be assessed at three broad levels; firstly the capacity to provide significant numbers of work opportunities in terms of the weight of unemployment, secondly to assess the impact on poverty alleviation, and thirdly to assess whether the Programme is the most relevant to impact on these social problems. This is measured in the aggregate and, to the extent possible in a study not providing a survey of beneficiaries, to the individual level.

In the context of mass unemployment in South Africa which is rated as possibly the highest in the world (Kingdon and Knight, 2001) the relevance of the EPWP has to be measured not only against the targets set at its inception but in terms of the impact on a high level social problem. This relates not only to impact on the mass of unemployment generally but also to those most disadvantaged in seeking employment: women, youth and disabled in rural areas often as discouraged work-seekers.

In relation to providing work opportunities, the EPWP is found to have a very low level of significance when measured against the labour market as a whole; although some greater significance when the work opportunities generated are measured against the numbers of unemployed. At the level of the provinces the potential impact of the EPWP can be greater, particularly in the ability of the Programme to reach unemployed women who are otherwise in a context of being discouraged work-seekers and to a lesser extent youth and disabled.

The extent to which the EPWP alleviates the poverty of the unemployed and their households has not been rigorously assessed but it appears to be of a low order. With some exceptions work opportunities are for a much shorter period than intended by its framers, often too short for effective training to take place. In terms of the aggregate impact on poverty the wage bill provided by the EPWP compared to the R59.3 billion¹⁶ provided in social grants is miniscule, at 1.5% of this total.

¹⁶ Financial Mail, 23 February 2007. Budget in a nutshell

Compared to the payments made from the Unemployed Insurance Funds, there is, however, a greater weight; in 2005/06 the fund paid out R2,5 billion to the registered unemployed.¹⁷ The R635 million paid out in EPWP wages in 2005/06 compares rather more favourably here, although the considerable overheads of the Programme also have to be taken into account.

Table 9. Wage bill for all EPWP sectors

	Wage bill	Real terms (R=2000)
2004/05	R 823,202,981	R 823,202,981
2005/06	R 635,652,856	R 608,955,436
2006/07	R 917,520,088	R 846,871,041

While there may be some local multiplier effect in poverty alleviation in the communities involved, in the wider context the EPWP is not providing a very substantial transfer of wages to the unemployed. The wage bill as presented in Table 9 in nominal and real terms shows that the trend is static. In real terms there has been an increase of 2,8% in the total wage bill over the period 2004/05 to 2006/07.

The key question, which is not explored in this report, is the extent to which the EPWP adds particular value in the overall poverty alleviation strategy of government. This is a debate which sets the costs and benefits of the EPWP in the context of social welfare and raises the question whether the objectives of the EPWP could be better served by further extending grants as through the Basic Income Grant (McCord, 2007). Given the fact that wage earners in poor households support about six people on average and that wages of these workers are very low; in the absence of social grants the target of halving poverty by 2014 will not be achieved.

Poverty alleviation as measured in terms of the EPWP wage bill appears limited. There are high overheads in public works as measured in terms of the cost of transferring R1 to beneficiaries and many other related issues need to be placed in this debate which will be returned to below.

¹⁷ The Unemployment Insurance Fund experienced an increase in the amount paid out to beneficiaries than in the previous year with R2,475 billion paid out in 2005/06. Later figures are not immediately available.

<http://www.info.gov.za/speeches/2006/06032216151002.htm>

4.1.3. Effectiveness

Effectiveness is defined as whether the purpose or agreed objectives of the Programme are being achieved. Foremost among these objectives is that of providing at least one million work opportunities for the poor and unemployed, particularly youth and women. Secondly to provide needed goods and services, labour-intensively, at acceptable standards. Thirdly there are the objectives of training and improving the prospect of further employment for at least 14% of public works participants to earn future income through effective exit strategies.

The EPWP response to unemployment is not evenly spread throughout the provinces and work opportunities range from the 115,628 work opportunities created in KwaZulu-Natal to the 9,399 created in the Northern Cape in 2006/07. This is not necessarily a reflection of differing population densities; the Western Cape is most effective in providing short term work opportunities to 14% of those determined as unemployed through the rigorous official definition of those who have engaged in active steps to look for work or to start some form of self-employment in the four weeks prior to the interview. On the other hand the North West province is only able to meet part of the needs of 4% of those 'officially' unemployed.

The unevenness of work opportunities is mirrored in the various sectors. Analysis of the proportions of each sector in the total EPWP expenditure gives a sense of the relative weight of the different sectors. Out of a total expenditure of R21,6 billion over the period 2004/05-2006/07, the Infrastructure sector constituted 80%, the Environment sector 15%, Social sector 3% and Economic sector 1%. These figures give some idea of the dominance of the Infrastructure sector.

There is, however, a wide range in the effective use of this investment: Infrastructure was the source of most opportunities but at a cost of R26,357 per work opportunity while Environment achieved 269,233 opportunities at a cost of R9,522 per opportunity; almost a third of the cost of the former. The Social and Environment Sectors also show a greater ability to spend the money allocated.

Over the period under review (2004/05-2006/07), Infrastructure provided more EPWP work opportunities than the combined total of the Economic, Environment, and Social sector: 362,257 work opportunities as opposed to the combined figure of 336,300. Although the Environment sector has growing experience in a number of successful longer term projects, in a number of provinces the Economic and Social sectors are poorly established or do not function at all.

Some of the explanation for the dominance of Infrastructure can be explained by the number of programmes preceding EPWP which focused on infrastructure and the setting of EPWP within the lead Department of Public Works could also be part of the reason for this dominance.

Despite high expectations and the need to meet the needs of the sick and destitute, the Social Sector is still a shadow of what it could be. The Sector is still largely ineffective. The HIV/AIDS pandemic which is impacting on the lives of 5 million families has created a huge need for effective home-based care, but provincial reports and field site visits tend to confirm that the envisaged army of caregivers is still at the platoon level. As mentioned above there is consideration of “ramping up” the Social Sector in the baseline report on EPWP which put the potential for work creation at approximately 438,000. This figure involves an enormous leap from the current 37,106 to 400,894 work opportunities a year by 2009, an enormous increase which is very unlikely to be realized.

Only the Environment sector stands comparison with Infrastructure. Made up of the well publicized Working for Water (DWAFF) and a range of other Programmes such as Working on Fire (DWAFF), the sector has gained a reputation for delivery. These Programmes are, however, largely created by national departments (particularly DWAFF) and the provincial inputs. The Cultural sub-sector, despite considerable potential, remains an adjunct; according to key informants held back by complex political differences.

The Economic Sector is the smallest and is missing in many provinces. Despite attempts to bring coherence to its objectives and implementation, a number of provincial coordinators feel that the Sector is not moving ahead and the figures of beneficiaries confirm this.

Effectiveness in rising to the challenge of local unemployment

Taken as a whole the EPWP partially meets the needs of 4% of those determined as unemployed or discouraged from seeking work. It is, however, better aligned to the *numbers of workseekers* in need than to the rate of unemployment: KwaZulu-Natal has the highest level of EPWP work opportunities, and has the second highest level of unemployed people. Gauteng has the highest number of unemployed and provides the third highest number of EPWP work opportunities. The Eastern Cape has the third highest number of unemployed and provides the fourth highest number of EPWP work opportunities.

The pattern between delivery and numbers in need is, however, broken up in two ways; firstly the EPWP meets the partial needs of only a fraction of those in unemployment, and secondly the Western Cape which has one of the lowest levels of unemployment has the second highest offering in terms of EPWP work opportunities. The dominant pattern appears to be that of the highest level of delivery being linked to capacity at two levels; firstly the tradition and experience in implementing public works (notable in KwaZulu-Natal’s long experience in implementing public works through the Department of Transport) and secondly in the perceived greater capacity and ability to attract competent public servants in the richest provinces of the Western Cape and Gauteng.

Another indication of effectiveness could be the ability of the Programme to have **the greatest impact in those provinces with the greatest need**. The implementation of projects does, however, not relate to the rate of unemployment i.e. those with the highest rate having the highest level of work opportunities through the EPWP. KwaZulu-Natal for possibly historic reasons (246,410 over the first three years) and has consistently provided about a

third of the national figure; in the first year 31%, the second year 37%, and last year 36% of the total. The extension of the Programme appears to be more a reflection of state capacity than need. KwaZulu-Natal along with Gauteng and the Western Cape constitute 60% of the national total of work opportunities. The latter two provinces have among the lowest rates of unemployment with KwaZulu-Natal in the middle rank.

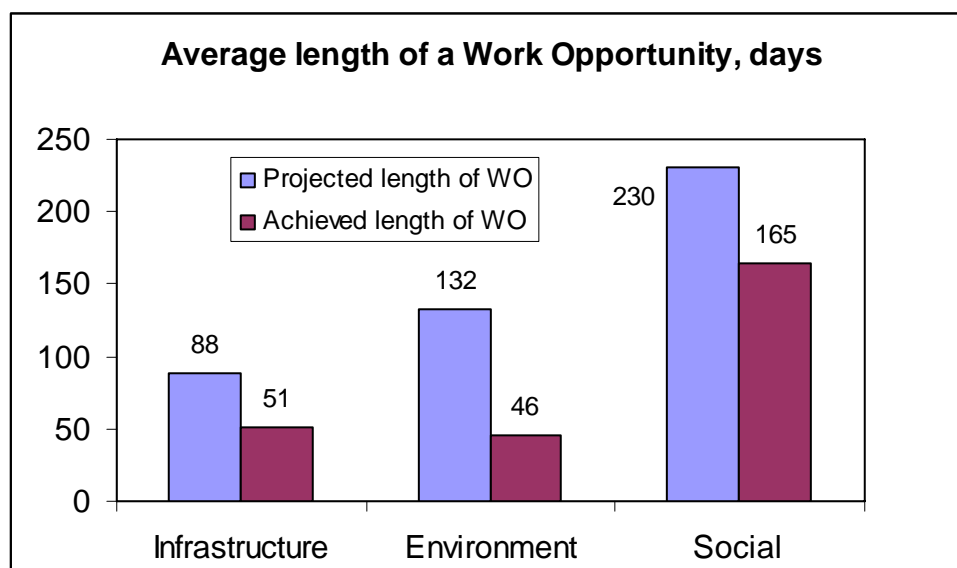
The most discussed indicator of EPWP's effectiveness is the provision of greater **work opportunities**; the ability to provide sufficient work opportunities to the poor and unemployed. This review has found that progress towards this objective is more or less on track and that the figure of 750 000 work opportunities created since 2004/05 is likely to be met by 2008/09. It has to be stressed, however, that these figures are not accumulative – that the work opportunities pass away at the end of each contract and are not renewed. In 2006/07, for example, 146,974 work opportunities were provided by EPWP and then fell away; this is the annual pattern with short term employment. It also has to be stressed that the quality of work opportunity in terms of duration in person years and ancillary training is well below the levels planned.

Meeting particular needs: In addition the targets for the inclusion of women and youth are being met (40% and 20% respectively); and while there is progress in the employment of disabled this target will not be met.

Person years: In relation to person-years work there is a much greater challenge. Since each work opportunity varies considerably in terms of the number of days provided, for the Programme to be understood and comparisons to be made the term person-year is used. This indicates the equivalent of a full time job.

Given the short term nature of most EPWP employment this is an important figure as there is much misunderstanding of the term “employment created by the EPWP” meaning full time work accumulating year by year. By this standard of an annual calculation of full time equivalents the 219,914 person years achieved since 2004/05 falls considerably short of the target (i.e. by 44%) and the target for the end of term is unlikely to be reached. The greatest contribution is made by Infrastructure and the critically important Social Sector lags considerably.

Figure 13. Average length of a Work Opportunity, 2006/07, days



Projected number of days derived from Hirsh, 2006 and Annual Report of DPW, 2005/06, p43; months have been converted into days at the proportion of 22 working days per month; for the projected person year (as in the case of the Social sector) there are 230 days (please see definition of the person year). The average length of days worked has been calculated by dividing the total number of days worked by the number of work opportunities in each sector.

The low level of achieved full time equivalent is a factor of the number of days worked. The failure to approach the target in person-years can be explained by the number of days worked per work opportunity: the higher this figure, the more likely the target is to be reached. (On the other hand, the lower the figure the more likely the target of work opportunities is to be met.) In Figure 13 the figures are presented for the year 2006/07 across the different sectors. In Infrastructure there is a difference 37 days between the projected length of work opportunity and the average achieved, in Environment a difference of 86 days, and in the Social Sector a difference of 99 days. There are further “knock-on” effects; the figures not only have an impact on the derived person years but also on the total wage bill as a proportion of expenditure.

Training is problematic. The least effective aspects of EPWP are in meeting the targets in training as there is a substantial gap between target and performance: 2,9 million training-days amounts to only 18% of the total of 15,6 million training days. The target will not be met and the reasons for this failing need to be examined thoroughly.

The problems with training indicate a major disjuncture between objective and performance and must have effect on the compact reached in NEDLAC where training was an aspect of the trade-off between the quality of working conditions and work opportunities. The provision of accredited training is one of the key objectives in securing further employment and in justifying the application of a low wage policy. In this report a number of difficulties in the institutional arrangements are mentioned, but the major problem is undoubtedly that of

the short-term duration of most EPWP work opportunities. This does not provide sufficient time to work together with the Department of Labour to plan the training, allocate the funds, contract a training provider and complete the training before the end of the contract. In addition there are challenges in much of the training not being accredited and not directly relevant to the pursuit of further employment.

If the design of the EPWP is to be focused on poverty alleviation then the programme design should include considerations of social protection. Social protection requirements are, however, not consistent with the NEDLAC agreement as the wage levels may be below industry minimums, the duration of work is too short, and training is not linked to existing employment opportunities; all vital considerations for the labour movement.

Despite this deficit and the high proportion of projects reported on which do not have accredited training or a developed exit strategy, it appears that there is sufficient impact through the EPWP to secure the modest goal of 14% of EPWP workers securing further employment after completing their contract with the EPWP.

While there has been the development of Infrastructure, improved environmental care, and social needs met which otherwise would have remained in abeyance, it is hard to argue that the products and services would not have been met without the EPWP. In particular in relation to Infrastructure there is a need for advocacy of labour intensive methods and in the other Sectors for reasoned debate about the particular relevance of EPWP measures to provide solutions.

Finally while the EPWP Monitoring and Evaluation provides measures of the various outputs of the EPWP and progress towards target, the Key Result Areas are generally reduced to outputs rather than to the more elevated objectives which, in a sense are outcomes. The outcomes or impact of the EPWP which are, at times, presented as the achievements of the EPWP, such as reducing unemployment or alleviating poverty or making the transition for the poorest from the second to the first economy, are not being evaluated by the EPWP Monitoring and Evaluation Unit. Studies, such as the Cross-sectional survey (EPWP, 2007) are beginning to appear yet do not provide definite answers to these challenging questions. These outcomes are, however, what has to be assessed in relation to the EPWP, such as the massification of employment opportunities. Answers to these questions are being urgently required in a society with some of the highest unemployment levels recorded internationally.

4.1.4. Efficiency

Efficiency which is generally understood as the ratio of the output to the input of any system is regarded in relation to the EPWP as the achieving of objectives optimally and within budget and programme. It can also be considered as the state of possessing adequate skill or knowledge for the performance of a duty. In the EPWP, efficiency is considered to be the measure of the ability to spend money allocated, the ability to reduce overhead costs in

project management in the various sectors, and the provision of products and services at good quality. Efficiency will be assessed in the following terms:

- The capacity to allocate funds to EPWP projects and spend budgetary allocations;
- The capacity to transfer the highest proportion of the budget to labour in the form of wages;
- Specifically in the Infrastructure Sector it is the achievement of the EPWP in bringing about more labour intensive methods in construction and infrastructure generally;
- The verifiable monitoring and reporting of EPWP performance in terms of the primary objectives of the EPWP;
- Provision of products and services at good quality;
- Infrastructure developed and social needs met which otherwise would not be met.

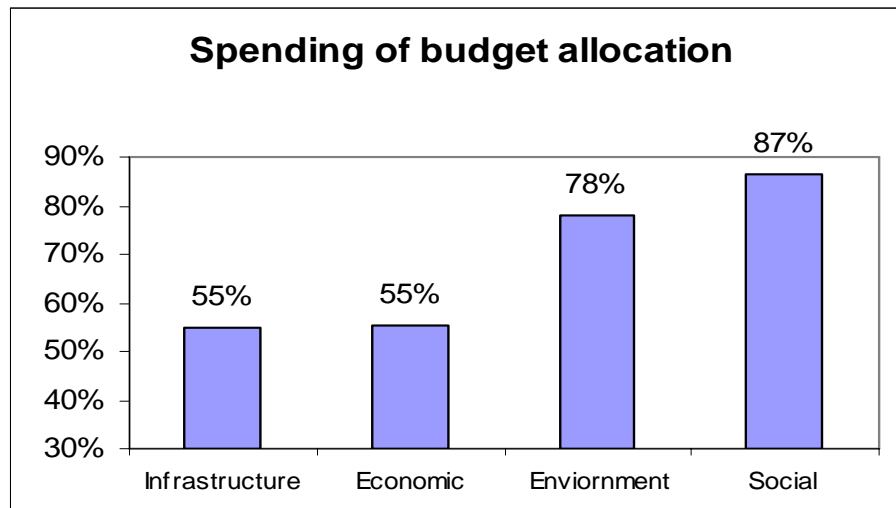
In interviews with Key Informants responses to questions of efficiency were not easily arrived at as indicators and measures are not commonly undertaken; the main emphasis of the Programme and the officials associated with reaching its goals is that of implementation. Considerably less attention is given to the efficiency in spending the allocated budget appropriately to achieve the maximum effect. To assess this, budget and expenditures would have to be monitored rigorously which does not appear to be the case with EPWP. In interviews there was some mention that the EPWP allocations in departmental budgets can be "poached" for other purposes, and that some departments do not always make their commitments clear in the first place. It is therefore difficult to make precise measurements in regard to expenditure. In some provinces the precise EPWP allocation is not spelt out as a separate budgetary item and the full allocation only becomes clear during the course of the financial year (McCord, 2006).

Despite it being difficult to get a clear idea of the EPWP sectoral and provincial budget at the start of the current year of operation, the Annual Reports in the form of the 4th Quarterly Reports, the Narrative Report and Annexures, provide authoritative data.

Efficiency is a measure of the extent to which a programme is achieving its objectives optimally both within budget and programme. This can be assessed in terms of the capacity to carry out a series of activities competently: to ensure the allocation of sufficient funds, to plan strategically, to draw on these funds to set up projects, engage labour, provide training and attain the project objectives. A measure of the efficiency in carrying out these sequences is firstly the proportion of the EPWP budget spent, and the relative costs involved in creating a work opportunity or more specifically a workday.

Spending the budget. On the first measure there are considerable differences between sectors in spending the allocated budget; in Infrastructure and the Economic Sectors 55% of the budgetary allocation was spent, in Environment 78% and in the Social Sector 87%. Unless there is a compelling explanation, this appears to indicate considerable inefficiencies in the Infrastructure and the Economic Sectors and room for improvement in the other sectors.

Figure 14. Spending the budget

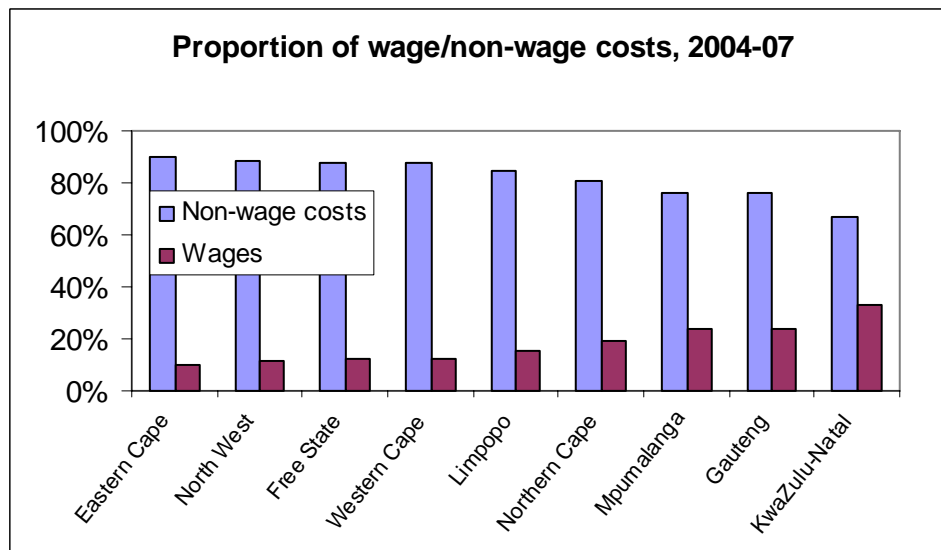


Source: Data from Annual Reports summing expenditure over the period 2004/05 – 2006/07.

Taken as a whole the capacity to spend efficiently towards reaching the objectives of EPWP has declined from 71% in the first year of operation to 56% in the past year.

In Figure 15 which presents the proportion of wages in the total cost structure of projects. Although it could be anticipated that the proportion of wages would be more or less constant there is a wide range of variance.

Figure 15. Wage and non-wage costs, 2004-07



What of the performance of provinces in terms of efficiency? The usefulness of pursuing the analysis by province is indicated in the graph which presents the proportion of wages to the non-wage costs. This is a good indicator of the efficiency of managers of the EPWP in terms of two criteria; firstly that of the achievement of labour intensity (most obviously in the infrastructure sector) and secondly whether the largest proportion of costs goes towards wages – towards the intended beneficiaries. The two issues are not identical but will be assessed together in the analysis of the proportion of wage and non-wage costs.

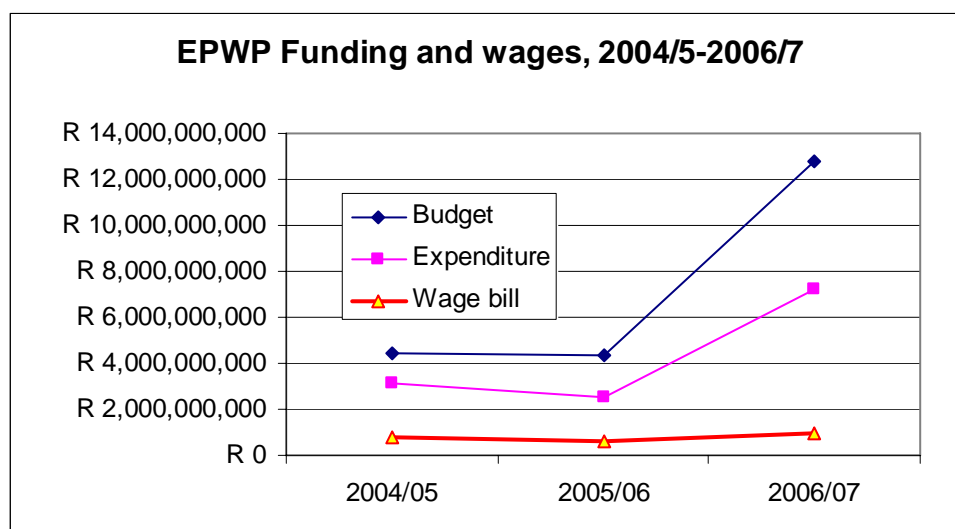
In Figure 15 the data on comparative costs over the whole period 2004/05 to 2006/07 is set out by province. In the projects in the Eastern Cape, non-wage costs amount to 90% and wages only 10% of total costs, while in KwaZulu-Natal the non-wage costs are 67% and wages 33% of total costs.

There are two observations which could be made; firstly that there is a wide range in the proportion of wages to non-wages across provinces, and secondly that the higher wage costs indicate the greater benefit to workers. The provinces are, in a sense, clusters of different sectors of EPWP and where there is a dominance of the infrastructure sector one could assume that non-wage costs would be high. In fact KwaZulu-Natal EPWP is largely based on the Infrastructure Sector and yet has managed to keep non-wage costs low; this appears to confirm that the proportion of wages/non-wage costs is a good indicator of the efficiency of the management of EPWP resources at a provincial level. In this case a province which has the highest level of employment is also the most efficient at turning resources into work opportunities and wages within the constraints of quality of product and improved service delivery.

The ability of a province to achieve both high expenditure on wages and high levels of work opportunities provides a good indication of both efficient and effective use of the resources available to EPWP objectives.

As importantly in relation to EPWP objectives is the ability of EPWP spending to be directed mainly towards the beneficiaries targeted and not to project costs.

Figure 16. Relationships between budget, expenditure and wages

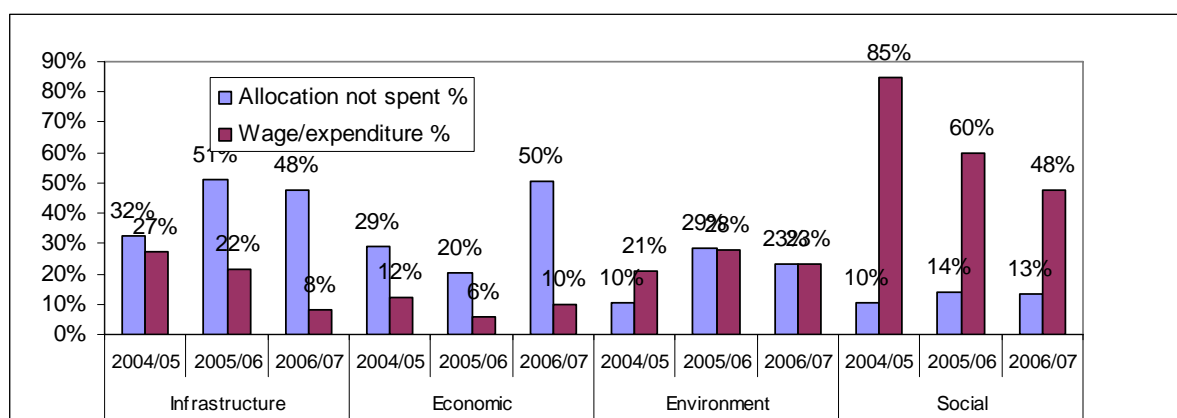


Source: Data from Annual Reports summing expenditure over the period 2004/05 – 2006/07.

A measure of the impact of the EPWP in alleviating poverty could be taken as the proportion of project expenditure and the total amount of EPWP funds which directly benefit poor households through the employment of an individual within a household. The EPWP has experienced the most rapid increases in relation to Budgetary Allocations and Expenditure and the least in relation to Wages. The total wage bill declined between 2004/05 and 2006/07 and over the three years under review increased only by 10.3%. The total amount transferred from the EPWP in 2006/07 was R 0,9bn out of a total expenditure of R7,2bn. There appear to be major inefficiencies in effecting improved efficiency as measured by the capacity to direct the greatest expenditure of the EPWP towards beneficiaries.

These inefficiencies appear to be difficulties in managing the level of overheads in the provision of work opportunities. These inefficiencies appear to be growing rather than abating over time.

Figure 17. Unspent funds and wages/expenditure, 2004-07



Source: Data from Annual Reports summing expenditure over the period 2004/05 – 2006/07.

The chart indicates that the proportion of the budget which is unspent each year is either growing or not declining over time in the Infrastructure and Economic Sectors. The trends in the latter sector this has increased from 29% in 2004/05 to 50% in 2006/07. These proportions are considerably lower in the Environment and Social Sectors. The data raises significant questions but not easy answers; in particular in relation to the declining LI in infrastructure which appears counter to the imperatives of policy.

In all Sectors there appears a tendency for the proportion of total expenditure devoted to wages to decline. In Infrastructure there has been a decline in this proportion from 27% in 2004/05 to 8% in 2006/07 and in the Social Sector from 85% to 48%.

Why there should be this trend is not immediately obvious, but it does point to difficulties in directing the considerable expenditure of the EPWP towards the intended beneficiaries. If the policy in the Infrastructure Sector to increase the labour-intensity of a number of construction projects this would be reflected in an opposite trend; the proportion of wages would be rising as anticipated in the EPWP Logframe and Guidelines on average from 5% of project costs to 30% of project costs (p16). In fact there has been a decline more or less of the same order in the opposite direction; an indication that labour-intensity is not being achieved.

4.1.5. Feasibility

Feasibility refers to whether practical conditions exist for the programme's implementation and, in the context of the EPWP whether there is a capacity (institutionally and in terms of staffing) to achieve more and to scale up.

The feasibility of the EPWP is interrogated in terms of:

- i) Whether the assumptions made during programme design have been met; and
- ii) Whether there is, more generally, an enabling environment for programme implementation.

An assessment under these two headings involves a wide range of issues including coordination, capacity, training, and exit strategies. These are drawn together with a final review of feasibility in terms of political will.

Effective coordination: The EPWP requires high levels of coordination horizontally (between departments) and vertically (between different spheres of government) in a number of combinations. This is hard to achieve because of the institutional rigidities attached to departments and requires a high level of capacity and commitment. The necessary coordination between provincial and municipal spheres is just beginning to be explored in many provinces as there has been little coordination between these levels. The EPWP in the provinces and municipalities tends to run on parallel lines with little communication between the two. On this basis the necessary integrity of commitments to meeting goals and targets is difficult.

The coordination between departments and different spheres is a complex task and places great demand on the capacity of personnel. This has been recorded at two levels; firstly having the necessary staff available and secondly in terms of having the necessary skills and abilities. In relation to the first there were fewer qualms but a large number of officials considered that there is a deficit in terms of the necessary skills. This could have a high impact in the implementation of projects and in reporting. These officials need to have an understanding of both the constraints faced by implementers and of beneficiary expectations and to be able to match the two.

The training environment: The assumptions of the necessary supporting environment in relation to training have not been well founded. With some exceptions such as CETA in the Infrastructure Sector, there are complaints of poorly functioning SETAs and a lack of support. In a number of provinces there is an acute shortage of training providers and practical difficulties in arranging the training before the end of a work opportunity. There are also difficulties experienced in coordination with the Department of Labour. Taken as a whole these difficulties (capacity, coordination, and implementation) help explain why there has been such a lag in the provision of training and that this is a substantial complaint on the part of beneficiaries.

This has led to a low level of achievement particularly in relation to accredited training. While the Logframe mentions accredited training as the “preferable” form of training, and on-the-job training is not even referred to, in the latest available year for which statistics are available just 56% of the training provided was accredited. Accredited training is available largely within the Infrastructure and most of the training in the Environment and Social Sector is not accredited.

Exit strategies. The assumption that there is the “centralised capacity to evaluate relevance of training in terms of exit opportunities” (Logframe, 4) is unfortunately unfounded. In this crucial output which, if well implemented, would help secure further employment there is a

substantial deficit. During the site visits it was evident that only the high quality training institutions had thought out and implemented such a strategy.

Finally, and most importantly, there is the question of political will and drive. There are considerable problems in securing the political standing of the EPWP: while the DPW has the major responsibility for its implementation the EPWP goals are set out for reporting and direction in the Programme of Action of the Economic Cluster under the heading of the Second Economy. The Economic Cluster is headed by the dti which takes prime responsibility for shared economic growth through ASGISA to halve unemployment and poverty but there is little or no evidence that this senior department is directly involved in championing and monitoring EPWP. The championship through key lead departments apart from DPW is weak as they do not mention performance in annual reports nor participate in parliamentary reviews.

The architecture of the EPWP is further made more elaborate through oversight. The oversight of the EPWP nationally comes through the Economic Cluster via the dti, of the work in the provinces by the DPW, and through the DPLG (in relation to municipalities which operate independently of provincial coordinators). In addition national departments support projects in the provinces often independently of provincial coordination. This makes for difficult implementation and messy oversight. Since there are no timelines against the action items in the Economic Cluster logframe reporting is episodic and parliamentary review not a regular event. In short the EPWP does not have a high political profile.

In the provinces officials report that junior staff rather than authoritative officials attend the coordination meetings at a provincial level. This reflects the relatively low level of priority often attached to the EPWP and that, with some notable exceptions, the institutional arrangements are not working well in many provinces under the encouragement of political champions. This study concludes that there are substantial issues with political will and the drive to ensure that the EPWP succeeds. The EPWP has a curious political standing; although it has a high political profile at public rallies and has encouraged soaring expectations well in advance of what the Programme is committed to, there are difficulties in ensuring commitment to the more modest goals.

The problem is compounded as the senior management question whether the necessary communication of EPWP priorities in all spheres (national, provincial and municipal) is occurring as needed. The question is how the champion of the Programme and the implementing agencies can carry sufficient weight to effect communication across a wide range of stakeholders, ensure the necessary coordination between departments, establish EPWP priorities through the identification of departmental funds and achieve the necessary implementation.

4.1.6. Sustainability

Sustainability is defined here in terms of whether intended positive effects of the programme persist beyond cessation of the intervention. It could be understood as achieving sufficient impact to achieve a concrete and long lasting development in which the improvement in the "quality of life" for individuals and communities is maintained into the future.

The a number of elements which enter into achievement of sustainability in the EPWP, all of which relate to the ability if the Programme to improve its operations to provide continuity and expansion in the achievement of its objectives including:

- The mainstreaming of the core mandate of labour intensity through the public sector;
- The rigour by which labour intensive guidelines are managed or enforced in projects funded from MIG and PIG budgets;
- An exit strategy to provide beneficiary impact: to reach the "sustained employment" target for 14% of EPWP employees or further training or participation in micro-enterprises.

There are three levels at which the sustainability of the EPWP can be considered; firstly the continuation of the Programme itself into the future, secondly the incorporation of labour-intensive methods into the standard design of public works, and thirdly the lasting impact of the experience of, and training provided by, the EPWP on the lives of participants.

Sustainability of the Programme: One of the most frequently mentioned points made in discussion with senior officials was their belief that the EPWP had just started to operate and should be continued into the future. This showed a commitment to the Programme which has developed over time but, some extent, it may also indicate conservatism among officials to continue in practices which they have learned to undertake and improve. There were also departments and provinces that reported a range of other initiatives with similar objectives that might be more efficient or effective in providing additional employment.

The Programme does, however, need a wider review such as in the assessment conducted by the Research Team and a thorough appraisal of the costs and benefits. Although it is unlikely to be dropped, given the momentum which has now been gained over three years, there are a number of proposals, some which are far-reaching to make the Programme more effective and serve the wider purpose for which it is intended.

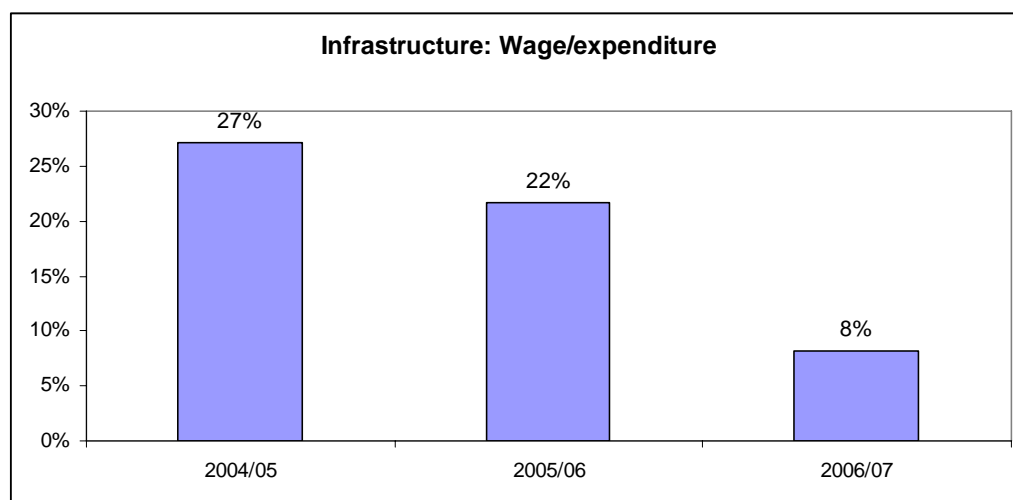
Mainstreaming labour-intensive methods: The Infrastructure Sector still remains as the centre of the EPWP even though the 'expanded' Programme was meant to widen its reach to other sectors. Mainstreaming the EPWP labour intensive infrastructure design is vital to the sustainability of greater employment in the sector. Even though the tendency in South Africa,

as elsewhere, is towards capital intensive methods, the need for expanded employment dictates that a number of avenues should be explored to sustain the drive for labour-intensity.

While the EPWP's founding statements spell out the commitment to increasing labour intensive methods in all aspects of infrastructure, there have been doubts about the effectiveness of such policies even if they were successfully implemented. A recent study using a social accounting matrix (van Seventer and McCord) estimated the effect of a shift of R3 billion expenditure from conventional machine to labour based infrastructure over a year. It concluded that the macroeconomic effects in terms of employment and transfer of income to the poorest quintile and on the GDP would be positive but insignificant. It questioned the potential of a national public works programme based on such a shift for having real impact on poverty, employment or growth.

There is a marked divergence of opinion as to the capacity and commitment to mainstream labour-intensive methods in the construction industry. Most officials and researchers conclude that, broadly, there is no general public or private sector buy-in to LI methods. Labour-intensive methods remain a principle marginal to the regular tendering practice. Despite adoption of the EPWP policies there does not appear to be firm application of LI in tendering at the provincial or municipal level. Since there is no specific legislative requirement, regulation remains weak.

Figure 18. Infrastructure: decline in proportion of wages in expenditure



Source: Data from Annual Reports summing expenditure over the period 2004/05 – 2006/07.

In the Figure 18 the tendency to greater labour intensity in infrastructure is reviewed. Wages as a proportion of expenditure are presented over the years; although this is not the final measure of labour intensity it does provide a view of the basic trend. While the Logframe argued that for a benchmark of 30% of wages to expenditure, the ratio has declined from 27% in 2004/05 to a mere 8% in 2006/07. This indicates that despite the growing numbers of EPWP workers employed in infrastructure the advocacy and enforcement of greater labour intensive methods has moved in the opposite direction. This trend is not unique to Infrastructure but the radical decline over time is more pronounced.

While some project managers from the private sector are firmly committed to labour intensive methods as the “industry’s way to go”, there are also reports that a number of public officials are not necessarily committed and that the construction industry as a whole is, at best, deeply ambivalent. While the project manager favouring labour-intensive methods feels there are no specific overheads in undertaking a project on LI principles, others argue there are additional project activities such as in Community Liaison, the provision of additional training and the burden of managing sub-contractors and a larger pool of labour.

In addition to the questions of additional project overheads, there are also wide differences over the possible application of LI methods. Although the Logframe spells out that LI applies particularly to low volume roads and construction associated with roads (such as draining and pavements) a number of officials and project managers argue that LI could also apply to high volume roads. One of the site visits reviews such a highway being constructed in an urban area. There are also concerns about longer timelines with LI and the maintenance of the necessary quality. Some officials state that LI is very difficult to introduce as plans are often laid a decade before infrastructure projects are commissioned and that these plans have been based on capital intensive methods and timelines.

Since there are well argued differences put forward by seasoned practitioners, this points to the need for further research into labour-intensity to explore the current practices, model costs and applications, and draw out policy conclusions. At present there is no evidence that the critically important shift to LI to which the EPWP is committed is happening to any significant degree. This is borne out not only by observation but also by the analysis of the low proportion of expenditure apportioned to labour in the Infrastructure Sector.

Somewhat surprisingly the argument for increased employment within existing departmental budgets through EPWP is weakened by a lack of conviction among some officials and further weakened by poor regulation. Although there have been distinct advances in terms of policies, guidelines and contracts to provide for LI methods (e.g. in MIG and PIG expenditure), there are not rigorously introduced nor enforced. During the site visits no project manager in infrastructure mentioned contracts stipulating EPWP principles, even though these were voluntarily being adhered to. A commitment to these principles also appeared not to be a requirement during the tender process.

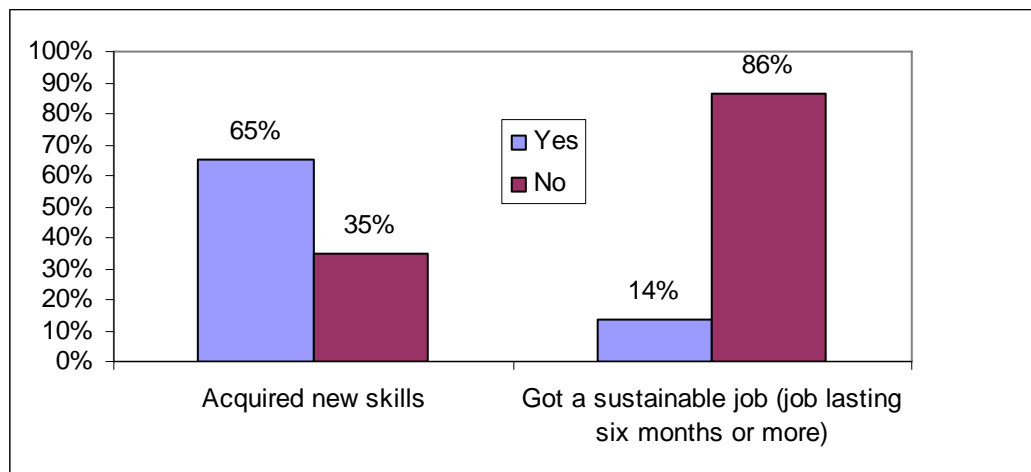
Sustaining employment: Despite consideration of first two applications of sustainability the entire Programme rests on the last element; that of concrete and long lasting development in which the improvement in the quality of life for individuals and communities is maintained into the future. The stated objective of the EPWP is to provide short term work opportunities and training which lead, in turn, to longer term (or “sustained”) employment. The key elements here are the ability to use the experience of work and training in EPWP to gain further training, work elsewhere, or launch micro-enterprises.

There are, however, limitations of design in terms of achieving the required beneficiary impact: although the target is only 14% and there are clear weaknesses in exit strategies in general. A number of beneficiaries interviewed during site visits complained of training in

lifeskills rather than ‘hard’ skills required for employment and that their future employment was very uncertain. They generally looked to the EPWP to sustain employment for a longer period.

Despite these very evident weaknesses, there is evidence from studies of Working for Water and from the Labour Force Survey of 2006 that there is an impact on beneficiaries. Among the beneficiaries reporting about the ways in which they personally benefited from the programme; a range of 60-80% respondents reported a positive impact in work experience, skills for other employment, greater self-confidence, and were confident about being prepared for future employment (CASE, 2007: Table 67, 69). The study did not, however, measure whether further employment had been achieved. The LFS of 2005 provides some evidence that there is some sustained impact. In a question asking if the respondent knew of the expanded public works, 65% responded that those involved in such employment had gained new skills and 14% stated that those involved had been able to get a sustainable job.

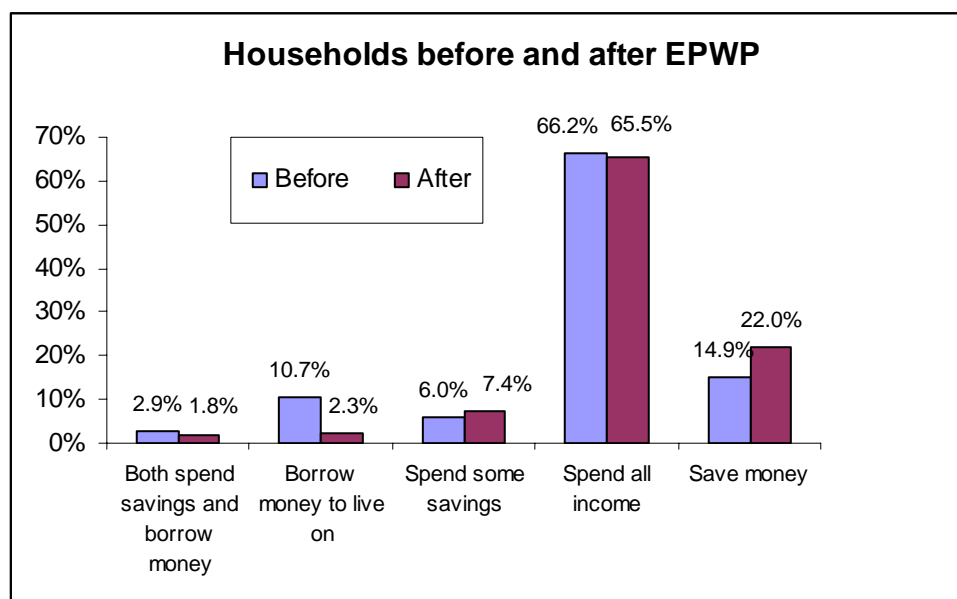
Figure 19. Impact of the EPWP on beneficiaries



LFS March 2005; Table 8.2, Job creation or expanded public works programme activities among population of working age (15-65 years), Among those involved, the benefits of such involvement.

This survey is not necessary conclusive as it does not necessarily measure the impact on those directly involve and appears to include respondents who had heard of the Programme and its likely benefits. Despite these reservations, the survey does indicate that new skills are likely to be acquired and that the significant number of 14% had got further employment. Although this is the target, it indicates also that only quite a small minority move on to further employment.

Figure 20. Impact on household savings and expenditure



Source: Figure 2 in Cross-sectional study, EPWP 2007

Possibly more conclusive evidence on the effects on beneficiaries and their households is provided by the Cross-sectional study (EPWP, 2007) where the impact of EPWP employment is measured in terms of borrowing, savings, and expenditure. In Figure 20 the effect of EPWP is shown to be marginal in terms of expenditure as about 62% of participants reported that households spent all income. There was, however, an effect at two levels; on saving and borrowing. Firstly there was a decline in the household having to borrow money to “live on” and secondly there was an almost equal effect on the ability to save money. The fact that there is more or less a change of 8% change in both directions (i.e. a decline in borrowing is more or less matched by an increase in saving) indicates that employment has improved the cash flow in the household.

The Cross-sectional study unfortunately does not provide detailed analysis of the levels of household income and expenditure but the effect of EPWP employment is not likely to be substantial or long lasting as wages are generally equal or lower than wages in the locality and employment is short lived.

To sum up, it is likely that there is a positive impact from the employment with the EPWP (as reflected in the attitudes of those knowing of it) but this does not necessarily mean that the impact in terms of the objectives of poverty alleviation and further employment are being achieved. Again there is a need for more rigorous research with longitudinal surveys and other methods to gauge the impact of the EPWP not only at the national level but also at the local levels in terms of possible multipliers, support within households, and individual capacity.

4.1.7. Scale of engagement

The founding statement of the EPWP recorded in the Logframe is that the Programme would “draw significant numbers of unemployed people into productive work”. The 2-300 000 workers engaged in short term employment with the EPWP constitute 1% of the economically active population and the 84,792 person years (which is the full time equivalent) created in 2006/07 reduces the numbers even further in significance. This study has concluded that the workers engaged in short term employment with the EPWP do not appear to be significant in number in relation to the labour force.

How does the EPWP measure in relation to the numbers of unemployed? Analysis of the data from the LFS of 2006 indicates there is greater impact; with EPWP employment in 2006/07 constituting 7% of the numbers of those recorded in the official definition and 4% in terms of the broader definition.¹⁸ This is considerably higher than the full figure of the labour force, but in no province exceeds 14% of the unemployed (official definition).

If the EPWP is to make an impact on unemployment in significant numbers there will have to be a scaling up of the Programme in a number of ways:

- Through the improvement of the quality of EPWP employment by reconsidering the average length of employment, raising the level of wages, and contributing to Unemployment Insurance;
- Raising the number of work opportunities in the three main sectors of the EPWP by a series of steps which would meet the target of person years (650,000) set at the inception of the EPWP by 2009 and subsequently reach 1,85 million jobs each year by 2014;
- Giving particular attention to the expansion of the Social Sector to provide the planned ECD and HBCC interventions with sufficient numbers to meet the evident need.

Currently it is calculated that the Infrastructure Sector is providing on average 51 days work/contract, the Environment Sector 46 days and the Social Sector 165 days. In the first two Sectors these average figures amount to less than three months work; insufficient to plan, budget and provide adequate time for training even if the 2 days training is provided a month.

In discussion with civil contractors it is said there are difficulties in extending contracts beyond the existing number of days largely because the demand for labour on infrastructure projects can vary considerably. The labour intensive phases of a project tend to be bridge

¹⁸ Although this calculation has been made and is generally valid the numbers recorded as unemployed and EPWP employment are not strictly comparable; those recorded in the LFS were those employed on or a week before the survey while the EPWP employees (generally on short term contracts) are recorded over the whole financial year.

building, drainage, pavement construction and associated activities.¹⁹ This may also be the case in the environmental projects. Where it is difficult to extend the length of contracts because they are closely associated with the phases of a project there should be policy to extend the number of work opportunities to make the gap between jobs shorter and the opportunities more frequent. This increases the need for arrangements to be made with the Unemployment Insurance Fund to help ensure that EPWP former employees do not become discouraged work-seekers because they cannot afford to look for employment.

4.1.8. Training programme

Compared to other international case studies of public works, one of the most unusual features of the EPWP is the commitment to training, particularly accredited training. This provides the leverage for the further commitment to an exit strategy into more sustained employment, further training or other economic activity. Such training has high value among beneficiaries as it is seen as the stepping stone to further advancement and must have been an important factor in the labour movement forgoing a number of labour standards in the NEDLAC agreement on public works. The Code guides the EPWP and provides for a training entitlement of at least 2 days per month of service for workers in this programme.²⁰ Although this does not state whether the training should be accredited or not the Logframe states: “As far as possible, all training must result in NQF-accredited certification.”²¹

Table 10. Training-days, 2004-2007

Sector	Accredited	Non-Accredited	Total
Infrastructure	746,975	377,865	1,124,840
Economic	6,261	15,921	22,182
Environment	251,506	859,364	1,110,870
Social	547,118	168,807	715,925
	1,551,860	1,421,957	2,973,817

Source: Dataset provided by EPWP Unit

Table 12 presents the data on training across the past three years broken down in accredited and non-accredited programmes. The largest number of training days is generated by the traditional Infrastructure Sector, followed by Environment and then the Social Sector with the Economic Sector of no real significance. Although the Logframe states that accredited training should be the “preferred” form and the norm the proportion of training days is roughly

¹⁹ A civil engineer working on rural infrastructure states that a work contract rarely extends beyond two months (Interview, August 2007).

²⁰ Gazette No 64 25 January 2004.

²¹ Logframe, p17.

evenly divided: training days of accredited training is 52% and that of non-accredited training 48%. There are wide variations between sectors.

Table 11. Proportion of accredited to total training, 2004-2007

Sector	Accredited training/
Infrastructure	66%
Economic	28%
Environment	23%
Social	91%
All sectors	54%

In Table 11 the proportion of accredited training is presented over the past three years across the different sectors based on the accumulated numbers. The Social Sector which otherwise is lagging in growth and numbers of employees trained has the highest proportion of accredited training (91%), followed by Infrastructure (66%), Economic and Environment Sectors. The proportion of accredited training has, however, been falling over the years: in infrastructure this has declined from an initial 82% to 45% and in Environment from 34% to 15%. Only in the Social Sector has there been an increase from very low proportions to about 80%.

In the Report Card table the statistics of training undertaken are set against the targets and established that the 2,97 million training days accumulated over the past three years amounted to a mere 19% of the target of 15,579,000 training days for the five year period. In the interviews with key informants there was mention of the complex arrangements needed to get training programs in place, the shortage of training providers, and, most importantly, the short terms nature of work opportunities. These problems and the lack of training put in place is evident in the small proportions of contracts for training actually completed.

Table 12. Spending on contracts for training, 2006/07, R million

Type of skills	Contract, All spending, including in pipeline	Spending on contracts	Proportion spent
Hard skills	R 40.70	R 8.10	20%
Life skills	R 15.70	R 3.69	24%
WFW	R 14.90	R 3.93	26%
Total	R 71.30	R 15.72	22%

EPWP Co-ordinating Committee. Training Report, 5-6 June 2007

In the Table 12 the spending of the funds for training contracts is presented for the year 2006/07. A total of R71,30 million was committed to contracts for training but only R15,72 million (or 22%) was actually spent. When compared to the funding allocated to training but

not budgeted in contracts, the picture is worse. Spending on the hard skills training, eagerly sought by EPWP employees, fared worse than those of life skills or the training provided by Working for Water.

Training is, unfortunately, one of the key areas of failure in the EPWP and the reasons need closer examination and systematic review. Since it is one of the fundamental elements within the social compact in the NEDLAC agreement on public works, its part within public works needs thorough reappraisal.

5. Conclusions

The launch of the EPWP with the message of the massive expansion of public works has led to high expectations of its outputs; of jobs, training, poverty alleviation and the prospect of better and more sustained employment. The outputs of the EPWP were widely expected to become the outcomes of making a bridge between the second economy and the first, bringing a million into employment, and making an impact on poverty and inequality.

In drawing conclusions from the core findings there is a methodological issue in the inconsistencies in findings between in the various research surveys. There were, for example, inconsistencies between implementers and senior officials; as the implementers appear much more optimistic about the possibilities of the EPWP. There were also inconsistencies between interviews with senior officials, site visits and analysis of data; for example, although senior officials did report concern about labour conditions there appears a high level of disputes between employees and management in projects found during the site visits. Again senior officials largely believe that the EPWP targets will be met in work opportunities overall and in all sectors, person-years on target, that training is working, budgets being spent as planned. These views were found to be often at variance with findings from the data.

Conclusions have had to be drawn on the basis of judgement of conclusions from the five main research activities associated with Component 3: the interviews of Key Informants, provincial reports, sectoral reports and site visits, all of which include the final activity of documentary and data analysis.

In this review EPWP performance has been assessed against targets in the Report Card which measures effectively six indicators (as there is not a specific measure on wage rates). The modest target of one million work opportunities is likely to be met on the current basis as is funding which is also rising to the targeted levels and work opportunities for women and youth (although the minimum level for the disabled). Although these targets are in range there are real difficulties in attaining the more demanding targets set. These are not likely to be met even if there were a sudden ramping up of activities. The projected number of person-years of employment created, which gives some weight to the concept of work opportunity, will not be reached as performance falls very far from target. The same situation is found in relation to the number of training days provided. These failings can possibly be explained by the final (and possibly most significant) element of shortfall; the incapacity to spend the allocated budget over the whole period.

While some of the high profile quantitative targets are coming within range and providing important benefits to the women and youth, those that carry more weight fall very far from the target. In particular the failure of training points to two elements which have been widely commented on; firstly the short term nature of employment which does not provide sufficient time for training and secondly the very bureaucratic nature of accredited training operations.

There also appears a lack of resolve to promote and enforce labour intensive methods to these are more widely adopted. The achievement of greater labour intensity in construction is a foundation stone of the EPWP and yet there is not substantial evidence of its enforcement. The increase in wage costs as projected in the Logframe as a measure of labour intensity has not occurred; indeed the opposite is the case. There is evidence of insufficient coordination and championship to include the original five departments (particularly housing) in the work of the Infrastructure Sector.

The EPWP places great stress on outputs but rather less on the outcomes; on having sufficient impact on the mass of unemployment and on poverty to make a difference. The Component 3 study reviews this in outline in comparing work opportunities created to the numbers of unemployed and finds that this is somewhat more significant than when measured against the labour force. Despite this the impact on unemployment and poverty is of a low order and the failings in the length of each contract (person-years) and training militate further this impact. Even the aggregate wage bill which puts money in the pockets of the poor rather than on spending on non-wage items is significantly less than R1 billion a year and a modest and declining proportion of total expenditure. This is a brake on the impact in poverty alleviation and reduces the overall social significance of the EPWP. These provide indications of impact but research has yet to be applied to the measurement of outcomes and impact apart from the outputs of the Programme.

There is also scepticism among senior officials about the precision, integrity, validity, and reliability of data compiled on the basis of reporting. In part this is a reflection of incomplete definition of key terms such as a work opportunity in terms of a minimum number of days or months worked, in part the appropriation of non-compliant or only partially compliant projects in the EPWP figures.

After its launch in 2004 it appears the EPWP has not been given the political priority it originally assumed and in six out of seven of the Economic Cluster parliamentary briefings it has not been mentioned. The expansion of public works signalled the inclusion of the Economic, Social, and Environment and Culture Sectors. These added sectors have not the cohesion of that of Infrastructure and show a number of weaknesses in coordination and implementation. The Economic Sector in particular is not evident in a number of provinces.

5.1.1. What works and what doesn't

The EPWP has been successful in 'turning the soil'; in demonstrating a capacity to provide short term employment and raising appreciable funding from no additional sources but from existing departmental budgets. These are unattractive prospects from which to launch a new initiative yet something has been achieved. The numbers of work opportunities offered are approaching the targets even if the length of each work opportunity is considerably less than planned for. The communication and coordination between spheres of government and departments has been difficult to expedite but some progress has been made. Most importantly the EPWP now has a high profile and, to some extent, voluntary support from important layers of the public service.

Unfortunately these gains are substantially undermined by impact of the other key result areas: quality of work opportunities, spending of budgets, training and exit strategies. The quality of each work opportunity is a leading concern for senior officials for the following reasons: the number of days available is well below expectations and wages are low. There is the danger that the quality of “second economy” labour market conditions are being reproduced rather than transformed. The failure to approach reach any significant level of training adds to this concern as it is the cornerstone of the exit strategy to enable the short-term employed to access other gainful economic activities.

The sustainability of the EPWP is based on the widening of the labour intensive approach firstly within construction and then in wider infrastructure more generally. This doesn't appear to being achieved as overall the proportion of wages in expenditure is declining.

The evidence from the statistical reports of the EPWP is that progress is being made in relation to the employment of women, youth, and (to a lesser extent) the disabled. These are the disadvantaged groups which have been identified through not having easy access to the labour market and not having had work experience and they have participated disproportionately, as planned, within the Programme. In terms of the aggregate numbers of unemployed women, youth and disabled there has not, however, been significant impact.

There is another way in which targeting could be undertaken and that is in relation to the distribution of unemployed geographically or the orientation of the Programme towards those areas in which unemployment has increased most rapidly. Analysis of the data of work opportunities created and the numbers of unemployed available tend to show there little relationship yet between need and state intervention.

5.1.2. Relevance

The EPWP has to be weighed against its foundation objectives; expanding public works significantly and making an impact on poverty. Since there is not yet a comprehensive poverty alleviation strategy developed nationally, the EPWP initiative has to be assessed within the context of current poverty reduction and alternative strategies. These include the labour absorbing strategy of ASGISA, extending social security, improving access to services, promoting self-employment, promoting land-based livelihoods, and expanding public works. As mentioned in the Introduction the EPWP probably has the highest profile of the various poverty reduction programmes and, since the other programmes generally do not have set targets for employment, considerably greater anticipation of delivery.

In many countries where there is long-term structural unemployment there are extended public works and comprehensive training supported with widened social grants. Despite higher administrative costs it is concluded that there is an argument for public works to be genuinely expanded and reconstructed to have a sufficient impact on unemployment and poverty. An important feature of public works is cooperation and partnership with civil

society in the form of community based organizations and NGOs, although this is not generally a strong feature of the EPWP.

The relevance of the EPWP has to be situated within a clear and comprehensive anti-poverty plan but the relationship between the EPWP and other employment and poverty alleviation programmes is not spelt out explicitly in the Government's Programme of Action or other social plan. The EPWP therefore sits as a Second Economy initiative, generally separate from other anti-poverty interventions which may overlap and share objectives and the groups they target. Despite this there have been initiatives to make such links such as between the EPWP and the national literacy campaign although it has been difficult to trace results.

The Programme carries a responsibility for the overall policy goal to reduce poverty and unemployment but this is also replicated elsewhere and the links are not clearly made. Despite this international research shows that public works programmes have the potential to achieve these goals and public works have been implemented in other countries with some success. However policies and programmes need to be designed specifically for this purpose.

Compared to international norms the Programme has a scale which is too small, in the targets for work opportunities and the percentage of GDP allocated) for the task it is set to address. The EPWP is currently achieving less than one tenth of the scale required.

It is concluded that the EPWP is not the appropriate design for South Africa's economic context as public works here have to take up long term work opportunities – as job creation has to address structural inequalities as is the case in India.

5.1.3. Effectiveness

The EPWP is shown to be efficient in one dimension; that of creating a number of work opportunities under the constraints of no or little additional funding. It has been an achievement for sufficient funding to have been allocated from departmental budgets to EPWP Projects reach the initial target for the Programme. Thousands of public works projects have been launched which have absorbed more than the targeted proportion of women and important numbers of youth although less of disabled.

This achievement has, however, been “hollowed-out” by the much shorter work opportunities than anticipated. It was anticipated that in three sectors the shortest opportunity would be a year (or 230 days) and in Infrastructure 88 days (DoPW, Cabinet Memo, 2003, p6); but the actual length has been considerably shorter. It is on this basis (on a large number of very short work opportunities rather than the targeted longer periods) that the employment target has been reached.

The EPWP remains focused on short term work opportunities whereas the problem is one of structural unemployment. The problem is one of scale, even with rising employment the residual unemployed in South Africa are not their needs met. Its design makes it a hybrid

programme encapsulating multiple models and objectives and this is reducing likelihood of success in terms of its overall goal. As concluded in a number of surveys the complex design also adds to problems of accountability. Although the Programme has a high profile in providing jobs, poverty reduction is not a clearly articulated objective and the EPWP has more objectives than all the comparator programmes elsewhere. The four sectors are implementing different kinds of public works programmes, and it appears different paradigms have been collapsed into one programme. All this impedes its effectiveness.

5.1.4. Efficiency

The success in creating increasing numbers of work opportunities has to be set against the substantial flaws in effectiveness most notably in the under-spending of project budgets, of major under-performance in training, and in the length of a work opportunity. The high and growing overhead costs of public work (or to put it in another way – the declining significance of wages in expenditure) significantly weakens the potential impact of the EPWP in poverty alleviation. The annual wage bill is also not expanding. In searching for greater efficiency the following obstacles have been identified.

The reasons behind these conclusions is not immediately clear and precise monitoring of the verification of the data reported on projects and the evaluation of outputs and outcomes needs to be undertaken and the conclusions shared. There is much uncertainty about key aspects of public works, such as the proportion of wages in expenditure, and many of the trends analysed (such as the declining wage per work opportunity) need an understanding of the underlying conditions. Efficiency, the ratio of the output to the input can only be measured and the results validated if the data are good.

Greater efficiency in the use of existing resources, such as in the industry's acceptance of labour intensive methods is not yet being achieved. This is a key aspect of the Programme and needs further examination. The current underdevelopment of the Programme in many Provinces and Municipalities (where it is often described as just starting) and has not yet been mainstreamed lead to further inefficiencies. Not all sectors are active in all Provinces (only 2 out of 9 provinces indicate that the operations of all sectors are operating satisfactorily) and a small proportion of municipalities participate (only 33% have attempted reporting). Greater efficiencies would be achieved with a better use of the resources available.

5.1.5. Feasibility

Although there has been important buy-in from key individuals and departments, largely at the provincial level, an enabling environment which was one of the key assumptions in the Logframe has not been found. Although the dti accepts responsibility for halving unemployment and poverty by 2014 it is not actively involved in promoting and overseeing the EPWP and reporting on its performance in the Economic Cluster. There are a number of additional institutional obstacles in evidence in the complex coordination necessary for many

of the “expanded” (i.e. non-infrastructure sector) programmes: between the lead department, DPW, and other departments, and between spheres. A limited range of departments participate, and of those participating few report on EPWP in their annual reports and logframes; the Programme is almost exclusively that of the DPW. There are, however, occasional reports on EPWP from the Department of Social Development.

The shortfall in training both in terms of the number of training days and in the underdevelopment of accredited training points to institutional and administrative blockages. There is considerable waste being recorded in the low levels of training and this impinges directly on the success of the exit strategy i.e. to link trainees to further gainful economic activities.

5.1.6. Overall Outcomes and Impact

The reports of EPWP naturally centre on the one million target set in 2004 and the other targets are not routinely reviewed. The annual performance is not set out against these targets, as has been undertaken with the Report Card and this is a necessary function if there is to be a clear view of monitoring and evaluation. These outputs, important as they are to indicate increased institutional alignment and effectiveness, do not reflect the key issues of impact and outcomes. These are generally reflected in the expectations of the Programme among the poor and are often expressed by politicians. The outcomes are, however, not measured (although surveys are now apparently in progress) and the impact on the direct and indirect beneficiaries is assumed rather than recorded as yet. The study concludes that there is a disconnect between EPWP and the meeting of the direct needs and the plight of the target group which have been identified as the unskilled poor who do not qualify for other social assistance, are poor and generally without secondary education.

The focus on outputs alone may displace the necessary urgent discussion about how the problem of mass unemployment in South Africa will be addressed. This study concludes that the scale of the EPWP is too small in relation to need. The EPWP currently needs to provide for scale in relation to need (for example to provide a million full time equivalent jobs annually to come in reach of the 2014 target of halving the numbers of unemployed).

In relation to the EPWP the overall outcomes and impact will be measured in terms of performance in relation to key result areas. Unfortunately with the exception of an evaluation of Working for Water of the impact on the Programme on beneficiaries and their families (CASE, 2007) there has not been an assessment of the impact of the Programme more widely. Such an objective is set out in the Framework for Evaluating the EPWP (HSRC, 2004) in terms of poverty impact analysis and aggregate impact analysis, but this has not been the terms of the reference for this study and this has not been undertaken elsewhere. There has, however, been progress in relation to the longitudinal and cross-sectional studies (See EPWP, 2007).²²

²² This study was made available to the research team, unfortunately towards the end of the contract. Important points have, however, been drawn in relation to impact of the EPWP on beneficiaries.

The focus has been exclusively on the achievements of the institutional outputs and, although the expected impact of the Programme is often mentioned in high level speeches and forms part of the beneficiaries' expectations, reference is not made (except in a very generalized way) from these outputs to the anticipated outcomes. The greatest expectations are of making an impact on the high levels of unemployment and impacting on society through alleviating poverty. Although there have been reservations about the claims for the EPWP in this direction (Phillips, 2004) the reports, briefings on the EPWP tend to create the opposite impression: that the EPWP is achieving more than anticipated. An example of this is the statement such as "the EPWP has been surpassing all employment creation targets with more than 220 000 work opportunities created in the first year" when in fact 174,845 were finally achieved.²³

The statements about the EPWP are often generous and assert considerably greater impact than the objectives and targets of the Logframe; such as making an "impact" on unemployment, empowering communities, alleviating unemployment, being able to "draw significant numbers of the unemployed into productive employment", and operate as a "'massive' public works jobs plan to deal a blow to poverty and take the country to a new level of economic development". It is stated to be "an important bridge between the Second and First Economies" and to have the "scope for massive expansion".²⁴

These statements, and many more about the "massification" of public works, create the impression that there will be a major or at least significant impact on the deep structural problem of unemployment in South Africa and also on the poverty which is its constant companion.

The achievements of the EPWP in regard to the impact on unemployment, the extent to which poverty is being alleviated through EPWP work opportunities, and the extent to which training has been provided which allows the transition from unemployment have yet to be comprehensively evaluated to know whether significant impact has been made.

The impact of the EPWP at an individual, household, local or regional level has yet to be assessed. The data is simply not available to carry out the necessary impact assessment. The envisaged wider and more rigorous evaluation through the Monitoring and Evaluation Unit is beginning place and there may be evidence of unanticipated spin-offs and benefits. The consensus is, however, that the scale is too limited, the periods of employment too short, and the training not of sufficient depth to make a difference to the lives of the unemployed poor. Most authorities (senior officials, observers, and evaluators) are agreed that the EPWP is not perceived as making a significant contribution to alleviating overarching goal of poverty for working age able bodied unemployed. Many arrive at the same conclusion from different perspectives; senior officials insist that this was not the original design and objective of the

²³ Ministerial Media Briefing. 7 February 2006, Social Sector II: Second Economy Interventions & Poverty Alleviation.

²⁴ Quotations taken from a quick internet search of references to the EPWP and the other from the Cape Times quoted in McCord, 2004.

EPWP; while others feel that it could meet these objectives through recasting the design and setting new objectives.

5.1.7. Sustainability

Sustainability in the EPWP is taken up firstly in relation to the capacity of the Programme to provide training and an exit strategy which would lead trainees on to further gainful economic activities and secondly in relation to the continuation of expanded public works in South Africa. The EPWP is based on principle of increasing the employability of workers through skills development and work experience, however the general international evidence is that skills training through active labour market programmes and work placements has a poor record and only effective if unemployment is frictional (i.e. unfilled jobs are available for which workers are trained). Although there is some evidence that a small proportion of EPWP trainees may be accessing further employment, the current approach to training and “exit strategies” is has been found to have a limited net impact on further employment. Exit strategies from public works may otherwise serve for the substitution of a “ordinary” worker by a public works trainee; not adding to the total stock of jobs available.

Internationally, large-scale successful programmes have had significant injections of additional, dedicated funds over which there was central oversight; while EPWP has limited dedicated funds. In addition there are presently a lack of incentives and even disincentives in EPWP design; the emphasis on the number of work opportunities, for instance, may be leading to large numbers of very short term work opportunities which do not provide adequate training or any exit strategy. This is what can be concluded from the set of six key indicators of performance in the “Report Card”.

The current design of the EPWP is thus not conducive to achieving intended policy impact. While the EPWP has potential to contribute many more jobs it does, however, need to be redesigned: to fit into a suite of poverty reduction strategies; align to mandates of appropriate sectors/departments; and provide stronger compliance incentives or disincentives to avoid compliance.

The broad conclusion is that there are many implementation challenges facing EPWP many of which (such as the achievement of cooperative governance) are general to government. Despite this there is growing understanding of the EPWP, mobilisation and uptake which has increased over time and the capacity to implement is improving.

6. Key recommendations

The recommendations which are being put forward here have been built from the review of documentation and assessment but largely from the interaction with senior officials who were the subject of in-depth interviews. These are followed by Recommendations made by the Research Team as set out in the Terms of Reference; in addition, in a separate chapter below there are a set of “Balance of Programme” Recommendations requested by the EPWP Unit in relation to specific problems and issues identified in the research.

Analysis of the responses of senior officials to requests for issues to be considered in the short and long term led to the compilation in Table 13. Since there is not a radical disjuncture between the short term and long term views (except in relation to accountability) these are presented in a single table.

Table 13. Recommendations: Short and long term issues

Issue	Short term	Long term
Coordination	28%	27%
Quality of Employment	20%	22%
Political	18%	10%
Reporting	16%	7%
Funding	12%	8%
Accountability	4%	24%
Implementation	1%	2%
	100%	100%

Senior officials responded to questions of improvement of the Programme by locating the issues as in the table; in both the short term and the long term the highest priority was given to Coordination followed by the Quality of Employment. There were significant differences between the two time periods largely in relation to Accountability which is placed in higher rank over the long term, and Political issues and Reporting which were regarded as more important in the short term.

In interviews the following points were raised under these headings:

Problematic institutional arrangements: There is poor horizontal and vertical coordination and different sectors do not fit comfortably under one management structure. Indeed there are complex institutional arrangements for implementation and oversight which are not well coordinated: for instance` the dti (the lead department for the Economic Cluster) appears reluctant to accept responsibility for performance of the EPWP in relation to the Second Economy outputs. The DPW maintains the EPWP Unit which is the nerve centre for the institutional arrangements making up the EPWP but, with the exception of the Infrastructure sector, the Department does not have the responsibility for progress towards targets in other sectors. It reports the data from all sectors making up the EPWP but the responsibility lies

with the various departments (more than one in the Social and Environmental sectors) participating in these sectors. There is a voluntary element in each programme as senior managers have to be persuaded to devote portions of departmental budgets to the project line items making up each programme. Since the lines of responsibility are thus diffuse and since there is this voluntary element targets are not as departmental imperatives but exist within clusters of objectives.

Not all officials feel the DPW is has the necessary authority to facilitate programmes across line departments except possibly LIC in infrastructure and the commitment and credibility of DPW to manage EPWP in all its sectors is questioned in some quarters. The Economic and Social Sectors face numerous difficulties in securing full and active participation of departments in their projects.

The quality of employment was often mentioned by officials, in relation to the length of contracts, wages, and training. **The wage rate** is a source of beneficiary dissatisfaction and labour disputes and a low wage in return for training is increasingly questioned. With the current approach (particularly in short term contracts) it is difficult to achieve long enough work opportunities for meaningful **training** and the commitment to training under these conditions operates as a disincentive to implementers.

There is uneven political will which is expressed in lack of **clarity of objectives** among stakeholders; which would help achieve the buy in necessary to make things work. The morale of the senior officials is an important factor: a number (about 40%) perceive EPWP as an “add-on” and do not see the primary objective of poverty reduction as either evident (up to 70% respondents view EPWP as not fully effective in addressing poverty or unemployment) nor adequately monitored.

Monitoring & evaluation challenges: Soon after its launch the EPWP commissioned a work to set out a framework for monitoring and evaluation.²⁵ It is difficult to make a definitive statement about the state of this aspect of the work; in engagements with the EPWP Unit it was stated that Cross-sectional Surveys, Longitudinal Surveys, and Case Studies had been undertaken. Unfortunately only the Cross-sectional Survey (EPWP, 2007) was available although apparently a Longitudinal Survey is being undertaken and a set of Case Studies completed. In interviews it was mentioned by senior managers in some provinces that monitoring was being improved and included such exercises as 10% surveys of projects to ensure the quality of reporting. In other provinces, however, monitoring was evidently uneven as officials were unsure of the compliance criteria. There are, however, procedures now being put in place to ensure better capturing of data and for the “parking” of the data on projects whose compliance is uncertain until checks are made.

Not all logframe indicators are being tracked and those which are, are not being efficiently reported on. With a number of departments participating in sectors and projects a single set of budgetary line items is often difficult to track performance and expenditure. There are

²⁵ Altman M, et al, (2004). This set out the requirements for fairly comprehensive monitoring and evaluation through Cross-sectional Surveys, Longitudinal Surveys, Case Studies, Poverty Impact Analysis, Aggregate Impact Analysis, Assessment of Quality of Assets and Services. These M&E objectives are also summarized in the Logframe.

challenges in terms of the definition of key norms and standards in the EPWP (such as that of the length and number of work opportunities which some officials feel should be standardized to make valid inter-provincial comparisons) and the quality of data is often questioned.²⁶ Some provincial officials feel that their reporting is valid but that of other provinces is not; and that unfavourable comparisons can be made. There appears a lack of adequate capacity in M&E.

Lack of accountability: The complex coordination of the EPWP does not effectively link performance to existing systems of administration and enforce accountability (64% managers believe there is inadequate accountability in relation to EPWP). Many mention the need for EPWP performance criteria to be written into contracts so that the lines of responsibility and official reporting are made clear.

Lack of dedicated funding: The achievement of objectives is being limited in some sectors by lack of dedicated funds (over 40% of the senior officials state budgets to implement EPWP are inadequate). Since there is no particular EPWP funding (although there are now moves to introduce conditional funding to secure some objectives) project budgets have to be assembled and allocated from departmental budgets. There appears an evident contradiction between these statements and the evidence of unspent budgets. Part of the explanation of the high level of unspent budgets could be that funds originally allocated to projects are being “poached” for other priorities – which undermines the implementation and probably leads to the complaints mentioned. In addition it appears that budgets are not being captured as annual amounts but as the total allocation across a number of years. This could lead to high levels of unspent funds being recorded with simultaneous complaints of shortages.

Lack of capacity among implementers and in Provinces: Low-level staff and a lack of high level attention to driving programmes (70% of sample say capacity to implement EPWP is inadequate) is mentioned by many officials.

6.1.1. Reviewing the programme as a whole

In its Mid-Term the EPWP faces a number of challenges. The first is **conceptual:** is the PWP the correct approach to reaching the overarching goal of reducing poverty and unemployment in SA? The GDS, for instance, identifies the problem as one of “structural unemployment” while the advancing the idea of a limited labour market intervention in short term employment and training. While in this review the EPWP has been evaluated on its own terms (i.e. in terms of the GDS and Logframe) which set such an intervention, in the same documents there are also a number of references to the objective need for large-scale intervention (i.e. “Decent work for all”). It is difficult to extricate the narrow and sharply defined targets from the broad objective as the two levels often exist in parallel in the same document. This review has attempted to keep these two levels distinct; to conduct assessment

²⁶ One provincial sector coordinator, for instance, stated that no projects in the province were established and compliant in his sector but the annexures to the annual report reveal a number of such projects in this province.

on the precise terms of the foundation documents and then to re-examine the Programme against the broad social problem and such objectives as halving unemployment by 2014.

The particular emphasis on public works is at times contested by those advocating more comprehensive social security, who point to the relatively high costs of the Programme and argue that a Basic Income Grant is a most cost effective and comprehensive instrument (Natrass, 2006). These considerations have been weighed up in this assessment and it is argued that the EPWP has the potential to be more effective and efficient; and has been implemented in other countries with some success. Despite this the Programme may not be the most efficient approach to social welfare and a clear understanding and agreements needs to be reached in relation to intended and acceptable outcomes.

The question is whether the **design** of the EPWP model is conducive to achieving its expansion of goals beyond those of Infrastructure and to have a “substantial” or “significant” impact on the problem identified.²⁷ As has been mentioned the EPWP is a hybrid “programme” which encapsulates multiple (sectoral) models and objectives. The feasibility of these objectives and the coherence of its institutional structure is questionable. There is a need to reconsider the political, institutional, instrumental, budgeting, and legislative mechanisms required to drive the programme. In relation to labour intensive approaches there is a need for reasoned policy to be derived from evidence to answer the many questions in this regard.

The issues of capacity and of protecting EPWP project budget have been raised and need additional resources to settle. There is also the question of objectives and resources which secure the morale of public servants in the field; they need to be convinced that the Programme can have a significant impact on poverty and unemployment.

6.1.2. Recommendations: policy level

EPWP objectives towards addressing the needs of working age poor unemployed need to be clearly defined and located within Government’s emerging comprehensive social security system which is yet to be completed and agreed.

The desirability and feasibility of using PWP in place of alternative social protection options for the working age poor unemployed is a fundamental consideration prior to decision to extend the EPWP beyond 2009.

6.1.3. Recommendations: design level

²⁷ The adjectives in quotation are those used in the GDS and Logframe in relation to the necessary scale or impact of a public works intervention; the specific targets of the Logframe may or may not be scaled proportionally. This assessment concludes in relation to the design that the scale is not proportional to the need identified in these policy documents.

In order to significantly increase its impact the current configuration of the EPWP needs to be redesigned.

- The EPWP should be split into coherent elements with focused coordination, planning and implementation;
- Labour intensive approaches can be mainstreamed within existing expenditure, but without high expectations of expanded employment;²⁸
- EPWP should be split into two distinct components (based on a thorough review of the feasibility and desirability of each).
- Enterprise development should be mainstreamed in DPW and other sector departments with dti support.
- Institutional arrangements: Since it appears that the DPW does not have the authority or credibility to coordinate and facilitate all of the programmes across departments. Responsibility should be located within line ministries and an oversight point established.

Taking into account the progress made in developing momentum around the current EPWP, advantages and disadvantages to retaining the 'EPWP' brand needs to be assessed and a decision would have to be taken on how to go forward with labeling redesigned version.

6.1.4. Mainstreaming of labour intensification of infrastructure spending

- Labour intensive approaches should be mainstreamed in all government infrastructure contracts where economically efficient to increase net employment. It appears that the potential at the primary level of basic infrastructure still has to be met. If this could be agreed, the EPWP would cease to be a separate programme and become a way of working in the infrastructure sector, thus significantly increasing in scale.
- Since there is considerable debate about the utility and effectiveness of labour intensive approaches independent research should be carried out to identify additional cost (if any) of using these approaches in South Africa in order to address scepticism in industry. On the basis of research findings, policy for economically efficient labour intensification should be developed and communicated to the industry to achieve buy in.
- Legislative and contractual incentives to promote labour intensification need to be developed, implemented and enforced where necessary and consistently monitored.
- If labour intensification were mainstreamed, there would be no different terms and conditions for 'EPWP' workers, and wages and employment conditions would be normalized.

²⁸ McCord and van Seventer (2004) conclude that some additional employment can be created through labour intensification, but effect is marginal at a macro-economic level: through the reallocation of R3 billion a year contracts from machine to labour intensive methods about 80,000 additional jobs would be created.

- Training for the unemployed should be removed as a component of the EPWP and should be addressed as part of the national skills development framework.
- A critical component is the further development of the research, legislative package and communication strategies required to promote labour intensification and ensure industry buy-in.

6.1.5. Government employment in a variety of line departments

- Public employment should be expanded in order to fulfill core mandate in appropriate departments and sectors, matching unmet service and infrastructure provision needs with using the excess labour supply.
- Additional funds would be used to increase government employment in a variety of line departments (including infrastructure, social and environment).
- Line ministries should be consulted about the design approach.
- Dedicated funding must be made available – there is a need for a separate, centrally administered fund which can be accessed by line departments at various levels.
- Horizontal and vertical buy in across line ministries and three spheres of government should be canvassed.
- Incentives and penalties to promote engagement need to be developed and implemented.
- Effective exit strategies need to be linked to interventions in terms of the National Skills Development Framework and made broadly available.
- Undertake research, analysis and design that will ensure a more successful next phase.

6.1.6. Recommendations: implementation level

- Resolve identified implementation issues at the design level – e.g. addressing issues of funding regimes, coordination, capacitation.
- Mainstreaming of the programme elements into departmental core mandates and business processes (e.g. for accountability and reporting) increases coherence and manageability

There is a need to consider change management issues:

- Need to manage changes to EPWP in such a way as to have productive output and minimizing creation of possible confusion. Careful preparation and planning is needed.
- It is apparent that some weakness of current programme have resulted from premature implementation. The second half of the Programme should maintain the momentum to meet existing targets (unless a determination is made otherwise), while at the same time undertaking redesign process per recommendations to be adequately prepared for implementation by 2009.

6.1.7. Way Forward

A task team comprising of Dept of Public Works, Treasury, Presidency and Dept of Social Development, and other line departments as appropriate should take forward the recommendations of the Mid-Term Review with a view to implementing EPWP redesign as soon as possible.

7. “Balance of programme” recommendations

In the light of discussion of with the EPWP Unit around the conclusion of the report, “short term” recommendations were requested to make immediate improvements to the EPWP where problems were identified. These recommendations are put forward in this light to identify key immediate improvements which could be made. Some of these e.g. mainstreaming labour intensity or radically improving training, may lead to some immediate improvements but have a longer term horizon. These need to be carried over into the long term review to be fully operationalised such as through the redesign of public works and the setting of training within the National Skills Development Framework.

Meeting key objectives

1. Achieving greater labour intensity Mainstreaming to be achieved through benchmarks to be set out in MIG and PIG guidelines for the wage component to reach 30% of total expenditure. Not less than 60% by value of tenders for construction projects to explicitly meet EPWP criteria.

All community water and sanitation projects to meet EPWP criteria

Targets for greater labour intensity to be set by province and sub-sector

Making EPWP more accountable

2 Oversight, responsibility and accountability: The oversight of EPWP as a whole and of each sector needs to be clarified so that effective reporting by cluster and parliamentary review can be achieved.

Improving work opportunities

3 Work opportunities and person years target: Minimum length of work opportunity and wage to be established by sector.

An audit of work opportunities to be undertaken in the light of the person year target not being reached, to assess the additional numbers to be added to the 1 million target to reach target of person years

Better reporting

4 Reporting on key indicators: On a quarterly basis progress towards target on the 6 key indicators should be measured and made publicly available.

Reports to the economic cluster and the social cluster should be publicly available for comment and review; those to Cabinet via the Economic or Social Cluster to be publicly available a month after being made.

Concentrated direction needs to be given to lagging sectors e.g. Social Sector and Infrastructure which will not meet target.

Better training

5 Training: Training norms and standards to be established. All training to reach a level of norms and standards in defined skills, learnership or certificated NQF credits.

6 Training provision should be cascaded in Social and Environment Sectors through Training of Trainers in consortia of accredited training providers and community organisations; dedicated funding should be provided to achieve this.

Improved budgeting and expenditure

7 Allocation of budgets Multi-year projects to be broken down to yearly budgets for reporting purposes as required by the EPWP Logframe

8 Project budgets to be ring-fenced and immune poaching for other purposes

9 Actual expenditure Better reporting to identify lags in progress of projects for specialist teams to intervene to achieve outputs

Improved work conditions

10 Wages and quality of work opportunity EPWP wages paid not to be less than minimum wages i.e. R50 a day

All workers to be provided with a work contract and a national EPWP statement on minimum conditions and training entitlements.

EPWP workers to be guaranteed uniforms and in specific sectors provided with hardened shoes.

More effective poverty alleviation

11 Transfer of assets to participants Improvements to assets of participants to be more closely identified in human, financial, social, and political capital.

Employment should lead to the acquisition of a no-cost public sector bank account.

Better monitoring and evaluation

11. Data integrity Edit the database to remove data acknowledged to be inaccurate and wrong; document changes and corrections made to improve confidence in the data

Issues such as the capturing of data in Gauteng 2004/05 and other data acknowledged to be incorrect are still in the database and must be removed

The EPWP data to be subjected to integrity checks according to international standards through external professional verification

12. Access to EPWP data All EPWP officials to be provided with quarterly statements of progress as per province and per sector

Reports, cross-sectional and longitudinal studies to be publicly accessible and readily available

Improved sectoral planning

13. Sectors Lines of responsibility, reporting and accountability for each of the components should be established

Sectors should report distance to the 6 key targets on a quarterly basis

14. Infrastructure Targets for greater labour intensity to be set by province and sub-sector
All public housing to be provided on EPWP basis with full participation of local communities

Targets for transition of workers to higher level skills e.g. electricians, plumbers, to be set

15. Social Sector **This Sector needs urgent and concentrated attention** to accelerate its expansion, identify constraints and overcome these

16. Economic Greater emphasis be given to the **development of cooperatives** together with civil society and impoverished rural and urban communities

17. Environment and Culture **The Culture Sub-Sector needs to be vigorously expanded** with a set of programmes designed to meet youth cultural aspirations and provide training

Improved participation by vulnerable groups

18. Youth Since youth constitutes the highest proportion of the unemployed, innovative approaches need to be explored to provide higher levels of employment **on demand in some programmes** e.g. sports and professional training (lifesaving, tour guides, etc) with youth trainers training youth

19. Women There should be advice and service provision through EPWP provincially to collaborate with Home Affairs to access identity documents and with DSD to improve access to social grants

20. Disabled Urgent attention needs to be given to increasing the numbers of disabled engaged in EPWP projects.

8. Bibliography and documents reviewed

Journals and key reports:

Adato, M., Hoddinott, J. and Haddad, L. (2005) Power, Politics and Performance: Community participation in South Africa Public Works Programme.

Altman M, et al, (2004). Framework for Evaluating the Expanded Public Works Programme, HSRC. http://www.employment-policy.net/uploads/docs/publications/3338_Altman_Frameworkforevaluating.pdf

Altman M, et al, 2004, Framework for Evaluating the expanded public works programme, http://www.employment-policy.net/uploads/docs/publications/3338_Altman_Frameworkforevaluating.pdf

Altman, M (2006) Wage Determination in South Africa: what do we know? Transformation: critical perspectives in Southern Africa, 60.

Altman, M (2006a) Background to employment scenarios. HSRC. <http://www.hsrc.ac.za/CCUP-62.phtml>

Altman, M (2006b) Elements of employment scenario building: do sources of job creation matter? HSRC. <http://www.hsrc.ac.za/CCUP-62.phtml>

Altman, M (2006c) Setting targets for unemployment reduction and employment creation. HSRC. <http://www.hsrc.ac.za/CCUP-62.phtml>

Anna McCord, Dirk Ernst van Seventer. (2004) The Economy wide-impacts of the Labour Intensification of Infrastructure expenditure in South Africa.

Brink, A., M. Cant, and A. Ligthelm, 2003, "Problems Experienced by Small Businesses in South Africa," paper presented at the Small Enterprise Association of Australia and New Zealand 16th Annual Conference, Ballarat, 28Sept-1 Oct, 2003.

Casale D, Muller C and Posel D (2005) Two million net new jobs: A reconsideration of the rise in employment in South Africa, 1995 – 2003 South Africa Journal of Economics, 72:5: 978-1002

CASE (Community Agency For Social Enquiry) (January 2007) An Assessment of the Socio-Economic Impact of the Working For Water Programme on the Households of Beneficiaries. The National Working For Water Programme. [http://www.case.org.za/Final%20Reports/2007%20reports/\[2007-06\]%20An%20assessment%20of%](http://www.case.org.za/Final%20Reports/2007%20reports/[2007-06]%20An%20assessment%20of%20)

CASE. (2005) Rapid evaluation of the socio-economic impact of Working for Wetlands.

- Cremer, T. (2006). R370bn infrastructure roll out will make or break growth plan, 27 January 2006.
http://www.researchchannel.co.za/login.php?op=forgot&url=article.php%3Fa_id%3D79388
- Cremer, Terence. (27-Jan-06) R370 bn infrastructure roll out will make or break growth plan.
- De Wet, T.J. (2003). The South African Labour Market, Chapter 3 in The effect of a tax on coal in South Africa: A CGE analysis, Ph.D. Thesis, University of Pretoria,
<http://upetd.up.ac.za/thesis/available/etd-06302004-143319>
- Department of Public Works. 2006. Annual Report for the year ended 31 March 2006.
- DTI. ND. Research Report: South African Labour Market: International Benchmarking against Selected Economies. <http://www.thedti.gov.za/publications/ResearchReport.htm>
- EPWP (2006) A demand driven approach to the EPWP: Discussion document, June 2006.
- EPWP. September 2006. A Demand Driven approach to the EPWP. Discussion document of the EPWP.
- EPWP. 31 August 2007. Findings of the first Cross-sectional Survey undertaken on the Implementation Expanded Public Works Programme. DRA and Take Note Trading.
- eThekweni Municipality. 2006. Expanded Public Works Programme (EPWP) Policy Framework. Procurement and Infrastructure Cluster.
- Fallon, P. and Lucas, R. (1998) South Africa: Labour markets, adjustments and inequalities. World Bank: Southern African Department.
- Frimpong, M. (2006). A Comprehensive Exit Strategy for EPWP Vukh'uphile Learnership Program, study commissioned by the NDPW.
- GOPA Group Southern Africa (Pty) Ltd, (2006). Expanded Public Works Support Programme: Economic Sector: Identification of Opportunities within the Public Sector Procurement Framework for the Venture Learnership Programme.
- Hirsch, Alan. 2006. Season of Hope: Economic Reform Under Mandela and Mbeki. University of KwaZulu-Natal Press.
- Hoogeveen J and Ozler B (2004) The spatial relationship between wages and unemployment in developing countries: The case of South Africa In Poverty and policy in post-Apartheid South Africa, HSRC Press, Pretoria
- HSRC. Media briefs 2000. Job creation top priority for South Africans
http://www.hsrc.ac.za/Media_Release-127.phtml
- Hudson, J., R. Rumney, G. Godsell, R. Polkinghorne, and S. Bukula, (2007). Review of the Venture Learnership Programme of the Expanded Public Works Programme, draft panel report.
- Infrastructure sector plan for the Expanded Public Works Programme.
http://www.epwp.gov.za/Downloads/infrastructure_sectorplan.doc

- Kingdon G and Knight J (1999) Unemployment and wages in South Africa: A spatial approach WPS/99-12, Centre for the Study of African Economies, Department of Economics, University of Oxford
- Kingdon G and Knight J (2001) Unemployment in South Africa: The nature of the beast WPS/2001-5, Centre for the Study of African Economies, Department of Economics, University of Oxford
- Kingdon G and Knight J (2005) Unemployment in South Africa, 1995 – 2003: Causes, problems and policies Global Poverty Research Group Working Paper Series 10 (GPRGWPS-010)
- Lipton, Michael. 1998. *Successes in Anti-Poverty*. Geneva: International Labour Office, 1998.
- Mabilo, G. (2003) Exploring stakeholder perspectives on the impact of government regulation on the cost-effectiveness of increasing labour intensity in the construction industry, September 2003.
- Makino, Kumiko. 2004. Social Security Policy Reform in Post-Apartheid South Africa: A Focus on the Basic Income Grant. Centre for Civil Society Research Report No. 11
- Markinor. 20 March 2005. Government Performance: Expectations and Perceptions. <http://markinor.co.za/news/government-performance-expectations-and-perceptions>
- Martin, J P., and Grubb, D (2001) What works and for whom: a review of OECD countries' experience with active labor market policies, Working Paper, OECD, Paris.
- McCord A (2004) Policy expectations and programme reality: The poverty reduction and labour market impact of two public works programmes in South Africa. ESAU Working Paper No 8, ESAU Public Works Research Project, SALDRU, University of Cape Town and Overseas Development Institute, London
- McCord, A. (2002) Public Works as a Response to Market Failure in South Africa. CSSR Working Paper No. 19.0
- McCord, A. (2003). An Overview of the Performance and Potential of Public Works in South Africa, SALDRU, Department of Economics, University of Cape Town, Paper prepared for the DPRU/TIPS Forum, 8-10 September, Johannesburg. www.tips.org.za/files/689.pdf
- McCord, A. (2005) A critical evaluation of training within the South African National Public Works Programme. *Vocational Education and Training*, 57(4): 563-586.
- McCord, A. (2005) Public works in the context of HIV/AIDS. SALDRU Public Works Research Project, 2005: 1-84.
- McCord, A. (2005) The Expanded Public Works Programme. *Development Report*, 2005: 62-66.
- McCord, A. 2006) Are Public Works an alternative to a Basic Income Grant? BIEN Conference 2006.
- McCord, A. and Van Seventer, D. (2004). The Economy wide-impacts of the Labour Intensification of Infrastructure expenditure in South Africa. <http://www.sarprn.org.za/documents/d0001102/index.php>

McCord, Anna (24 March 2006) The Current Status of the EPWP (Infrastructure) in the Western Cape. Prepared for Western Cape Provincial Treasury & Department of Transport and Public Works. Public Works Research Project SALDRU.

McCord, A 2005a. Win-win or lose? an examination of the use of public works as a social protection instrument in situations of chronic poverty. Institute for Development Policy and Management, Manchester, 2005.

Meth C (2006a) What was the poverty headcount in 2004 and how does it compare to recent estimates by van der Berg et al Working Paper No 1, SALDRU, University of Cape Town

Meth C (2006b) Income poverty in 2004: A second engagement with the recent van der Berg et al figures Working Paper No 47

Meth C, 2004. 'Ideology and social policy: 'handouts' and the spectre of 'dependency'' Transformation 56 (2004), pp. 1-30.

Meth, C. 24 May 2007. What is pro-poor growth? What are some of the things that hinder its achievement in South Africa? Prepared for Oxfam GB South Africa

National Treasury, SALGA, DFID, DBSA, Public Works. (2005). Guidelines for the Implementation of labour-Intensive Infrastructure Projects under the Expanded Public Works Programme, July 2005. (EPWP).

National Treasury, SALGA, DFID, DBSA, Public Works. (Jul-05) Guidelines for the Implementation of labour-Intensive Infrastructure Projects under the Expanded Public Works Programme. (EPWP).

Nattrass N (2002) Unemployment, employment and labour force participation in Khayelitsha / Mitchell's Plain, CSSR (Centre for Social Science Research) Working Paper No 12

NDPW & CIDB (Construction Industry Development Board), (2007). National Contractor Development Programme (NCDP): Summary Business Plan; Towards 2010 and beyond.

NDPW & CIDB (Construction Industry Development Board), 2007, "National Contractor Development Programme (NCDP): Summary Business Plan; Towards 2010 and beyond".

NDPW, (2007a). The Management Plan for the Economic Sector EPWP Venture Learnership Programme.

NDPW, (2007b). Progress Report – EPWP Economic Sector: February – June 2007.

NDPW, (no date). Economic Overview.

NDPW, 2007a, "The Management Plan for the Economic Sector EPWP Venture Learnership Programme".

NDPW, 2007b, "Progress Report – EPWP Economic Sector: February – June 2007".

NDPW, no date, "Economic Overview".

OPSC (Office of the Public Service Commission). 2007. Phase II Report on the Evaluation of Government's Poverty Reduction Programme.

Phillips S (2004) The Expanded Public Works Programme, paper presented at Overcoming underdevelopment in South Africa's second economy. Jointly hosted by the UNDP, HSRC and DBSA

Portfolio Committee on Public Works. Report of the Portfolio Committee on Public Works on Annual Reports of Department and Entities, dated 9 March 2006:

<http://www.pmg.org.za/docs/2006/comreports/060328pcpworksreport2.htm>

Portfolio Committee on Public Works. Workshop with the Department of Public Works. Information Sharing with MECS, SCOPA Public Hearings on the Annual Report of the Department, The Budget Committee Public Hearings with the Department, Department (Annual Report) as adopted on 24 November 2004:

<http://www.pmg.org.za/docs/2005/comreports/050317pcpworksreport2.htm>

Rogerson, C., (2004). The impact of the South African government's SMME programmes: a ten-year review 1994–2003, *Development Southern Africa* (21):5.

Statistics SA (2003a) Census in brief

Statistics SA (2003b) Census 2001: Investigation into appropriate definition of urban and rural areas for South Africa: Discussion document Report No 03-02-20 (2001)

Statistics SA (2006) Mid-year population estimates, South Africa 2006

STATSSA. March 2005. Labour force survey. Statistical release P0210.

STATSSA. March 2007 Labour force survey September 2006 . Statistical release P0210

STATSSA. September 2006. Labour force survey. Statistical release P0210.

Streak, J. and Van der Westhuizen, C. (2004). Fitting the pieces together: A composite view of government's strategy to assist the unemployed in South Africa 1994 – 2004, 12 October 2004.

Taylor, G., Mccord, A. and Van Seventer, D. (2005). Limpopo Province Labour intensive Rural Roads Maintenance Programme. (Gundo lashu), March 2005.

Taylor, Gary, Anna Mccord and Dirk Ernst van seventer. (Mar-05) Limpopo Province Labour intensive Rural Roads Maintenance Programme. (Gundo lashu).

Taylor, V. (2002). Transforming the present – protecting the future. Report of the Committee of Inquiry into a Comprehensive System of Social Security for South Africa.

<http://www.sarpn.org.za/CountryPovertyPapers/SouthAfrica/march2002/report/index.php>

The Employment Intensive Investment Programme (EIIP) is a unit of the International Labour Organisation (ILO) that promotes the orientation of infrastructure investments towards the creation of higher levels of productive employment and improved access to basic goods and services for the poor.

von Holdt, K and E Webster (eds). 2006. Flexible worlds of work: 10 years of restructuring the post apartheid workplace. University of KwaZulu-Natal Press.

Walker, R (2003) Reservation wages – measurement and determinants: Evidence from Khayelitsha/Mitchell's Plain (KMP) survey CSSR (Centre for Social Science Research) Working Paper No 38, University of Cape Town.

World Bank (2002?) Chapter 2 Measuring Poverty in Poverty Manual

(<http://www.worldbank.org/wbi/povertyanalysis/manual/>).

World Bank. Discussion Paper No 12, Informal Discussion Papers on Aspects of the Economy of South Africa, Southern Africa Department, World Bank, Washington DC

Documents

Community Agency for Social Enquiry (CASE). (2007). South Africa's expanded public works programme: exploratory research of the social sector.

Dan Smit Development Capacity. (2004). What needs to be true accelerated delivery of the Social Sector Plan. Expanded Public Works Programme Report.

Dan Smit Development Capacity. (2006). Challenges to be addressed in order to give the Social Sector EPWP momentum.

Department of Education. (2005). An integrated plan for Early Childhood Development in South Africa.

Department of Health, 2005-2006 Annual Report

Department of Public Transport, Roads, and Works. (2007). Gauteng Expanded Public Works Programme Strategic Document.

Department of Public Works, 2005-2006 Annual Report

Department of Public Works, 22 October 2003. Cabinet Memorandum, Expanded Public Works Programme (EPWP)

Department of Public Works, Expanded Public Works Programme Unit. (2004). Consolidated Programme Overview and logical framework.

Department of Public Works. (2005). Expanded Public Works Support Programme Strategic Review

Department of Public Works. (2007). Expanded Public Works Programme- Current Status. Presentation, National EPWP Coordinators Meeting. June 2007.

Department of Public Works. (2007). Expanded Public Works Programme- Social Sector- Current Status. Presentation, National EPWP Coordinators Meeting. June 2007.

Department of Public Works. (2007). Expanded Public Works Programme- Gauteng. Presentation, National EPWP Coordinators Meeting. June 2007.

Department of Public Works. (2007). Expanded Public Works Programme- Limpopo. Presentation, National EPWP Coordinators Meeting. June 2007.

Department of Public Works. (2007). Expanded Public Works Programme- KwaZulu-Natal. Presentation, National EPWP Coordinators Meeting. June 2007.

Department of Public Works. (2007). Expanded Public Works Programme- North West. Presentation, National EPWP Coordinators Meeting. June 2007.

Department of Public Works. (2007). Expanded Public Works Programme- Eastern Cape. Presentation, National EPWP Coordinators Meeting. June 2007.

Department of Public Works. (2007). Expanded Public Works Programme- Western Cape. Presentation, National EPWP Coordinators Meeting. June 2007.

Department of Public Works. (2007). Expanded Public Works Programme- Mpumalanga. Presentation, National EPWP Coordinators Meeting. June 2007.

Department of Public Works. (2007). Expanded Public Works Programme- Northern Cape. Presentation, National EPWP Coordinators Meeting. June 2007.

Department of Public Works. (2007). Expanded Public Works Programme- Free State. Presentation, National EPWP Coordinators Meeting. June 2007.

Department of Social Development, 2005- 2006 Annual Report

Department of Social Development, Department of Education, and Department of Health. (2004). Expanded Public Works Support Programme Social Sector Plan 2004/2005 – 2008/2009.

Free State Expanded Public Works Programme. (2005). Social Sector Plan.

Health Systems Trust. (2006). Enhancing and evolving the EPWP

Health Systems Trust. (2007). Bridging the divide: Filling the gaps between the first and second economies based on an empowering community-based demand-led approach. Report No. 4.

Health Systems Trust. (2007). DBSA Baseline study on opportunities for expansion of the EPWP Social Sector. Report 9.

Luka, S. (2005). Increasing access to employment through government programmes: Experience with EPWP and Community Development Workers.

McCord, A. (2005). Public Works in the context of HIV and AIDS.

National Treasury. (2005). Funding mechanisms for the EPWP Social Sector for the 2006 MTEF. Social Sector workshop presentation.

Ramachela, O. (2005). Government employment creation programmes: The Business of the Expanded Public Works Programme in the Social Sector.

Shisaka Development Management Services. (2006). Social sector: Challenges to be addressed in order to give the Social Sector EPWP momentum. Preliminary Action Plan. Discussion Document.

Conference Papers, Meetings and Presentations

Brink, A., M. Cant, and A. Ligthelm, (2003). Problems Experienced by Small Businesses in South Africa, paper presented at the Small Enterprise Association of Australia and New Zealand 16th Annual Conference, Ballarat, 28Sept-1 Oct, 2003.

Department of Agriculture, Conservation and Environment. (2007). Minutes of the Meetings held on 25 May 2007.

EPWP. The Indian Employment Guarantee Act and Implications for the South African EPWP. Powerpoint Presentation, 2006.

Njobe, K, Nomtshongwana, N and Stowell, Y. (1999). Promoting sustainable livelihoods for communities through the use and management of natural resources. Workshop Proceedings and Papers. 12 – 13 May. DEAT. Pretoria.

Notes on Strategy Session with the city of Tshwane.

Sithole, P. (2006). Partnerships of arrogance and resistance: whispering contestations and talking claims in privatizing the indigenous commons: a case study of the Mahenye Ward Wildlife Management Initiative, Zimbabwe. 11th Biennial Conference of the International Association for the Study of Common Property. 19 – 23 June. Bali, Indonesia.

Skhumbulo Macozoma. (2004) EPWP Capacity Development Presentation-SATC 2004.

Additional Sources

Environment and Culture Sector: Sector Plan. (2004). 25 February.

Department of Environment And Tourism (DEAT). (2003). CBNRM: Guidelines for the implementation of community-based natural resource management in South Africa.

Department of Environment And Tourism (DEAT). Social Responsibility Programme. Information Guide. Funding application cycle 2007/2008 – 2009/2010.

Ezemvelo KZN Wildlife. Strategic goals. www.kznwildlife.com/PDF/strategy.

Date Accessed 12/07/2007.

Ribot, JC. (2002). Democratization of natural resources: institutionalizing popular participation. World Resources Institute. www.wri.org

Date Accessed 12/12/2005.

Wiley, LA. (2000). Making woodland management more democratic: cases from Eastern and Southern Africa. Issue Paper No. 99. International Institute for Environment and Development. Nairobi.

Metcalf, S. (1993). CAMPFIRE: Zimbabwe's Communal Areas Management Programme For Indigenous Resources in Natural Connections: Perspectives in Community-Based Conservation. Workshop Paper. Liz Claiborne and Art Ortenberg Foundation Workshop on Community-based Conservation. www.resourceafrica.org/documents Accessed 19/06/2007.

Newspaper Articles

McCord, A.

(Nov-05) Public Works in the context of HIV/AIDS.

(Dec-04) Maintaining Roads through job creation.

(Dec-04) The Framework agreement for growth and development and social dialogue.

(Dec-04) Innovation Insights.

(Dec-04) Innovation Insights Municipal Service delivery projects Ideas.

McDonough, C.

(12-Nov-03) South Africa aims to train 1 million unskilled workers.

- (12-Dec-05) Established contractors. (EMC) participation in Large Scale EPWP Infrastructure projects.
- (13-Feb-06) Note on Strategy Session with the city of Cape Town.
- (13-Jun-06) EPWP: Enhancing and Evolving the EPWP contribution to EPWP sector.
- (13-Oct-04) Trainees to be acknowledged.
- (14-Feb-03) State of the Nation- address of the opening of parliament.
- (14-Mar-05) Urban Environmental Management Programme. (2006-2010).
- (14-Nov-03) South Africa : A 'new deal' for the unemployed.
- Williamson, A.
- (08-Feb-04) Notes on the Expanded Public Works Programme.
- (08-Feb-06) South Africa Billion Rand Public Works Programme launched.
- (08-Feb-06) Mbeki clueless on state of the nation for poor.
- (10-Feb-06) Weekly EPWP documentation Progress Report.
- (10-Mar-06) Weekly EPWP documentation Progress Report

<http://www.ilo.org/public/english/employment/recon/eiip/>

National Treasury and Statistics South Africa. 21 February 2007. A national poverty line for South Africa