
Reflections on the case for Expanded
Public Works Programme (EPWP)
extension workers in the social
sector

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Acronyms

ANC	African National Congress
BUSA	Business Unity South Africa
CBO	Community-Based Organisation
COIDA	Compensation of Injuries and Diseases Act
CSIR	Council for Scientific and Industrial Research
DCEO	Deputy Chief Executive Officer
DoE	Department of Education
DoH	Department of Health
DoL	Department of Labour
DOTS	Directly Observed Therapy
DPME	Department of Performance Monitoring and Evaluation
DPW	Department of Public Works
DST	Department of Science and Technology
DWCPD	Department Women, Children and People with Disabilities
ECD	Early Childhood Development
EIIP	Employment Intensive Investment Programmes
EPD	Economic Policy Development
EPWP	Expanded Public Works Programme
FTE	Fulltime Equivalent (work opportunities)
GAAP	Generally Accepted Accounting Practice
HCBC	Home and Community-Based Care
HIV/AIDS	Human Immunodeficiency Virus/ Acquired Immunodeficiency Syndrome
HOD	Head of Department
HSRC	Human Sciences Research Council
ILO	International Labour Organisation
IZA	Institute for the Study of Labour (Germany)
LFS	Labour Force Survey
M&E	Monitoring and Evaluation
MD	Ministerial Determination
MDGR	Millennium Development Goals Report
MOU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
NDP	National Development Plan
NEDLAC	National Economic Development and Labour Council
NGO	Non-Governmental Organisation
NGP	National Growth Path
OECD	Organisation for Economic Cooperation and Development
PPP	Public Private Partnership
PRSP	Poverty Reduction Strategy Paper
Q&A	Questions and Answers
RDP	Reconstruction and Development Programme
RIA	Research Use and Impact Assessment
SABS	South African Bureau of Standards
SAMEA	South African Monitoring and Evaluation Association
SPO	Special Projects Office
TPA	Transfer Pay Agreement
UN	United Nations
UNDP	United Nations Development Programme
UNV	United Nations Volunteer Service
USAID	United States Agency for International Development
VCT	Voluntary Counselling and Testing

Executive Summary

The Department of Science and Technology (DST), Human Sciences Research Council (HSRC) and Department of Social Development (DSD) hosted a Government Cluster Policy Workshop 'Reflections on the case for Expanded Public Works Programme (EPWP) extension workers in the social sector' on the 31st October 2013 at the CSIR Convention Centre, Pretoria. The workshop was attended by more than 80 delegates, mainly from government departments (notably Social Development, Treasury, Public Works, Health and Labour), local government and the HSRC. The workshop comprised seven presentations by experts and several question and discussion sessions. The EPWP is a labour-intensive programme which makes systematic use of public expenditure to boost productive employment and to develop marketable skills among the historically disadvantaged communities, notably women, youth and people with disability, thereby contributing towards the national goal of alleviating poverty. The specific objectives are to draw significant numbers of the unemployed into productive work to enable them to earn an income and to gain education and skills within the first five years of the programme; to ensure that participants can translate the experience into either establishing their own business or become employed and; to utilise public budgets to reduce and alleviate unemployment. Four sectors are identified as having the maximum job creation potential: *infrastructure, environment, social and economic sector programmes*. Within the social sector, home and community-based care and early childhood development are specifically identified, for implementation primarily by the departments of Social Development, Health and Education. The workshop was seen as opportune, given nineteen years of post-apartheid development and the anticipated advent of Phase 3 of the EPWP in 2014. A study commissioned by the Social Sector Cluster in 2010 made compelling justification for the continuation of the EPWP but noted that a lack of clear prioritisation of service delivery or job creation or poverty alleviation, as well as in respect of remuneration and skills development and of the monitoring and evaluation framework of the programme. The brief of the workshop was to discern lessons learnt especially in relation to service delivery and employment creation; the effectiveness of targeting the neediest groups; as well as issues of geographical spread; remuneration levels; training and career-pathing; funding; the implementation of volunteer and service programmes elsewhere; the future roles of citizens and all levels of government.

Mr Nkere Skosana (DSD) highlighted the contradiction of calling for volunteers but not providing adequate training, while the EPWP was supposed to be creating paid jobs. To enhance implementation, several structures were established. The most consistent of these are the National Steering Committee and Provincial Social Structure Steering Committees, which have met on a monthly basis for the past 10 years to drive the programme. Other workshop delegates called for the proactive management of workers either directly or through contracted NPOs; and for commitment by government officials to ensure that implementation happens.

Ms Pearl Lukwago-Mugerwa (DPW) recalled the growth and development summit in 2003 where all the Government sectors, together with the social partners confirmed that the EPWP is a requirement for the country. The previous public works programme was extended to include the environment and culture sectors, the social sector and latterly, the non-state sector. The social sector has intervened in the form of the Early Childhood Development (ECD) and the Home and Community Based Care (HCBC) Programmes and has exceeded its job creation target of 150 000, by delivering 178 000 work opportunities owing to its labour intensive nature. In EPWP Phase 2 more broadly, the target of 4.5 million jobs was exceeded by 0.4 million. Although the social sector created 68% of work opportunities, only 43% were full-time equivalent (FTE). The social sector has a very good footprint at provincial level but is struggling at local level, with top performers being in Gauteng and KwaZulu-Natal. Since inception in 2000, the cost per FTE has declined from R56 262 to R27 376 and R23 134, with some inconsistencies owing to incomplete

reporting. The social sector incentive grant is too small. Sports RSA Eastern Cape, for example, have relied this financial year solely on the incentive grant, which will not be sustainable in future years. There is a need to revisit the funding model so that the sector can continue to deliver the EPWP. In trying to be cost-effective, costs were cut which resulted in contravention of minimum stipends in terms of the Ministerial Determination (MD) of the EPWP. The mid-term review report indicates that the social sector is unable to attract young people. Having identified the challenges, the social sector proposes greater effort to attract youth into the sector; adoption of a demand-driven approach that is both top-down and bottom-up; monitoring of service delivery impacts; expansion of programmes for massive implementation at local level; and interface between sectors to realise the value chain. There has been constant engagement with Treasury for additional funding allocations and with national departments for the provision of oversight for provincial departments. Other workshop delegates pointed out the need for institutionalisation of the EPWP in departments; deliberate ring-fencing of appropriate budgets; and adequate training of workers.

Mr Donald Maphiri (National Treasury) speaking in his private capacity indicated that the objectives of the EPWP are poverty reduction, work experience, on-the-job training and skills and the improved quality of services. However, he opined that if there is too much focus on job creation at the expense of quality of services, then the purpose of the public service is undermined. Regardless of whether the EPWP employers are government or private sector, the services should be delivered efficiently and effectively to the targeted beneficiaries. The process needs to be governed by strategic plans in the relevant social sector departments (social development; health; education); costed using national costing models; resourced with appropriate professional skills; and delivered in terms of specified norms and standards. It was pointed out that EPWP extension workers are not represented in professional bodies or bargaining councils, and the Ministerial Determination (MD) is relied upon to deal with wage levels and working conditions. The current MD daily rate is R66.34, up from R60 two years ago. Also, the incentive grant, the most important mode of financing, is R150 per day. Thus, standardisation and fair remuneration needs to be achieved, especially if the principle of career-pathing and progression is to be introduced. Different qualification levels and experience need to be recognised. The social sector differs from other sectors in that it requires more developed skills to deal with people, rather than the focus on infrastructure programmes in other sectors, where less skilled workers are needed. There should thus be better alignment between skills, experience and remuneration, although this could never match the much higher remuneration rates in government departments. Current government funding levels are at around only 17% for ECD and 25% for HCBC of what would be required to reach all potential beneficiaries. Simulation exercises for full funding of these programmes, with increased minimum daily wages of R80 for EPWP workers, result in budgets around R19-billion for ECD and R4-billion for HCBC. Eligibility requirements for funding service providers are relatively complex and appear not to be cognizant of the lack of general public exposure to concepts such as generally accepted accounting practice (GAAP). Guidelines for NPO funding which specify integrated service delivery and clarify levels of intervention, norms and standards for wages, materials, facilities, transport, utilities and quality frameworks, should be adopted in the EPWP. Additionally, guidance should be provided in preparing business plans; setting up organisations; and lump sum funding should be considered to fund operational equipment. Additionally, because disclosure of co-funding is not adequately dealt with in the NPO Act, the NPO Act should be amended to make it obligatory when receiving money from the state, to reveal other sources of funding in order to prevent the practice of double-dipping.

Professor Arowolo (HSRC) indicated that in the context of his engagement with the Decent Work agenda for Africa, the South African EPWP commenced at two entry points in the social sector, namely HCBC and ECD and has great potential to expand into other areas such as school

nutrition, school sports committees, maintenance of schools, construction of schools, adult education, teacher aids and special schools, administrators to support the schools and community development workers, voluntary counselling, nutritional appraisals, malaria officers, community health workers, community development workers, youth care workers, child care workers, emergency full relief and social security. The success of any programme lies in the design of the programme and the implementation arrangements. If the design is defective, you can be sure that the delivery is going to be misdirected. If the design is good but implementation arrangements are not adequate, the result is confusion, inefficiency and ineffectiveness. For Phase 3 of the EPWP, there is need to skill up the participation of non-State actors, the CWP and the NPU. Guidance should come from a set of core principles that distinguish EPWP from other initiatives and create a minimal level of uniformity and standardisation, particularly in the wages, numeration, and there should be stronger emphasis on providing permanent and dependable work opportunities, informed by social impact analysis, and continually monitored. The EPWP should be seen as a sub-set of the South African Decent Work country agenda. A policy basis of this nature keeps interventions in focus. Indicators must be defined for the expected outcomes (employment, number of jobs created, capacity developed, and institutional provisions) and baseline data must be collected. Determination of targets must reflect on the resources available: human, institutional and financial. Programme design must also reflect on the previous interventions of the programme, the human, material and financial resources. A combination of the three speaks to activities, outputs and outcome. Programme design should also look at issues of M&E to be able to determine the milestones.

Implementation arrangements reflect on issues of co-ordination and collaboration and one supreme advantage of the social cluster and all the clusters is that a stake is set for institutional collaboration. The purpose of the government cluster system is to instil and retain an integrated and synchronised approach to policy formulation and co-ordination; to combat a silo approach to governance; and to build collegiality and shared perspective on Government priorities. Is the current system working or can it be simplified, or even be made more complex? One of the challenges of a cluster system is the large number of outputs and activities at the different levels of governance involving different categories of beneficiaries. A 5-year plan logical framework broken down into a series of annual plans and budgets, allows you to reflect as to go on, on what is working and what is not working. The M&E logical framework as conceptualised by Government should be seen as operating within the theory of change, the basic message of which is you are able, as you implement the programme, to use data generated, to ask questions. The HSRC is positioned to partner with social clusters because of the opportunities for collaborated work, particularly in terms of capacity building; design of an M&E framework that addresses high-level recommendations; and strengthening the monitoring processes and in specific evaluations.

Ms Ruth Mvelase (Department of Labour) said that the Ministerial Determination (MD) sets out specific sections that are varied in extent and conditions with which must be complied. The MD covers all EPWP workers. Included are environment and culture sector programmes, such as working for water, fire woodlands, people and parks, energy costs, waste, tourism investing in culture; infrastructure sector programmes, such as construction, rehabilitation and maintenance of rural low volume roads, storm-water drains, water reticulation and basic sanitation, footprints, sidewalks, bicycle paths and schools and clinics; and social sector programmes such as ECDs, HCBC and community safety. Implementers may be government departments, NGOs, CBOs or community programmes. The MD only permits variations from specific sections in the Basic Conditions of Employment Act. Thus, an overtime rate is not paid; notices conveying employees' rights cannot always be displayed; notice of termination or severance pay is not necessary because contracts are fixed-term; and the minimum wage is R70.59 per day, linked to an inflation-related adjustment every November. However, proposed amendments to labour

legislation may have an impact on the severance pay issue. Workers qualify for Unemployment Insurance benefit on termination in terms of the Unemployment Conditions Act. Compliance is required with the Occupational Health and Safety Act. The code of practice assists with the implementation of the MD by providing guidelines on working conditions; setting rates of pay; disciplinary and grievance procedures; and the promotion of uniformity. Beneficiaries must be locally-based people who are prepared to work on the EPWP. Only one person per household can be employed and no more than 20% skilled employees should be imported from other communities. Targets are the poorest of the poor, disaggregated as 55% women; 40% youth aged 16 to 35; and 2% people with disability. Also, if the employer or worker is informed a day before, that work will not take place the next day, the worker is entitled to full pay and if a project is completed earlier than anticipated, workers should receive agreed remuneration in full. Other specifications are a training allowance; a disciplinary code and a grievance procedure. Examples of offences warrant warnings or dismissal must be stated. Where there is poor work performance, there should be counselling, guidance and training. An employment contract must be provided for a task-rated worker.

Mr Vic van Vuuren (ILO) emphasised the importance of innovative lateral thinking about the EPWP because hitherto it has not significantly impacted on the high unemployment rate in South Africa. He pointed out that more than 1 billion people worldwide lack access to roads; nearly 1 billion are without access to all-weather roads; 884 million do not have safe drinking water; 1.6 billion have no reliable sources of energy; 2.4 billion lack sanitation facilities; and 4 billion are without modern communication services. At a smaller scale, this reflects the reality in South Africa. Infrastructure has the biggest share of public investments is a growing part of developmental agencies' portfolio. Such investments have the potential to alleviate the poverty of many through the jobs they create. This potential is not often realised because many projects are equipment-intensive and frequently reliant on foreign contractors. Studies have shown that making greater use of local labour and resources is 20% less costly; and creates 3 to 5 times more jobs. NEDLAC needs to debate the effectiveness of EPWPs and capacity building of the institutions that they represent. On the basis of 33 years of experience with employment intensive investment programmes (EIIPs), the ILO can inform the debate and can replicate best-case examples when requested. Current ILO projects in Limpopo are experiencing low retention rates of trained workers owing to their movement to other jobs once trained. Nevertheless, 70 000 road-building jobs were created and skills have been acquired to manufacture brick paving; and to lay and build roads. Recent research on ILO projects in Asia confirmed that the efficiency of rural infrastructure service delivery can be considerably improved through participation of private sector and small-scale contractors. The major constraints identified by some contractors were delays in settlement of payments; increases in the price of construction materials; high interest rates; the need for further training; corruption; and poor quality of supervision. Similar constraints occur in South Africa. Attention needs to be given to achieving gender and youth targets; addressing the risk of HIV/AIDS that increases in new worker communities; coordination between government departments and provinces; accreditation of workers; innovative thinking; public-private partnerships; and mass youth registration for the EPWP.

During the open discussions Ms Ronica Louw (UN) stated that South Africa has inspirational in the inclusion of social sector services in the EPWP, because most public employment programmes tend to focus on labour intensive infrastructure development. Nevertheless, the impact of the EPWP on poverty has been low because other aspects have been prioritised and not enough has been paid in terms of the stipends. Ms Portia Kekana urged the EPWP to become more focussed, reducing the number of objectives, and discarding aspects of the programme that were not working. Mr van Vuuren (ILO) indicated that levels of remuneration are low internationally. He stated that until the South African education system is able to

produce employable people, mass employment programmes may be the only space in which they can be provided with work. Mr Ramachela (DSD) indicated that wages are set at a low level because public employment programmes are not meant to displace the existing labour market. Prof Arowolo (HSRC) felt that like the EPWP, most projects have multiple objectives. A good programme design specifies objectives and indicators and can therefore accommodate multiple objectives.

Dr Stephen Rule (rapporteur) commended participants on the interesting and comprehensive presentations. After almost 10 years of the EPWP in community, health, ECD, infrastructure and other projects, it had been an appropriate time to evaluate progress. The mandates of service delivery, human and community development, sector integration have been driven by a national steercom meeting consistently each month. The social sector has been particularly successful in creating work opportunities in the first phase but less successful at generating sustainable full-time equivalent jobs. Nevertheless, the cost of creation of a FTE job has declined from R56 000 to R23 000, thereby increasing opportunities. Some weaknesses are the lack of institutionalisation of the EPWP within departments and the continual tension between high quality service delivery and employment creation. These can to some extent be overcome by including the EPWP as a key performance indicator for government officials, and by high quality design and annual implementation of projects. The Ministerial Determination outlines employment conditions and each November, sets EPWP wage levels, while Codes of Good Practice are also in place. Although the scope for EPWP jobs has the greatest potential in infrastructure development, including roads, clean water, energy and effective sanitation, the ILO is able also to advise on the implementation of programmes in the social services sector. It is incumbent upon all spheres of government to collaboratively integrate their programmes in order to optimise the effectiveness of the EPWP.

Introduction

The Department of Science and Technology (DST), the Human Sciences Research Council (HSRC), and the Department of Social Development (DSD), hosted a Government Cluster Policy Workshop '*Reflections on the case for Expanded Public Works Programme (EPWP) extension workers in the social sector*' on the 31st October 2013 at the CSIR Convention Centre, Pretoria.

Background and Rationale

As originally conceived by the Government of South Africa and with the benefit of insight into similar programmes internationally, the Expanded Programme of Public Works (EPWP) is a labour-intensive programme which makes systematic use of public expenditure to boost productive employment and to develop marketable skills among the historically disadvantaged communities, thereby contributing towards the national goal of alleviating poverty¹.

If efficiently managed, PWPs should attract significant numbers of the unemployed into productive work, and through the on-the-job skills development strategies enhance their capacity to access employment opportunities. While being multi-sectoral in orientation, EPWPs are targeted programmes aimed at providing employment-based social protection mechanism to the marginalised communities in the short to medium term period. The EPWP targets are the historically marginalised communities, the unemployed as well as disadvantaged groups such as Women, Youth, and People with Disability. The objective of all EPWPs therefore is to utilise public sector budgets to reduce unemployment and thereby alleviate poverty among the unemployed by providing training and creating employment opportunities².

With focus on the unemployed, under-skilled and under-qualified persons the specific objectives of EPWP are therefore to:

- draw significant numbers of the unemployed into productive work to enable them to earn an income within the first five years of the programme;
- provide unemployed people with education and skills within the first five years of the programme;
- ensure those participants in the EPWP are able to translate the experience and either enabled to set up their own business/ service or become employed and;
- utilise public sector budgets to reduce and alleviate unemployment³.

EPWP is a cross-cutting programme that covers all spheres of government and state-owned enterprises that should be implemented. Government has identified the following four sectors as EPWP responsive or having potential for creating employment opportunities through labour intensive strategy: *infrastructure* (increasing the labour intensity of government-funded infrastructure projects); *environment* (creating work opportunities in public environmental

¹ Sean Phillips, 2004. *The Expanded Public Works Programme: Overcoming underdevelopment in South Africa's second economy*. Jointly hosted by the UNDP, HSRC and DBSA 28&29 October 2004; National Department of Works.

² This is encapsulated in the President Mbeki's address to the nation: "To address this investment in social infrastructure, the government has decided that we should launch an expanded public works programme. This will ensure that we draw significant numbers of the unemployed into productive work, and that these workers gain skills while they work, and thus take an important step to get out of the pool of those who are marginalised". (President Thabo Mbeki. State of the Nation Address in February 2003).

³ Department of Social Development, Department of Education and Department of Health. 2004. Social Sector EPWP Plan – Version 5 (24.02.04).

improvement programmes); *social* (creating work opportunities in public social programmes (e.g. home-based care workers and early childhood development workers)); and *economic* (e.g. income generating projects and programmes to utilise government expenditure on goods and services to provide the work experience component of small enterprise learnership / incubation programmes).

In the context of its nationwide implementation, EPWP is charged with creating work opportunities in public social programmes (e.g. community-based health and social welfare care and early childhood development). It is recognised that the social sector contributes to the EPWP by employing people, through NGOs and CBOs, to work on home-based care and early childhood development programmes amongst many other programmes. In terms of management, the Government directive was that the Social Sector EPWP should be led by the Department of Social Development with implementation of programmes by the departments of Health, Education, Social Development and other Social Sector departments. Since its inception, much of the work of these Departments relied on the inputs of volunteers and civil society organisations suitable for the development of the EPWP⁴.

Apart from home-based care and early childhood development, the Social Sector has identified additional entry points for expanding the coverage of its EPWP services, as follows:

- a) Within the Department of Education the following programmes have been identified as areas for the expansion of the EPWP: School nutrition programme; School sports coaches; Maintenance of schools; Construction of schools; Adult education; Teacher Aids in special schools; Administrative support at schools; Community development workers.
- b) Within the Department of Health the programmes identified are: Directly Observed Therapy (DOTS); Voluntary Counselling and Testing (VCT); Nutrition advisors; Lay counsellors; Malaria officers; Community Health workers.
- c) Within the Department of Social Development the programmes identified are: Community Development Workers; Youth Care Workers; Child Care Workers; Emergency food relief; Social Security.

The DST Government Cluster Policy Workshop provides an important platform to address and critique the subject of EPWP contribution to national development. Given commissioned review of the programme for the social sector, and against the backdrop of a national assessment and review of the last nineteen years of post-apartheid development, it is opportune for an informed debate on the future relevance of the EPWP programme in light of the completion of the MTSF framework in March 2014. The timing is also opportune as it will be the end of the second phase of the EPWP Social Sector plans 1 and 2 and thus provide a critical moment for strategic reflection and informing the way forward.

The report, presented by Strategiq to the Department of Social Development highlighted several important issues most of which were findings from the study carried out in 2010. In this regard, the report may already have been overtaken by events in respect to the ongoing implementation of this programme and new issues coming to the fore in the period since the study was undertaken. It is in this regard that the workshop will be a critical platform to bring up to date insights, observations and ideas to inform policy action and implementation on the EPWP. More importantly, the debates can have the added value of generating new ideas into how the implementation of the EPWP in the social sector can be enhanced and to propose new strategic ways in which effectiveness and efficiency of the programme can be realised in a

⁴ *ibid.*

sustainable manner. The section below will provide a brief reflection on the report and its findings and will posit several questions which should directly inform the workshop discourse.

The July 2008 Cabinet Lekgotla enjoined the Social Cluster, “in conjunction with the Department of Public Services and Administration, The Presidency and the National Treasury, to evaluate the desirability or otherwise of the employment of extension workers that provide social services through the EPWP. The Evaluation should include an assessment of quality of services, following which a report should be submitted to the Cabinet Lekgotla in January 2009”.

A study was therefore commissioned by the Social Sector Cluster which brought forth the following critical findings. The study, undertaken in 2010, made compelling justification for the continuation of the EPWP as an important contributor to the national development process and a key programme in addressing government’s commitment to citizenry to improve service delivery and address job creation. However, the study also noted several factors which impede the effectiveness and efficiency of this programme. Most importantly, the study highlighted a number of concerns which can impair the viability and sustainability of this well intentioned programme. The clearly articulated recommendations of the study will frame the discussions during this workshop and it is our hope that new ideas can be injected into the debate to assist the Social Sector to refine their strategy in respect of the EPWP going forward.

Some of the contradictions of the programme as currently framed include the lack of clarity in priorities in the programme. Where in some instances service delivery would seem to be the main priority at times this is blurred by the emphasis on recruitment with a view to increased job creation and poverty alleviation. In this regard, the quality of service would be undermined by the use of under skilled personnel. Further, the lack of clarity with respect to remuneration undermined skills development and career planning particularly in the areas of home community based care services and early childhood development which are the two pillars of the social sector EPWP. To this end, the twin challenges of unemployment and low skills in South Africa cannot be solely addressed via the EPWP but needed a more comprehensive national strategy. The EPWP debate, on the other hand, could address the issue of service delivery which could have the benefit of job creation and poverty alleviation.

The study by Strategieq Developments (2012) focused on nine key issues which also inform the recommendations in the report as summarised below:

- Conceptual issues around the programme – the definition of concepts in the language and actions of the programme has caused some confusion particularly the need to differentiate between the concept of “volunteer” and an EPWP employee. These have in turn impacted on the implementation of the programme particularly the protection of the rights of employees under the programme.
- Mandate of the social sector – the study highlighted the need to review the mandate of the social sector in respect of the EPWP.
- Objectives of the EPWP – The study noted the need to review the EPWP from the point of view of programme design to its current implementation and future outlook.
- Review of the strategic plan of the EPWP with particular attention to the business plan and affordability of the programme. In this regard, a need to explore several scenarios in respect of funding models would be necessary.
- A review of the funding sources and operational viability of the programme particularly to interrogate the assumption that Government should be the main, if not sole actor in the execution of the programme. This would, inter alia, inform the budget process of the EPWP and a critique of the funding model used for the programme.
- A review of the programme in respect of norms and standards (inclusive of issues of accreditation) and related matters of training and capacity building.

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- A review of the monitoring and evaluation framework of the programme which should inform the revision of the strategic framework shaping the programme going forward. In particular, a review of priorities including but not limited to service delivery should be undertaken.
 - A review of the sustainability of the programme. This is particularly critical in respect of the future of the programme and its deliverables. Further, the objective employment creation and poverty alleviation would need to be critically reviewed in light of findings of the study.

With respect to recommendations, the following **key recommendations** came from the report:

- There is a need to clarify the role of government in the EPWP programme. This would include, but not limited to issues of the programme's design, implementation and monitoring of implementation. Further, quality control in the areas of capacity building and accreditation were key.
- There is need to clarify the definitions used in the programme and also address how the programme is implemented across sectors. This was particularly important for the social sector.
- The sustainability of the programme should be interrogated with a review of funding sources, models of funding and accountability.

The above recommendations lead to the key questions to be addressed through this Cluster Policy workshop:

1. What lessons have been learnt in the two phases of the roll out of the EPWP programme in the social sector?
2. In the context of the broader EPWP programme, what unique lessons with respect to the priorities of service delivery and employment creation were learnt?
3. With respect to employment creation, how effective was the programme in targeting the neediest groups such as women and youth?
4. How best can the spatial bias in the implementation of the programme be addressed to ensure broader and more equitable reach?
5. How can the disparities in remuneration across the programme's sectors be addressed?
6. Within the social sector, what training, capacity building and career-pathing strategies could be employed to ensure sustainable benefit for those in the programme?
7. What kind of funding model could address the imperatives of efficiency and effectiveness?
8. What lessons can be learnt from the implementation of volunteer and service programmes from elsewhere?
9. What inputs can citizenry make to the review and refinement of the EPWP programme going forward?
10. What should be the role of government (national, provincial, local) in the EPWP programme going forward?

It is hoped that the cluster policy workshop will engender a critical debate to review the positive contribution of the EPWP to the social sector whilst reflecting on the key lessons learnt to inform the future of the programme.

With the end of the end of the second phase of the EPWP Social Sector Phase II foreseen soon, it is important that the design and framing of the next phase be informed by strategic thinking which will, in particular, address the definition of the programme in the social sector and the most appropriate funding model for the sector. As noted in the report, there is no doubt the

programme is serving a public good. However this needs to be anchored on data which will inform government decision in continuing the programme. It is in this regard that the policy cluster workshop will be a critical platform for sharing the findings of the Social Sector Cluster study and also for taking forward some of the key recommendations emerging thereof. To facilitate these key debates the following **key themes** are proposed:

- Conceptualisation of the EPWP in the social sector – addressing the subject of definition of concepts including the concept of volunteerism, Conditions of Service and social needs and fostering social development through community engagement.
- Financing development targeting the most vulnerable – Reaching youth and women in under-served communities; addressing the subject of sustainability and lessons learnt from the South African experience of implementation of the EPWP in the social sector.

To ensure meaningful and inclusive debate, the following **stakeholders** are envisaged: Department of Social Development (Principal); Department of Public Works; Department of Basic Education; Department of Health
Department of Higher Education and Training; Department of Labour; Department of Public Service Administration; National Treasury; International Labour Organisation (ILO); United Nations Development Programme (UNDP); United Nations Volunteer Service (UNV); USAID; South African Bureau of Standards (SABS). The engagement of this cross section of government and non-state partners should facilitate for a vibrant and rich debate to inform the workshop.

The Workshop

Opening

The workshop was opened by the Chairperson, Mr Oupa Ramachela. He indicated that the proceedings should remain focused on discussion about the EPWP. The programme now operates in the Social Sector beyond the three departments where it was located ten years ago, namely Social Development, Health and Education. Subsequently, Sports and Recreation, Community Safety and other departments are also involved. The Social Sector has moved beyond its primary mandate of service delivery, to incorporate the creation of employment. Mr Ramachela indicated that the workshop was organised by the department of Science and Technology (DST) and the Human Sciences Research Council (HSRC). It was being attended by a wide range of delegates, inclusive of representatives of the Presidency, National Treasury, Labour, Education and Training SETA, and Rural Development. An important achievement of the workshop would be to elucidate the extent to which the EPWP has been able to create continuous public employment and to make recommendations in respect of addressing the challenges experienced.

The workshop Facilitator, Mr Wiseman Magasela (DSD) encouraged participants to engage in rigorous and robust debate on the topic, and appealed for open contribution of knowledge that would enrich the EPWP in addressing the country's high level of unemployment, poverty and skills shortages.

Background to the workshops: Prof Alinah Segobye

Prof Alinah Segobye (HSRC) welcomed delegates on behalf on behalf of the CEO of the HSRC, Dr Olive Sishana and the Deputy Executive Director of Research, Dr Themba Masilela. Prof Segobye indicated that in collaboration with the HSRC, the DST wished to create a platform for engagement around key development issues as highlighted in the NDP 2030. The priorities are to address poverty, unemployment and skills deficits that affect young people. She said that Chatham Rules would apply to the workshop. She further indicated that the HSRC also hosts science seminars and policy dialogues, which facilitate engagement with a range of stakeholders and interested parties, and that the HSRC would like to achieve even broader reach. She expressed the hope that examples of public works programmes from countries such as India and Brazil would be mentioned during the workshop.

Mr Magasela then introduced Mr Nkere Skosana.

Social Sector EPWP: Mr Nkere Skosana

Mr Skosana indicated that he had just spent a week with Mikonzo, a DSD EPWP project in Bushbuckridge, Mpumalanga, involving home-based care and 'volunteers' whose work is unpaid and unacknowledged. Owing to time constraints he indicated that he would not go through the presentation (included in Appendix 4), noting that the EPWP commenced in 2003. It was led by the DSD with particular focus on early childhood development (ECD) and come-based community care, with predominantly women volunteers.

Mr Skosana said that their mandate had been defined in terms of the four key areas: One around strengthened service delivery because we understood that even as much as we're supposed to create work opportunities, our primary focus was on strengthening service delivery by increasing access for those people who do not necessarily have access to this; to extend the

reach and improve the quality of the services that are being provided. But also it's to strengthen human development and social capital, to harness a volunteer spirit. Now again we may sound like we're contradicting ourselves because we say we don't call them volunteers, but I think the social sector encourages people to contribute for the improvement of their own. People like you and me, we encourage them to volunteer their services, but also it's to breach the formal and informal experience-based learning through the development and transfer of greater skills. Because largely, these participants in the programmes were never exposed to any form of formal training or even greater skills.

When we started the Home Community-Based programme, there was a 59-day training programme. That was probably the only training that people were exposed to, but it gave them no qualification, nothing that they could show, except the Certificate of Attendance and we felt that we needed to improve on that and ensure that when people leave the programme, they can be able to produce a certificate that will show that they're competent in what they do, but also that it opens opportunities for them in other areas of work. But also issues around building community organisations of service delivery vehicles and relationships of mutual trust because we identified that as a weakness; for us to build capacity of non-profit organisations, especially community-based organisations, those who are emerging in rural communities, in townships, who are doing a lot of work but are scarcely acknowledged for the work that they do.

Thirdly to enhance community development and livelihood capacities by reinforcing employment initiatives through announcing livelihoods capacity and creating work opportunities. And lastly, fostering sector coherency co-ordination integration by reinforcing social sector wide policy systems and delivery processes and eliminating silo-mentality amongst workers in education, social development and health. They were able to come up with an integrated policy for ECD, a programme for ECD, integrated plan for ECD and in the process established a joint structure that brought together the three departments and other partners in this sphere. We encouraged the programmes to ensure that as they go to Treasury, they go in an integrated way that when social development says we want to register so many sites, the Department of Education which is responsible for training, could also then share what capacity they have and also therefore mobilise resources and thereby foster coherency and co-ordination in the sector.

To ensure that implementation was effective and efficient, we had to put in place mechanisms to drive the programme and when we started, we established structures like the DDG Forum (biannual meeting of DDGs responsible for the programme in various departments). We planned that they would meet at a time when preparing to report to the Cabinet Lekgotla. This structure did not work as well as we had planned because of the DDGs' time schedule. We also had a bi-monthly Chief Directors' Forum of Programme Managers' Forum to monitor progress. The main structure was National Steercom which meets on a monthly basis and has consistently met over the past 10 years to drive the programme. They are responsible for ensuring that the action plan that is created at a national conference is driven and they monitor progress together with all stakeholders on a monthly basis. Additionally, the Extended National Steercom meets quarterly. This comprises the national component meeting provincial counterparts to look at issues and challenges of implementation. There has also been an annual national conference consistently over the past 10 years, hosted by us to bring together all our stakeholders. We take stock of what happened in the year under review, but also plan for the forthcoming years, again being informed by the 5-year plan that we would have developed to check how much progress we're making and what improvements need to be made.

We also took note that there are specific things that have to happen at a smaller scale and we established various subcommittees for monitoring and evaluation; training and capacity

building; and communication. We wanted to establish a finance subcommittee, but this did not happen. We noted the need for dedicated capacity at a provincial level to the extent that public works and social development have officials at deputy director level who drive the implementation and ensure that they co-ordinate all the sector departments to ensure that they contribute to the programme. Success has varied and we still want to pursue it because it works. The Provincial Social Structure Steering Committee meets monthly. As with the National Steercom it drives the programme. We were able to mobilise resources from Treasury, and put together national and provincial incentive grant project management teams. In some provinces they have a stand-alone team; in some provinces they include issues of the incentive grant as part of the Provincial Steering Committee, but at national level we have a stand-alone committee that accounts for the resources obtained from National Treasury for EPWP implementation.

Our implementation is on the basis of a 5-year social sector plan which is operationalised through the annual action plan, developed at the conference. We have so far developed two sector plans, spanning the periods 2004 to 2009 and 2009 to 2014, which will end in March 2014. We are currently developing a third sector-plan for EPWP phase 3 for 2014 to 2009.

EPWP opportunities in the Social Sector: Ms Pearl Lukwago-Mugerwa

Mr Magasela then introduced Ms Lukwago-Mugerwa, as an important person in the formulation of EPWP policy in the DPW.

Ms Lukwago-Mugerwa said that the DPW always looks at the overall mandate of the EPWP in order to reflect where it was coming from. For us it is a sort of a legal recourse; it was a pronouncement of Cabinet that the Social Sector is part of EPWP and for a good reason. She recalled the growth and development summit in 2003 where all the Government sectors, together with the social partners confirmed that the EPWP is a requirement for the country. The public works programme was to be extended and called the EPWP because it would include the environment and culture sectors, the social sector and latterly, the non-State sector. All the social partners made practical commitments to include public and private investment participation, with a focus on labour-intensive development. The social sector is 100% labour intensive. We get beaten all the time because there is a formula to determine labour intensity in the EPWP.

She referred to Mr Skosana's mention of the institutional arrangements of the social sector. The then State President, Thabo Mbeki, had announced that as part of the intervention in the second economy, ECD and the Home Community Base Care Programmes would be introduced, followed by other interventions. This is the EPWP approach as a strategy now. The Social Sector is represented by a logo with people; it is people-centred sector and it focuses on delivery of social services which directly touch human lives. The sector has transitioned through EPWP Phase 1 to Phase 2. The Social Sector has been part of the EPWP since Phase 1. It has exceeded its job creation target of 150 000, by delivering 178 000 work opportunities. This was because the Social Sector is a labour intensive programme by nature. It is service delivery oriented and it addresses human development needs directly, so it is not such a difficult thing to work in this space. The EPWP work opportunities for Phase 2 started delivering in 2008/9 and this phase is ending in March 2014. The programme is currently under review. In EPWP Phase 2, there was a target of 4.5 million jobs but it later proved possible to reach 4.9 million.

For the social sector these were the targets for the EPWP. We started at a low mark and then suddenly picked up gradient. We are supposed to exit, having delivered in this financial year alone, 255 000 work opportunities and a commensurate 168 812 full-time equivalents (FTEs), across all spheres. Now the social sector never had a target for the national sphere, but it has grown so as to include one national programme which is the campaign for adult literacy and numeracy and that is your current quotient. In terms of the work opportunities that were created overall, the EPWP is not far off the mark. By the end of 2012/13 we had created 68% of work opportunities. By then the FTEs at 43%. There is some sort of struggle. I'm giving you this picture so that you can mirror and reflect the social sector's performance against this mirror and as I go through the slides showing the sectors, you should be able to do a quick comparative analysis because we are here to find ways of making sure that the social sector goes into EPWP Phase 2 directed well, capacitated well, equipped to be able to roll out, bringing in even those global experiences that we have spoken about earlier on through the Professor. Now the social sector is leading at 90% over the 5 years of EPWP Phase 2, not just in the financial year, 90% accumulatively, when you compare to the other sectors in terms of the work opportunities. But when we look at the FTE, the social sector is not leading; it follows after the environment and culture sector. Now this raises questions on possible causes, particularly why the social sector is lacking behind. Maybe we need to look at the problems that we have been, or challenges that we have been talking about all along which touch partly on our reporting systems, that we are reporting incorrectly and also maybe we are not managing the programmes correctly so that they run over the duration that we know our programmes are structured or designed along. That is now our programmes long term in nature. This is what I spoke about earlier on. You can just run quickly in terms of Phase 2 up to today. This is the 4 years. The work opportunities that we targeted per sector and the FTEs that were targeted, you will see below here. But if you look, the social sector, 90% it's a glib in progress, glib in performance and then followed by the non-State sector at the 80% work opportunities. But then there is a sudden dip on the part of the socials. We don't maintain the momentum; the environment and culture sector takes over and then the rest follows (see Appendix 4 presentation).

Now the question is, who is responsible for delivering work opportunities in the social sector? The social sector has a very good footprint at provincial level. It is struggling at local level. We are in attempts right now as we are talking, because the local level is closer to the communities. It is where we need to strengthen. So I thought it would be good for you to get that sense of who is strong among the provinces that are delivering the EPWP. If we take, in terms of the FTEs, the beginning of this current phase, we see that KZN lagged, achieved 54 655, that was far above the mark. They exceeded their target almost triple-fold and by the closing of the financial year in 2012 which was our fourth financial year, they were at 16 000. Mind you, their target is higher. I will not be going there. They have dropped a little bit. Then Gauteng has taken over. You'll see there is a gradient – my slide is not here – there is a gradient where a province shoots up and goes down. We've got to ask ourselves, what is happening that there is this up and down and up and down in terms of delivery. We are experiencing a challenge. FTEs are also getting a little bit affected. Now this is just a quick analysis that requires to give us some thinking in terms of the implementation challenges that were faced in the EPWP. First of all, I've mentioned, the footprint at provincial level. There has been a sudden decline in the sector's expenditure over the past 4 years, especially in 2010/11 at 2.2 billion to 1.5 billion and 1.4 billion respectively in 2011/12 and 2012/13. Now we're seeing, instead of the funding, you're going up to support the sectors' endeavours in the good performance and the potential that it has. We're seeing it going down. What is the question? Remember the economic downturn that we seem to be facing; budget cuts in the last two years at provincial level; programmes unable therefore to sustain or increase the momentum.

The social sector incentive grant is too small. We know the sector has also tapped into the incentive grant since the financial year 2010/11 so that we can encourage participation and delivery of the EPWP work opportunities by the sector, but it is very marginal because also it looks at the performance of a department at a time. So it's only at 0.01%. It cannot go far. However there seems to be an indication of cost-effectiveness in the utilisation of budgets which shows through the number of FTEs per Rand million created in the social sector. Remember the fact that the EPWP is a poverty alleviation programme. It is not supposed to displace formal employment. It is looking at the poor and the unemployed. So it has to be very cost-effective as well because it is utilising the budgets that are allocated to the programmes for service delivery. FTEs per million Rand gradually increased from 15 in 2000. So the sector found ways of doing its business cost-effectively in a very ingenious and a very clever way so that now we've seen the sector creating more FTEs from the parent million from the allocations that they have been given. Concurrently, with the exception in 2009/10, the cost per FTE has declined from R56 262 to R27 376 and R23 134. There seems to be congruency between the FTE cost as seen in the next slide (Appendix 4). Year on year over the past 4 years, FTEs have increased which means that the sector is growing and there is room for growth despite budget pressures to meet especially in 2012/13. If you look at the cost per FTE, you will see where we started in 2000, looking at the national, at provincial, at the local. You'll see we started on a high national and in 2010/11 we went down a little bit and in 2011/12 we went down further and in 2012 we went up a little bit. The programme couldn't compromise the standards. There were challenges in implementation at provincial level, but the EPWP social sector programmes are very cost effective. They are capable of and have big potential of delivering. The EPWP utilise more the people themselves.

Overall, EPWP social sector performance is reflected graphically represented there. You can see the municipalities, the national and the provincial. If you then compare against the targets that we have been set altogether, we are not very far in terms of the target. The target, now that we are supposed to achieve in the current financial year we cannot say much as 255 000, but in 2012/13 we hit slightly under the mark. Instead of achieving 187 000 work opportunities, we achieved 171 668. Why is that so? The environment has been fluctuating. The contribution of the incentive grant, the 0.01% that I mentioned to you, has been small. The sector received the grant very positively, and utilises it very enthusiastically. There is always less under-spending on the incentive grant of the social sector, but this is not taking the sector very far. We are seeing programmes shifting the responsibility of funding EPWP to the incentive grant. For example, Sports RSA in the Eastern Cape, instead of setting aside a budget for implementing EPWP this financial year, are relying solely on the incentive grant. What it means is in the other years, they will not be able to receive the incentive grant. Thus, the incentive grant is not sustainable, although it is an appropriate mechanism to address the funding challenges of the programmes of the social sector. There is a need to revisit the model so that the sector can continue to deliver the EPWP. If we do not address these problems, we will not be able to deliver the opportunities that we envisage, targeting youth, women and people with disabilities. The social sector has over-performed in terms of involvement of youth in these programmes, close to 80%, but under the mark compared to other sectors. In trying to be cost-effective, we cut costs and then we end up not adhering to the minimum stipends in terms of the Ministerial Determination (MD) of the EPWP. Our mid-term review report also indicates that the social sector is unable to attract young people. Thus, in light of NDP proposals and other policies, we need to ensure that young people are actually given opportunities to work.

Having identified the challenges, the social sector proposes the following measures. We proposed them and we think you as this forum are going to be in a position to also complement us so that we can come up with a product that will position the social sector in the right place or right direction going forward. The sector is dynamic and requires strong institutional arrangements. The institutional arrangements were shown, but they have their own challenges.

Some of the programmes or departments, particularly at national level, are withdrawing from getting involved in meetings. There has to be strong management of political change effects. I mentioned to you the funding models that need to be reoriented so that we do not move away from the policy directives of these programmes that are participating in the social sector. Funding availability is a challenge, our systems, so that we can be in a position to ease the burden of under-reporting and improve accountability, including the NDGs and HODs performance contracts in the EPWP. We have to try and attract youth into this sector. We have to try and be demand driven. We know there is a big demand for our services. A combination of a top/down and bottom/up approach is required. We have to be realistic in our planning for EPWP Phase 3. We monitor service delivery impacts, expand programmes for massive implementation at local level by identifying the low-hanging fruits, those types of programmes and projects that are already aligned to the EPWP.

The last slideshows that despite the good performance in the past 4 years of EPWP Phase 2, the sector is gradually declining in participation and therefore within the context of crafting EPWP Phase 3, needs to identify expansion programmes that are suitable, such as the school nutrition programme, which is having challenges to align to the stipend requirements of the programme. We have to go back and find ways of providing the support. We have constantly to be engaging in additional allocations for the funding with National Treasury and the national departments that are providing oversights for the provincial departments. We have to see to it that the grant of the social sector is realising the goals and the aspirations of the social sector departments and must move fast into the municipalities. We want to tap into the grant for the municipalities, but we need more than just vocalising it. There has to be some planning and strategic thinking on how best this can be realised.

Q&A

Mr Magasela opened the floor for questions about the completed presentations.

Ms Phindi Masiso (National Treasury): Pearl has spoken about the effectiveness of the programme where she highlighted the decline in the cost per FTE. I have noted some inconsistencies in the average cost. Whereas she was indicating that the programme is becoming more effective in that the average cost started higher and then it declined and then there were some high steps in average cost. So, from a budget point of view, if the programme is really working effectively, what we should see is that the cost per FTE should be higher in the first year, but then it should continue to go down until it stabilises. Around the issue of achievements, with the same budget allocation the department is achieving almost the same or lower. The question is why? Where is the rest of the money going to? Also, I thought Pearl would be talking around those challenges and recommendations that are mentioned in the workshop programme. On the issue of the school nutrition, my challenge around the EPWP with the Department of Education, the national department responsible for training of ECD practitioners and for the NSNP around food gardening, the sector objectives might be compromised because practitioners need proper training so that they can actually train the learners. How do we deal with those kinds of challenges?

Mr Clinton Davids (DSD, Western Cape): I note that there were some recommendations in Pearl's second last slide on the way forward, but I think there are some pertinent issues being raised. The fact is there is a decline in the creation of FTEs. A challenge faced by the DSD Western Cape is that the EPWP is not properly institutionalised in departments and I note the recommendation of it being included in the performance contracts of HODs and so forth, but that is only one proposal. I think the challenge is that in various departments EPWP is either located as a standalone programme or as part of procurement or part of some other form of

setup in terms of the organisational design. That is where our challenges start. Because it is not properly institutionalised across government, both national and provincial, it creates weaknesses, not only in reporting, but also in implementing and rolling out EPWP projects. This needs to be considered for Phase 3 for the next five years. My second point is that in different government departments it also works differently in terms of how programmes are rolled out, especially with the incentive grant or equitable share grant. In some government departments EPWP interns are contracted directly by the government department that then becomes the implementing body. In the DSD, for example (one of the four areas of growth that Mr Skosana mentioned), we also seek to build relationships with communities and community development organisations. So, we contract through NPOs and that in itself creates challenges, because in DSD Western Cape we contract through transfer payment agreements (TPAs) and in government you know submission process, the signing of TPAs and so forth take forever. So, by the time you contract an implementing body, you would never be able to qualify the job opportunity as an FTE, because it would be less than the qualified dates per year.

A third point is that besides the provincial or national incentive grant, not all government departments are using the equitable share across the departments. For example, you will find Disability would ring-fence equitable share money, but not Substance Abuse or Older Persons, which also leads to the creation of less work opportunities for youth, which I think needs to be addressed. Also, in the funding model there has recently been a new MD, which should be looked at over a longer period e.g. a 3-year period, and aligned with the MTEF. If it is over a longer period we can create long-term sustainable jobs and it would be benchmarked at a certain rate that will of course be reviewed depending on circumstances. The other issue is the decrease in the number of jobs created in the Western Cape, for example, where the cost of ECD training is much more than in other provinces, thus reducing our intake number.

Mr Morwamadibane Ntsoane (Department of Tourism): Thanks for the presentation. Mr Skosana has correctly alluded to the fact that the 5-year setup plan, of which I think it is guided by the EPWP of which the first phase was 5 years and the second phase is also 5 years. Is there any flexibility in this 5-year plan, bearing in mind that if you look at the recession that we have experienced previously and also the change of budget allocation? With respect to incentives, Pearl correctly mentioned that from the environmental cultural sector perspective, there is a struggle, because the incentive is no longer serving the purpose that it is meant for, because if you are servicing, we have to incentivise. We have to incentivise performance, but now the problem is that there is an upfront payment. Hence if you check municipal and provincial departments, they are no more putting money aside to implement EPWP. They are relying on the money that we are saying is an incentive, because there is an upfront payment. That is the biggest challenge that I think we have to debate and look how best we can come up with a solution. It not only affects the social sector, but also the environmental cultural sector. Another thing mentioned is the non-compliance. We have to be specific in terms of the MD concerning a stipend. I think the social sector might be high in terms of work opportunities, because the stipend that you are paying the beneficiary also contributes. If you are compliant with the MD in terms of paying the minimum wage or above that, it will also impact in terms of number of people that you are going to employ at the project level. The less you pay, the more people can be employed, as opposed to other sectors. In terms of the service delivery impact of EPWP Phases 1 and 2 we have been focusing in numbers. We were not social impact orientated. I need to check with the social sector, have you commissioned a study to determine whether service providers are creating work opportunities as well as broader social impact. Have you ever been thinking of commissioning those kinds of studies?

Mr Happy Phaleng (Khula Youth Network): Thank you very much, the presentation was really good, Pearl and Nkere. A recommendation is the level of skills and training should be increased,

especially at local level. These programmes have been running for quite a while but still reflects as emergency employment creation for youth.

Mr Magasela: The next presenters are from National Treasury, Mr Donald Maphiri telling us about funding mechanisms and then Ms Ruth Mvelase, who will be telling us about conditions of service, compliance and issues of regulatory mechanisms. I hope the two presenters are going to address and the concern that the EPWP is intended amongst key things, to boost productive employment, develop marketable skills and address poverty. Since you are at the core of running this programme, can we get a sense of achievements? For example, if you are talking about the cost of establishing a FTE job, what is the comparable yardstick for other jobs, say in the private sector? I think issues of viability and investment are important. In the ten years, has government been able to make an impact or a dent?

Ms Lukwago-Mugerwa: I will just take a bite of the few questions that were directed to me from my presentation starting with Phindi on inconsistencies that she has noted on the average costs of the programmes. I'm sure you are actually directing yourself more to the Khari Gude programme. When you look at the daily wage as reflected in my presentation, for example, the programme started in 2009/10 paying R45 per person per day and then in 2010/11 it went up and that I think was in line with the expectation, because then you've got to take into consideration the inflation adjustments and the other costs that drive that particular FTE. Then in 2011/12 it went down. We attribute this challenge to the reporting problems that the EPWP experienced with Khari Gude in particular so that at the end of the day when the budget expenditure is consolidated and we are calculating against the number of days that each of the workers have worked, it shows that they had spent R39.14 per work opportunity. Now, that is a decline, but when you move to 2012/13, because we worked very closely with the programme now making sure that things that we got wrong in the previous years are actually resolved, we got direct information that indicates of the R1500 paid per month translated into R80.30 per person per day. Hence the inconsistencies. But when you look in terms of the other spheres, you start with the provincial R52 and then in the next financial year, 2010/11, it is maintained at R52 and then in 2011/12 it declines to R42.50 and in 2012/13 to R40. This is where the whole issue of cost-effectiveness kicks in. Remember, what has been happening as well is that we worked very closely with the programmes to plan. The programmes were paying more at the beginning, because they were paying fewer volunteers, the majority not being paid. So, they looked within their budgets again and found ways of making sure that at least they bring more. However, in the process of bringing more because of the demand from the communities for the services, they also ended up violating the MD requirement. So, for the social sector it didn't mean that as they were reducing, the service was getting affected and at the same time the numbers of the workers were getting lesser. They were extending services and at the same time scaling up in terms of the numbers. That is why you have been seeing the balance, which changed only in the financial year 2012/13. In terms of the issues that you saw in the summary, we have to look at whether the social sector belongs or doesn't belong in the EPWP and whether the social sector offers long-term work opportunities. But I think you are right that in terms of the designated groups, it would have been correct to put the figures there clearly, and we do have that information.

The incentive it is achieving; I mentioned that it constitutes only 0.01% of the overall budget of the sector programmes. How do we make sure that we incorporate training to ensure improved productivity? That did not show clearly in my presentation. The social sector is the best training sector. We do train, utilising more the equitable share allocations of the departments rather than the national skills fund that has been sourced by DPW on behalf of all the EPWP. The reason why we are tapping more into the equitable share allocations of the department is because the NSF has had its own glitches within the department itself in terms of management

and implementation by the service providers that were being used by the DPW. This delayed access to and implementation of training utilising the NSF, but those things are being corrected. I think some of the questions are for Mr Skosana. EPWP is not institutionalised properly. Contracting is a challenge. It is true, but then I want to address myself to the alignment of the funding model for the EPWP to the MTF. I think we are going through the process now of reviewing the model. All along the EPWP incentive grant model for all the sectors is appropriated to the national DPW, therefore it is allocated at a national level. It is only broken down according to the MTEF for the national DPW, because it is performance-based. When a public body does not perform at provincial level, that particular public body does not become eligible to access the incentive grant. We understand what that means for the public body, because then it hinders planning and then it also interferes and it thwarts the continuity in terms of implementation of the programmes and that is why we are saying the model is inappropriate. So, we need to look into a model that allows the funding allocations and flows to run throughout the MTEF. That view is actually acknowledged and is being taken into consideration.

Morwa, you were reflecting with your confirmation and affirmation on incentive grant challenges for the social sector. It is true indeed. We are going through that problem of shifting the responsibility. We have not done a standalone impact assessment of the social sector incentive grant, but the impact assessment has been done within the M&E unit. A cross-sectional study, which captures how the social sector and the other sector grants have impacted the lives of the people. I think that is very important to do this for the social sector. I will allow Mr Skosana to respond, especially on the institutional arrangements and the boost on productivity. There was a question by DDG on the cost of establishing a FTE within the social sector. The cost drivers for a FTE job in the social sector are not high. These include 8 CBC, uniforms and kits that are required. The cost of a FTE differs from one programme to another, but on average we have identified that the social sector cost per FTE by the end of 2012/13 was R25 906.

Mr Skosana: Thanks for the questions and comments. On the institutional arrangements, as Clinton has raised, indeed we have taken note of those challenges and part of the current debates and discussions for Phase 3 seek to talk to that. We are arguing for instance amongst other things, for dedicated capacity, not only for co-ordination, but within implementing bodies so that we have somebody who drives this particular programme. Now, our understanding is if government makes a pronouncement on a programme like EPWP and says we are going to drive this, we expect each and every official of government to ask themselves the question what is my contribution to this pronouncement? How do I contribute? Therefore the various departments must then be able to say this is how we are going to contribute and when we then propose how this should be dealt with. We are arguing that there needs to be dedicated capacity, because unemployment is a huge challenge, especially amongst young people and if as a country we want to address this, we then need to show commitment by putting in place measures to address that. It is something that we agree that it should be given focus. So, we are engaging the various departments and our principals on that. Probably we would get, before we adopt the sector plan, we would get our principals, both at a DG level and the Ministers to make commitments for implementation of this programme and we would make those specific recommendations, because as Sis Pearl has said, participation in the last few years has dropped. Some colleagues in some departments have decided to abandon the ship and our argument is where do they get the mandate to drop something that is a directive from Cabinet? So, we want a recommitment by the principals to this particular programme and the issue of institutional arrangements therefore becomes critical.

Now, you are raising an issue around contracting of NPOs and therefore that we cannot meet the FTE targets. Our view is that it is simply a matter of planning. When you know that each and

every year we fund organisations to deliver certain services, you know how the budget cycle works in government. The medium-term budget statement has just been issued. You already, as a department, have an idea of how much you would like to get. So, our argument is that this is a time therefore to plan. There is a time when you call for business plans, assessment and therefore allocations. The challenge is that our colleagues leave it until too late. They leave it until February/March to do this allocation and therefore by the time they do transfers, it is midway through the financial year. The reason the social sector calls it a dry season, the NPOs have said between April and June we do not get any allocations from government, because they are still busy processing it. Our argument is then when do you expect people to implement when you only give them money at the end of the first quarter? We certainly think that can be corrected. The work that we are undertaking now in terms of tracking the expenditure of the incentive grant has also said let us look at where the problem is. In fact, you are the people as the sector who said you are not addressing the real issue. The real issue is the time at which these are contracted and we are hoping that through this intervention we can then be able to look at what measures should be put in place to ensure that we avoid those payments, because then if we start implementing at the beginning of April, we can then be able to meet our FTE targets. Now of course, the fact that some programmes have ring-fenced amounts and others have not, again talks to the attitude of people within departments. We have argued, for instance, that if a programme in the Free State can be able to participate, let us say VP says we can make a contribution to EPWP from this sector, why shouldn't other provinces do the same, because social development funds similar organisations in a similar way, to drive their programmes? We think it is merely an issue of attitude and which begs the question of what do we put in people's performance agreements that forces them to contribute to this? We have argued that for every director and upwards, there should be a clause in their performance agreement that commits them to contribute to EPWP targets and thereby forces them to make a contribution to this programme.

Now Ntate Morwa, asked about flexibility in terms of the sector plan. The reason why we have a 5-year sector plan and annual action plans is to look at what we need to put in place to ensure that we meet these targets and what measures we take, because the resources have declined. So, what changes do we make and how? Now, what we've tried to do is to expand the number of programmes so that we don't put the burden on existing programmes.

Youth from Khula, I think we agreed, in fact, we have said that if our target is 40%, we should actually increase the target for youth as part of the social sector, pitch it at 60% or even 80%, because the level of unemployment amongst young people is very high. So, it is something that we are debating to see how we can be able to do it. The issue around comparable private sector jobs to FTEs, I can only think of the farming sector. The recent strikes in De Doorns, if you look at how much those people are paying and look at how EPWP pays, those are comparable to what we are paying, but the challenge is those are full time jobs. They are covered by the Labour Relations Act fully. Ours are covered by MD, but they are almost equivalent to that and we are saying if we can strictly adhere to the determination and other regulatory mechanisms, we are likely to make a significant impact, but I think the rest of the other things will come through the process.

Mr Magasela: I'm sure we will have an opportunity to explore even further some of these issues, especially impact. We want the people who are working there actually to tell us this, to develop their marketable skills, which is actually one of the platforms and building blocks of this. Thank you very much. At this stage we are going to break for tea.

Adjournment

Mr Magasela then introduced the National Treasury's Mr Donald Maphiri, at the workshop in his personal capacity, but nevertheless the person responsible for the thinking around the funding of the EPWP.

Funding mechanisms: Mr Donald Maphiri

Mr Donald Maphiri: Thank you Chairperson. I would also like to thank everybody who is here. I think with the very high expectations for this session, I feel rather inadequate to be standing here and talking to you about it because I think I'm preaching to the converted. As mentioned already, I've always worked for the private sector and I only joined the Government just about 23 months ago. So I'm fairly new in Government, that's why I have mentioned that I speak in my own personal capacity. So what I say here are not the views of National Treasury at all. I nevertheless just accepted to come and share with you the work that we have done in the past. I will look at the EPWP objectives and the programme design principles and then I will talk about remuneration matters and then funding and service delivery models which I think this session is really about. But one really needs the first two points to create a context for the last two points.

If one looks at the objectives of the EPWP, you will realise there are really four important things there that are highlighted, that is poverty reduction, work experience, on-the-job training and skills and the improved quality of the public and the community services. So those objectives or key themes, I think they're central in really thinking clearly about the funding models of EPWP within the social sector. If we really look at EPWP as a programme that is aimed at improving the quality of services delivered, and this has been mentioned already, I'm really just mentioning it again, that is if we look at effectiveness one wouldn't really be concerned much about statistics related to work opportunities because this is really more about service delivery. So when one looks at it and the statistics that we really report on, on work opportunities, one starts to feel that we seem to be missing it. We seem to be missing it because the first issue that we shall be addressing is whether we are making an impact on the ground in terms of services that need to be delivered. There have been a whole lot of questions asked in the past 3 to 4 years when I was really involved in this particular area to say whether there is really a need to employ extension workers in the EPWP in the social sector. If yes, should they be in Government or should they be employed in NPOs and whether their employment should be short or long term and these matters we will deal with as I move along on this presentation (Appendix 4).

So one feels that if we are talking about service delivery, the quality of services delivered should not be affected by who the employer of these very important people is because you need to level the playing ground; you need to ensure that if services are being delivered, whether it is by the private sector or Government, all the resources necessary to deliver on that service are available and it can be delivered up to standard. And if you think about it in that way, then you shouldn't really be worried about whether people must be employed in Government or not. What do we need? We need to clearly review the mandate of Government with respect to the social sector objectives to determine what it is that Government should be doing in the social sector context. Review all services that need to be delivered rather than those that are perceived to fit within the EPWP framework. So this whole EPWP matter should not really be about EPWP, it should be about service delivery. Within the social sector, let us look at the totality of services that need to be delivered rather than picking and choosing those which we feel really should be fitting within the EPWP framework and then we need to identify those that need to be provided by Government and perhaps also funded by Government. And then the management of delivery thereof could still be done by NPOs and other bodies that are available

and those bodies could also cough out such services. So we need to be clear about what other services we need to deliver to our people within the social sector context. It has very little to do with the delivery agents and NPOs. It is really just about what we need to deliver to our people and the quality that we need to achieve. Once we have done that, we need to then assess the scale of work to be done. People might argue that all that work has been done, but we will show later anecdotal evidence that suggests we are not doing adequately in this particular area. So we need to clearly identify the beneficiaries of this particular service and then to assess the backlogs and to generate the complete portfolio of services that need to be delivered in the social sector including the extent of the problem and nature of the service areas and the rate of backlog elimination. So what one is saying here is that although the departments have their strategic plans, one would imagine there is a need for a comprehensive strategic plan for the social sector: social development; health; and education. So we need to have a comprehensive strategy plan for the social sector that speaks clearly about the deliverables, the challenges, and how we need to address them going forward. The integrated service delivery model for the social sector must then be costed using national costing models to quantify the cost to deliver these particular services. For this to happen meaningfully, we need to then develop a comprehensive and coherent quality framework. One might want to call this norms and standards in all these service areas and the steps required for progressive realisation thereof, in terms of the national constitution. Once the comprehensive strategic plan has been costed, we need to look into the prioritisation, given limited resources. And then we need to then also look at the capacity of the State to deliver. So we might want to achieve higher targets, but we might find that the resources that we have within the State, not just the financial resources, but the person power, the skills, do not quite allow us to really move at speed. Parallel plans can then be developed to build the capacity of the State to deliver on targets.

How should we be valuing extension workers within the EPWP environment? We have a few challenges - they are not represented in professional bodies or bargaining councils, and we rely largely on MDs to really deal with their working conditions. The MD sets the amount to be paid per day at R66.34, up from R60 two years ago when it was introduced. Of course it has to increase. Then we have the incentive grant which is really the most important mode of financing this, at R150 per day, although it applies to all sectors. So we need to think about how to make rates the same for all sectors. A single minimum wage is inadequate to address the problem of fair remuneration. We need to address the problem of fair remuneration, especially if the principle of career-pathing and progression is to be introduced. To have one single rate is problematic if you have people who have been in the system for some time. Different qualification levels and experience need to be recognised. I think this problem is really unique in the social sector because it does not focus on infrastructure programmes where people might be doing uniform activities such as mixing the mortar. In the social sector, we are talking about people who deal with the lives of people, and thus require developed skills. One hopes that the social sector MD will start to address career progression and career-pathing. We should also define the value of resources required to deliver services. If we are looking at counselling for instance and we consider that to be a professional assignment, we need to attach the value to that particular work which it deserves. If a professional social worker is required, the work should be valued accordingly. A fixed R66 is therefore inappropriate. Once people have acquired experience and training over time, remuneration should improve to approximately the level at which workers with similar experience and training in similar occupations in other sectors will get remunerated. There exist situations where people working for NPOs doing similar work that a State employee is doing, are earning a fraction of what the government employee earns; that cannot continue. We need to work on the remuneration frameworks.

When we talk about the total costs of service delivery, elementary positions in Government are paid at least 400% more than the prescribed EPWP minimum wage and in Government the

salaries are increasing at a very fast rate. It is surprising that EPWP rates are said to have declined from R52 to R40. In Government, rates it will never really go down. Now if EPWP workers are paid at these rates of 400% more, of course the whole programme would not be affordable, but that does not mean that we must not work on progressively standardising the remuneration scales for the work of equal value, which will really have implications for funding. Now costing covers all costs of service delivery including complimentary inputs. So when we look at services, we should factor in the non-remuneration component including factors such as transport. In the past two years, preliminary costing with limited norms and standards has been done for ECD. For 2013-14, we estimated that R17 billion would be required for full funding, including regional co-ordination structures in provinces, yielding 17% funding rate. Is it government policy to fund 17% or should it be funded at 100%? Those matters have to be clarified. We did an additional simulation here where we had scenarios to say, people were getting paid very little, R30 or perhaps R40, below the minimum MD. If the MD were increased to R60, how much more would we spend? That was Scenario 2 and then we asked if all people who are working half time, less than fulltime, worked fulltime, how much more it would cost if we were to increase the minimum wage to R80. The total marginal increase for 2013-14 would be 1.8 billion, i.e. over and above the R17 billion. So these are not small amounts and they can only increase if we are levelling the playground. Additionally, if these were to be increased to cover all children that are considered to be poor about 2 million, mainly in rural areas, the funding level would decline to 6%. We also looked at the HCBC and did the same kind of exercise. The 2013-14 funding level was at about 25%. Again, is this the policy of Government to fund it at only 25%? Using the same few scenarios, the marginal increase in cost was R950 million more than the budgeted R2.9 billion. So really these are very low funding levels for the services that we are talking about. How should we then fund these? We need to look at the portfolio of services, our integrated or comprehensive strategic plan for the social sector and say for the services that we want to deliver, to what extent do we want to fund them in the immediate period and over the MTEF, perhaps over the medium to long term? Then we need to develop detailed guidelines supplementing the financial awards policy. You do not want that Free State case. Everybody knows it and that means that we are just not funding these organisations adequately and that could always come back or get worse. There will always be services that are fully funded and those that are partially funded because we have to prioritise. You cannot fund everything, but it must be clear what it is that we are funding and at what level. I do not think that is a difficult thing to do. Decisions on the funding needs should be made for each period. We should ask to what extent wages, materials, facilities, transport and utilities are being funded for each intervention. The prevention work that has to be done in the social sector is not quite given enough weight in relation to the statutory function. While statutory functions are clearly legislated, non-statutory functions are not quite doing well. So if we bring it lower to this level, we can then clearly indicate that for this service area, non-statutory functions will be funded at this level. This will direct more money to non-statutory services for prevention and awareness, which is more effective than pre-empted treatment when the things have gone wrong already. Per beneficiary type per location, we have spent more money in the urban areas than we have in the rural areas. The funding formula can be designed in order to further objectives such as transformation which has not really been achieved in the sense that rural areas remain under-capacitated.

And I will also say that if you look at the eligibility criteria for funding here, the requirements are for very big multi-national companies. You have to have a vote, then you must have generally accepted accounting practice (GAAP). Just think about the grandmothers in the rural areas, how do they know about all these things? For as long as we have those kinds of constraints in our legislative frameworks, without relaxing them, we are not going to make inroads in the rural areas. We should look at guidelines for NPO funding, and the integrated service delivery model. It really clarifies the levels of interventions, the generic norms and standards, but we need more

detailed norms and standards, and quality frameworks, in each service area so that it is clear exactly what is going to happen. And those norms and standards should deal with the totality of matters that need to be funded: wages, materials, facilities, transport, utilities and so on. Once we have that, we are able to have targets to say, for this service area we will fund 100% of wages, 50% of facilities, 30% of transport, if you are in a rural area that funding for transport will increase from 30% to 50% and so on, so that we start to become responsive to the challenges that are being phased out there. We seem to believe that it is better or acceptable for people in the rural areas to walk long distances from one area to the next, but in the urban areas we fund them for transport. It is not acceptable, it must be the other way around. So these are the matters that need to really be addressed so that people in the rural areas have better access. People in urban areas have access to the media. They can make all sorts of noise.

Policy on financial awards deals with transformation matters. We must even go beyond, to help these people with preparing business plans; setting up their organisations; relax their eligibility criteria; introduce lump sum funding for operational equipment. We had NPOs that are well advanced. They already have that equipment and we again funded them for it and all the governance requirements about reporting and GAAP. Relax all that, but link to sunset clauses to say in three years we must be at this level so that there is of course progression or development in that area. It deals with service specifications; it sounds good, but we need detailed norms and standards. The financing speaks about a uniform funding model which is what we should have here. The issue of co-financing, programme financing and financing of services to say in terms of tenders, we will deliver these particular services. Methods of payments need to be linked to the development of the NPO. Lump sum payments must go to those NPOs that are not well established so they can establish themselves. And then disclosure of co-funding, the NPO Act does not deal with it adequately and a business plan should be designed to reveal this, in order to prevent double-dipping. The NPO Act should be amended to make it obligatory if you are receiving money from the State, to reveal other sources of funding. In respect of funding options, i.e. full or partial funding incentive grants. We could require beneficiaries to do co-payments. These are largely academic, but they should be explored. The issue of double-dipping cannot be addressed by simply just making a noise, because these funding models have nothing to do with the availability of donor funding. We need to look at our services and decide how much we need to fund these, and frameworks should be in place to determine the potential participation of other donors. Where NPOs are involved, as is the case currently, there has been concern about double-dipping, so let us have an accounting framework requires that you reveal where you got the money from and what you use it for at a very low level, so that we are able to map out our funding to specific services that we need delivered. Amend the NPO Act to criminalise double-dipping. The current legislation says that to make false representations in any document or narrative, financial or other reports submitted to the Director, is an offence. That is insufficient because NPOs simply refuse to make the information available.

Mr Magasela: Mr Maphiri has highlighted issues that are really at the core of the EPWP. He is not able to take questions, so will continue with the next three presentations.

Programme design and institutional arrangements for programme management: Prof Oladele Arowolo

Professor Arowolo: When I look at the list of speakers, it stands out that apparently I'm the only outsider. But I would like to assure you that that is not necessarily a disadvantage because to some extent I'm also an insider, having worked with the United Nations (UN) on many projects that have to do with Decent Work agenda for Africa and also having supported the UN through their provisional support to the Government of South Africa and the evolution of the Decent

Work EPWP for the DPW and also for Limpopo Province. So I have some ideas about EPWP in South Africa, but more importantly I also bring some experience from my work with the UN and other organisations across some 20 to 25 African countries. The outline of my presentation looks at the background of the EPWP social sector and straight to the point about the design within the context of the theory of change; the larger question of programme co-ordination; and a reflection on the cluster system as it had been applied within Government, not just for the EPWP, but across the board for the implementation of Government programmes, the M&E strategy and the context of the outcome systems being employed by the Government of South Africa and finally, Special Projects Offices (SPOs) being relevant to the social cluster and I will make some suggestions about possible role for the HSRC.

The EPWP social sector, I think this is a slide that I would like to simply not omit, but the previous speakers have emphasised the EPWP social sector in terms of their definition. I think my point of emphasis on this slide is to say that when the EPWP was initiated and the social sector was identified as one of the sectors within the EPWP, there were two entry points: Community based health and social welfare care and ECD. The cluster comprises the Department of Health, Education and Social Development initially, but it has since expanded. The point of emphasis here is that the social cluster has itself been able to identify additional entry points for making interventions in the context of EPWP. And I see it as a veritable opportunity to expand the resource base and to advocate for increasing resources to manage the EPWP social sector. So you have within the Department of Education (DoE), apart from ECD, you have school nutrition, school sports committees, maintenance of schools, construction of schools, adult education, teacher aids and special schools, administrators to support the schools and community development workers. There are areas which the social sector as a whole, but in particular the DoE who wish to turn attention, as the programme moves to the third phase in addition to ECD to see how you can promote employment by looking at those areas. This then applies to the Department of Health (DoH) in terms of programmes, the duties, voluntary counselling, nutritional appraisals, malaria officers, community health workers, all the areas apart from community care. And within the DSD there are additional opportunities in community development workers, youth care workers, child care workers, emergency full relief and social security.

As the programme moves to its third phase I think one good thing that the social sector has done was to have utilised the high level committee to reflect on the past performance of the programme and make suggestions for future programme design and I think this is very important. For me, the success of any programme lies in two major factors: The design of the programme and the implementation arrangements. If the design is defective, you can be sure that the delivery is going to be misdirected, one way or the other. But if you have a very good design, if the implementation arrangements are not adequate, then you have confusion and inefficiency, ineffectiveness in the delivery of the programme. Therefore the high level committees make suggestions for the design of the third phase of the social sector implementation. I think the point is that there is need to skill up the participation of non-State actors, the CWP and the NPU and it is important that the next programme is guided by a set of core principles that distinguish EPWP from other initiatives and create a minimal level of uniformity and standardisation, particularly in the wages, numeration, as we have just been informed by the last speaker. And it is also recommended that there should be stronger emphasis on providing work opportunities that improve the regularity and the ability of INCO. I think one of the challenges of the EPWP is that you create opportunities for employment, but they are not permanent and they are not dependable. And then the question of both policies and specific mechanisms for convergence, it is suggested there should be much stronger emphasis on the quality output of the programme including compliance COEPE requirements. I think this also speaks to the need for social impact analysis and it is suggested that there should

be stronger focus on impact assessment so as to better understand and articulate the development outcomes of the programme. I think what happens to most EPWP programmes is that we look at the immediate objectives and the context of the specified outputs and you are concerned about those immediate gains that you can measure. Forgetting the fact that the programming and the execution of programme activities tend to have incidental effects on other areas of society, which do not necessarily come within the specification of the programme. So when you do an impact assessment, not only are you able to monitor the delivery of outputs, you are also able to account for other effects of the programme on the community and society.

Let me now focus attention on the topic that I would like to address. Programme design is very important and I think in addition to the suggestions made by the high level committee, it is important for the stakeholders to understand from the beginning the structure of the programme. The first, the starting point in any programme design is the policy and in the context of EPWP, the question you have to ask yourself is that, is there a policy or is EPWP a strategy? Because where you look at the Decent Work quantity programme for South Africa, that is the programme, that is the document which addresses the lighter subject of Decent Work unemployment in the country. So EPWP itself should be seen as a sub-set of the South African Decent Work country agenda. Policy becomes important because at the end of the day, when you want to do an analysis of programme performance, the first question is: How relevant is your programme to the needs of the people? And the needs of the people are normally articulated within the policy framework which specifies your long term objective or aim or goal, strategies and targets. So if you have a policy basis for what you are doing, then you are comfortable that your interventions are not out of focus. In terms of programme design, the Government itself has ruled out the outcome system within the concept of a logical framework as a basis for programming in the country, not across the sectors. So the EPWP social sector also should also address this, to the degree possible, and I think that one important point about the outcome systems is that it places emphasis on where you are going, rather than how many activities you are able to execute over a particular period; it is result based. I will talk about the theory of change later on, and it is rooted on the principle that in the outcome system, in the design of the programme, all stakeholders are interested parties. They should be involved in the process of programme design from the beginning.

So when you go back to policy, you are able to determine the outcome and the EPWP focuses on employment creation, poverty reduction and it is within this that you determine what will be the outcome for a particular programme sector and once the outcome is defined, then you have to move to a definition of that outcome so that you can define what would be the indicators of the outcome. I think the previous speaker made mention of the targets that were set to achieve so many in fulltime employment and it is within this context that we begin to determine the outcome for this programme. Once the indicators are defined for the outcome, then you have to also determine the baselines. I think now that the programme is moving to its third phase, it is easier than in the fourth phase because only the fourth phase you have to do a situation analysis. But again the evolution of the second phase should provide data to set baselines for the third phase and once you determined the baseline, the next thing is to determine the targets. Determination of targets must reflect on the resources available, both human, institutional and financial, which is why I said initially that all stakeholders should be involved in the process of defining the programme because when you set the target, you must also ask yourself whether you have been too ambitious or you are likely to under-perform. In the context of social sector objectives, the objectives are very clear and I think the previous figures have spoken to the objectives. Once the objectives are known, then in trying to do the design of the programme, there should be strategy mapping in which you identify all the strategies that are likely to lead you to the achievement of a particular programme output. Once the output is defined operationally, then you move on to ask questions about output indicators. Is it employment,

number of jobs created, or capacity developed, or is it institutional provisions? What about the outputs? There must be indicators. Again, like the outcome, you must set baselines for your indicators at the output level and then set targets. Each output constitutes a cluster of activities and the question you ask yourself is the extent to which the activities are addressing specific outputs and the likelihood of achieving the targets. It is important to realise in programme design that you have to end up with programme activities, and to ask whether the activities are relevant to the outputs and the outputs are relevant to the outcomes.

Programme design must also reflect on the previous interventions of the programme, the human resources, the material resources and the financial resources. It is the combination of the three, rather than any one of them, that speak to activities, outputs and outcome. So it is important at the programming level to know what resources are available. And I'm going to talk about implementation arrangements in a moment. Implementation arrangements reflect on issues of co-ordination and collaboration and I think one supreme advantage of the social cluster and all the clusters is that a stake is set for institutional collaboration. Already you have the departments working together. Then the programme design should also look at issues of M&E to be able to determine the milestones that you have to achieve at specific points during the programme cycle. Finally the design of the programme should include a feedback mechanism, such that M&E information and data is fed back into the system through the management arrangement.

In terms of national co-ordination of the social sector EPWP, Mr Skosana I think made reference to the work of different committees, but I would like to reflect on the cluster system as the strategy by Government to co-ordinate programme activities. According to Government information, the purpose of the cluster system is to instil and retain an integrated and synchronised approach to policy formulation and co-ordination; to combat a silo approach to governance; and to build a collegial approach and shared perspective on Government priorities. I think this is a very beautiful vision. The co-ordination of the EPWP social sector programme is taking place at three levels: national, provincial and local. So I looked at this structure, because Mr Skosana was speaking to the meetings that are held. Questions for the next phase are: Has this structure worked? Will it work in the third phase? How effective is the structure? The social cluster: DGs and the departmental steering committees; stakeholders' co-ordinating firms; internal departments a team for vision and departmental committees; provincial department team; provincial and state co-ordinating forum. I also note that there is a special project office which also plays its role within this structure. Implementation at the provincial level replicates the same structure; it is just different in character. Again our question for consideration is, is the system working? Can it be simplified, or even be made more complex? Bearing in mind that given the recommendations of the high level committee and the idea that you are going to take on additional entry points in the delivery EPWP social sector, will this system suffice? That is the question for local authority level, district level managers. There are referral linkages and local authorities that develop sets of good practices and developmental strategy. All of these are issues for consideration.

A cluster system has challenges. I could not go into the detail, but there are opportunities. One of the challenges that it faces has to do with a large number of outputs and activities at the different levels of governance involving different categories of beneficiaries and the question is, is the structure adequate to manage the challenge of better generation, continuous monitoring of events and strategy? In terms of opportunities, the cluster system allows departments to work together, without Health or Education feeling that they have territories to protect. I think that is very important. I also believe that even a 5-year plan logical framework broken down into a series of annual plans and budgets, allows you to reflect as to go on, on what is working and what is not working. The M&E logical framework as conceptualised by Government should be

seen as operating within the theory of change, the basic message of which is you are able, as you implement the programme, to use data generated, to ask questions. Are we going the right direction? Is it the right strategy? Do we have enough intervention in this area? What needs to change so that we can achieve the outcome of the programme? That's what the theory of change is saying. It's a solid based management kind of approach in which you are not just working, you are not just implementing activities, you have a goal to achieve. So the high level committee also has its eye on the kind of M&E framework that is brought to bear on its programme in the third phase and they have some recommendations that have to do with the principles, what to measure, the logical framework is recommended – what to monitor, what to report and evaluate. I think HSRC is positioned to partner with social clusters in particular, because of the opportunities for collaborated work, particularly in positions about to be special projects office in terms of capacity building and in supporting the social cluster in the design of an M&E framework that addresses high-level recommendations while conforming to the national M&E system as required by Government; and in supporting the social cluster management in strengthening the monitoring processes and in specific evaluations or impact assessment, as recommended by the high level committee.

Mr Magasela then introduced Ms Mvelase from the Department of Labour, responsible for the formulation, implementation, monitoring and all other matters that relate to labour policy.

Conditions of service, including compliance and issues of regulatory mechanisms: Ms Ruth Mvelase

I'm going to take you through the Ministerial Determination (MD) and the good code of practice issued in terms of the basic conditions of the Employment Act. The MD sets out specific sections that are varied in extent and conditions with which must be complied. The DPW in 2009, requested that the MD be amended. The determination was sent to Employment Conditions Commission and the code was sent to NEDLAC for approval. On the 25th January 2002 it was published, and implemented in February. It was published in 2010 and implemented on the 1st of November and on the 4th May 2012 and implemented on the same day. Which workers are covered by this MD? We are looking at all workers that are part of the EPWP, a programme to provide public or community assets or services through labour intensive programmes that are initiated by Government and funded from public resources. Environment and culture sector programmes, which include working for water, fire woodlands, people and parks, energy costs, waste, tourism investing in culture and programmes and also the infrastructure sector programmes which includes construction, rehabilitation and maintenance of rural low volume roads, storm-water drains, water reticulation and basic sanitation, footprints, sidewalks, bicycle paths and schools and clinics. That is what is covered under the infrastructure sector. The social sector programmes is the ECDs, HCBC, community safety and other community based programmes. And then all projects and programmes assessing the EPWP wage incentive which brings us to the NGOs, the CBOs, the community programmes which is the CWP and any other programme deemed to be part of the DPW. So the EPWP acts like a mother body of all these programmes and projects.

The MD only varies these sections in the Basic Conditions of Employment Act. Overtime rate is not paid because this kind of work is task based, allocated 40 hours per week. Looking at Section 14(3), remuneration of paid intervals of longer than 75 minutes - we are saying they may agree on longer breaks. Looking at written particulars of employment, Section 30, display of employees' rights. I mean this is varied because you cannot display employee rights. The environment is not conducive. Some are on the roads, some are in the parks, so you can't

display their rights wherever they are. Notice of termination: we saying there will not be any need for notice or severance pay because it is a fixed-term contract.

We are looking at the conditions of the variations, so you can change your minimum wage to R70.59 per day, which is linked with inflation per annum, starting from the 1st November, which is tomorrow. Termination: we say fair procedures must be followed. Proposed amendments to the Labour Legislation may have an impact on the severance pay issue. Qualify: they qualify for the Unemployment Insurance benefit on termination. This is a very important requirement. The Unemployment Conditions Act applies to EPWP. Compliance is required with the Occupational Health and Safety Act. Employers must register the employees or the participants with Compensation of Injuries and Diseases Act (COIDA) and records of employees must be kept in order for workers to be compensated in the event of an accident. That is, in short, the MD.

The code of practice assists with the implementation of the MD. The purpose of this application is to provide guidelines on working conditions, on payment and setting rates of pay, disciplinary and grievance procedures and to promote uniformity. It applies to all employers and employees in the EPWP. It is in line with all legislation: The Basic Conditions of Employment Act; Labour Relations Act; the Employment Equity Act; the Occupational Health and Safety Act; the Compensation of Injuries and Diseases Act; the Unemployment Insurance Act; the Skills Development Act. It must be read in conjunction with the MD.

Beneficiaries of the EPWP: These are locally based people who are prepared to work on the EPWP. Spreading benefits means that only one person per household can be employed and no more than 20% skilled employees from other communities. The proposed targets are 55% women; 40% youth between the age of 16 and 35 (not 15 or below because we are saying no to child labour); and 2% people with disability.

Selection and participation: The local community is informed and consulted about the establishment of the EPWP. That is how the selections are done. The criterion is to target the poorest of the poor, looking at where the head of the household has less than primary school education, or the household has less than one fulltime person earning an income, or a household where subsistence agriculture is the source of income. It provides as many people as possible with the opportunity to participate. It must be distributed amongst the unemployed. Forced labour is prohibited. The issue of payment comes up again on the Code of Good Practice. It says at least the prescribed minimum rate, with annual inflation-linked increases from the 1st November. It must be paid on a number of tasks completed, which is called the task-rated worker or a daily rate. It is paid on the basis of time worked which is like time-rated works – there's task-rated and time-rated workers. The MD says if the employer or the worker is informed a day before that the work will not take place the next day, the worker is entitled to his or her full pay. If the project is completed earlier than anticipated, workers should receive agreed remuneration in full. A training allowance to be paid, constitutes 100% when the worker is required to attend training. The employer must have a disciplinary code and grievance procedure in place that applies to all. Fair procedure includes verbal and then written warnings before dismissal. Examples of offences that warrant warnings or dismissal must be stated. Where there is poor work performance, there should be counselling, guidance, and training. The grievance procedures should be set out. A contract of employment must be provided for a task-rated worker.

Mr Magasela then introduced Mr Vic van Vuuren.

Capacity Building: Mr Vic van Vuuren

Mr van Vuuren: My presentation is not going to deal with the nuts and bolts of EPWPs, or as we put in the ILO, of the Employment Intensive Investment Programmes (EIIP). So you're going to see my reference to EIIP rather than EPWP as the heading states. I would like to set the scene by telling you a true story: Many, many years ago my great-great-grandfather worked on the railways in Salt River in Cape Town and he used to carry the toolbox for the British. That was his job. And then the Afrikaner instituted forms of affirmative action and so my great-great-grandfather became the first artisan in the family. He was a blacksmith. And so the family tradition started and my grandfather was a blacksmith, also on the railways in Salt River and moved across to Uitenhage. And then, as tradition would have it be, my father was taken out of school at the age of 15 when it was the legal age at the time, together with his twin-brother and his older brother and they were artisans on the railways. My dad's two brothers were blacksmiths and he was a wood-machinist, working in the saw-mills.

When I was 16 years old I was at high school in Durban. My grandfather had a stroke and he summonsed the family and he called me into the Silverton Old Age Home in Pretoria where he was being housed and he said, 'you're the oldest grandson with the surname van Vuuren. I want you to promise me that you will join the railways and leave school now that you're turning 16'. I was 15, turning 16 and I said, Oupa, 'I want to study law'. He said, 'you don't understand, I'm not asking you, I'm telling you'. Anyway, I was with my mother and father and I wouldn't give him the promise, which was what my father said I should not do and the old man called in the family lawyer and he disinherited me as his grandson because I was a traitor to the cause. And it was very upsetting. I never got my inheritance, although there wasn't much, but years later I studied law and I joined the railways, then Transnet, as a Legal Advisor. And I said to my ex-colleague, the late Jan Bredenkamp who was a dominee, 'Can you tell the old man I want my inheritance now. I've honoured working for his company'. But I want you to think of your mind-set now, of how stuck we get in our thought processes. I have our sons. What do I think they should do? They should all become lawyers and go to the corporate world. Number 1 goes to university and he goes into accounting; number 2 does his studies; number 3 is a Rastafarian. He studies sound engineering and he goes and does music concerts on the farms in the Western Cape and I just can't handle this. And he keeps reminding me of my grandfather's story.

Now we're talking about South Africa with high rates of unemployment. In the world at the moment, we have 250 million people unemployed. If you take the youth in that component, 75 million. If you take the youth that are earning less than US\$1.25 a day which is the minimum level that they say is okay, it's 250 million youth. We have a large chunk in South Africa of unemployed people and unemployed youth and how we're approaching programmes like co-ops and EPWPs, is with the same mind-set as my grandfather and we're getting nowhere fast. Let us not bluff ourselves. We are not making a dent in the unemployment figures in this country, but we have the potential to make a huge dent. Why is that?

The ILO started in 1919 during the First World War and it was brought about by a need to bring an end to the abuse of people in the working conditions. We were the first specialised unit of the UN in 1946, but we have a dual role. We look at standards and setting standards and you will see that the previous speaker, Ruth, spoke about the minimum standards we are setting for the EPWP. But the second side of the ILO is a developmental role and one in which we see ourselves playing a very key role in the projects around EPWPs. That is something which I want to touch on and just see and talk a little bit about the scenario that we find ourselves in now.

This is quite a busy slide (see Appendix 4), but I want to highlight just a few figures. Around the world, more than 1 billion people lack access to roads, with nearly 1 billion without access to all-weather roads; 884 million do not have safe drinking water; 1.6 billion have no reliable sources

of energy; 2.4 billion lack sanitation facilities; 4 billion are without modern communication services. Just take those figures and make them smaller and you can be talking about South Africa, about the shortage of these elements in our society. Infrastructure is the biggest share of public investments and has in recent years become a growing part of developmental agencies' portfolio. Such investments have the potential to alleviate the poverty of many through the jobs they create. Unfortunately this potential is not often realised as many projects are equipment-intensive and frequently rely on foreign contractors. What did we hear after the De Doorns strike? Farmers saying 'I'm going to mechanise'. It is a story we hear all the time. Studies have shown that making greater use of local labour and resources is usually 20% less costly and saves as much as 50% of foreign currency requirements in addition to creating 3 to 5 times more jobs and there is a multiplier effect of indirect benefits of 1.6 to 2 more jobs, the factors. Now that must say something to us, that EPWPs can be vital in addressing these significant deficiencies in a society, in a country. In the ILO what we say in addition with the financial and economic crisis, there is even a stronger call for this kind of intervention of employment intensive programmes. It has increasingly been recognised that more jobs need to be done. The challenge is now to grab this great opportunity and help constituents realise the employment potential therein and thereby an exclusive social and economic development. So I think it is a no-brainer that there is a case to be made out there for EIIPs throughout the world.

I am not going to read all this slide, but there is 33 years of experience in over 70 countries that we are working in with EIIPs. In some countries more so than others, in the developing economies. What about South Africa and where are we busy at the moment? The introduction into the South African psyche is first of all, we heard about the Labour Law going to NEDLAC. Has NEDLAC (which has unions, employers and Government sitting there) ever had an extensive debate on the effectiveness of EPWPs and capacity building of the institutions that they represent? I was the Chief Operations Officer of Business Unity South Africa (BUSA) for many years in the private sector. I do not ever remember participating in a debate, facilitated by Government, by NEDLAC, or anyone where we spoke about EIIPs or EPWPs. We heard about it, but as the private sector, we were never pulled into that debate at the macro level. What about the trade unions? And we hear continually we have the youth wage subsidy coming out there. What about the youth and the wage subsidy and what about the EPWPs? The unions are often opposed to it saying that we are going to create a second tier labour market sector. Now whilst we have the private sector not really on board, the unions having questions marks about some of these programmes because they feel we are undermining all the decent work grounds that they have made, you have two huge constituencies that are not supporting the initiatives that we are talking about today, or not totally on board. So the starting point has to be a unified Government approach with all the different departments talking the same language, approaching NEDLAC and pulling on board the private sector and the trade unions. Then we are going to get serious about the use of EPWPs.

What about the gap between the provincial and the national level? We are busy with projects in the Free State. We are talking about entrepreneurship and various projects as the ILO. We go down to KwaZulu-Natal and what I hear there does not resonate with what I am hearing at national Government level in many programmes. So there has to be an alignment of activities within Government, if we are going to talk about a capacity building of a group of decision makers and policy makers in implementing programmes throughout the country. We need co-ordination, we need project managers, we need labour market information systems that are going to provide us with accurate information as to where we are succeeding and where we are not succeeding, if we are going to move ahead. So unless we've got all of these bits and pieces in place, we are going to have sporadic successes and many failures in the area that we are talking about and not a coherent impact throughout the country. So we have to start at policy co-ordination and having the right framework in place.

What about the role of the ILO? We play a facilitating role and can bring best-case scenarios to the party where we're requested to do so. We have two projects at the moment in Limpopo, funded by the Limpopo Government which are EPWPs. In the one project in Limpopo which is the building of roads and the capacity building, the frustration that we experience – we have brought in five Engineers, a couple from Ghana, there was one from Myanmar and they are housed in the DPW in the Limpopo area. They are training up people to manage EPWPs and in five years we train the guys up only when we want to pull our engineers out to find the guys we have trained have moved on. And we do not know where they have gone. Then we train some more people and we get the training ready and we build capacity, only to find they have gone. Somehow we have to find where we are transferring skills in the development of people managing these projects, so that we can have a retention factor. We are never going to retain everyone. Years ago when Eskom and Transnet trained artisans, they would train 100 artisans knowing that they will retain 30 or 40 because the rest of them would move off into the private sector or the small engineering companies, but there was a retention factor. And so when we look at the development of people managing these kinds of projects, we are going to have to shoot higher than what we are shooting at the moment if we are going to retain skills in managing these kinds of projects. So now we have expanded our projects, but what we have is 5 Engineers who were here for 5 years, who are now going on for 10 years, because their skills are still needed to support the Government departments in which they are working. It is working well. I think in the one project we created 70 000 job opportunities. That is huge – from one project, building roads. Men and women are building roads with brick paving in rural areas where they do not have road access. The retention of the 70 000 jobs is 20%, for sustainable maintenance afterwards and people have jobs. The rest of them have acquired skills to manufacture brick paving; to lay and build roads.

EPWPs or EIPs promote 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. I think that's a no-brainer, that is what we have been talking about.

There are different levels: macro, meso and micro level. One is policy, national level; we do programme works and institutional development and capacity building at the mesa level; and then programme works at the municipal level. Do we have such a methodical approach in South Africa - national policy, medium term levels of implementation, and micro level? Are they talking to each other? My experience in the ILO project is that it is not working. We are dealing with one province out there on its own and the other provinces do not even know what we are doing. Somewhere that has to be pulled together if we are going to talk about building a uniform capacity throughout the country. The appropriateness of labour-based methods has been proved beyond any doubt and endorsed in many programmes. We did research recently in Asia of many of our projects there. All stakeholders in the rural development sector confirmed that the efficiency of rural infrastructure service delivery can be considerably improved through participation of private sector and small-scale contractors. Major constraints identified by some of the contractors were delays in settlement of their payments; unprecedented increase in the price of construction materials; high interest rates; need for further training; corruption; and poor quality of supervision. Wherever we have projects, these same persistent challenges come up. Have we identified in South Africa what those challenges are and can we eradicate them through better training and better implementation methodology? What are some of the issues that stand out?

Gender: We find that EPWPs focus mainly on men and we are leaving the gender component out. We need to build into our programmes in our capacitating of people at that level, an equal amount of men and women into projects including infrastructure, as is the case with our road-

building project in Limpopo. What about health? You find that in these programmes when you look at the minimum wages that are being paid, there are not health benefits. They are very vulnerable. They are working in increased social interaction areas. HIV/AIDS comes in. How do we factor that into an EPWP? That is something that we need to do when we look at the training and the establishment of these programmes. I think we need to do an audit. We need an assessment carried out to align with the needs of our country. We need better co-ordination between Government departments; the availability of project management skills; alignment of skills towards a non-conventional delivery approach; entrance to programmes by both women and youth. I want to give an example of the co-ordination of Governments. Monitoring in this country is very difficult. The Departments of Labour, Health, and Minerals and Energy, all have labour inspectors, each with different salary scales and different job descriptions. How do you create a career path in that arena when there are three different areas dealing with the same concept throughout the country? We need to analyse in the EPWPs and align our activities.

Environment of EIIP: In the short to medium term, what are some of the challenges? We need to look at the accreditation of the people who are working on these projects, so they emerge with something to show for the skills learned, rather than just going back to their homes to say, 'I worked on the project but I can't prove that I've acquired any skills'. The lack of skills enhancement is a big factor. The two biggest under-performers in South Africa as far as the potential to create jobs, are co-ops and the EIIP or EPWP. We need to take the success stories and build on them. The ILO will certainly be able to contribute expertise on the basis of world case best practice studies and scenarios.

My last slide is on creativity. Let us try and be creative and think out of the box. I want to tell you another story: You know in Ireland you've got jokes about certain people, in South Africa we have jokes about van der Merwe if you're an Afrikaner. You know that van der Merwe got on a train in Cape Town and he was going to Johannesburg. It is a long journey and opposite him sat a man with a black shirt and a white collar, a minister of religion. But Van came from the rural areas so he didn't recognise the shirt. So he said to the minister, why are you wearing your shirt back to front? He said 'no, I'm a father' and Van said 'I'm also a father and I don't wear my shirt backwards'. He said, 'no, no, you don't understand, I'm a father of many'. Van thought for a moment and he said 'you know I've got 6 kids and I don't wear my shirt back to front'. The minister was getting very frustrated now and he said, 'no listen my son, I'm a father of many, many, many' and Van looked at him finally and he said, 'you know you shouldn't turn your shirt back to front, you should turn your pants back to front'.

Now think of that for a moment. You have to start thinking and recognising that things need a different thought process, as I referred to my grandfather, as I am referring to van der Merwe. You have to think out the box. Let us just look at three things here: Lottery: You all know about the lottery; you all go and buy your tickets, just think about the lottery at the moment. Some years ago I started in Cape Town, I have a small coffee shop there and decided to take a domestic worker and train her up in the skills of managing a little kiosk which we set up in the Melkbos Birkenhead Centre and the little kiosk was a small corner part of the shopping centre that we hired and we set it up with two things: a lottery machine and an electricity machine. Why? You don't pay for them, it is cost-effective to start up this little business because the lottery gives you the machine and they teach you how to use it; the electricity guys give the machine and they teach how to use it. And we put it in the corner and put some cigarettes and chips and – I should not say cigarettes – but cold-drinks and chips, in there to sell. That domestic worker from earning a domestic worker's wage, went to R5000 minimum profit per month of running that kiosk on minimum skills of learning the financial literacy of running that, by earning commission off what she sold and a commission on the pay-outs on the lottery machine. We then were going to go off to the lottery to say right, here is a formula to take people and create

jobs wherever there is a kiosk. What does the lottery do? They go and park it in Pick n Pay, in Sasol garages, Shell garages. How many lottery outputs are there? Just think of the points, thousands throughout this country, all stuck in businesses where it is not their core business. Why? Because it is convenient. Why don't we take up an EIIP like this and say, we can take 60 000 jobs tomorrow in South Africa by asking the lottery to disenfranchise the big deal guys and putting it into a kiosk somewhere which costs nothing to set up? It's a simple thing, but we're not thinking out the box. We just want to make the rich get richer and we keep moaning about it.

What about PPPs in EPWPs? Have we approached the private sector to assist? I do not see the private sector involved in this. We say it is a no-go area. There is potential there. Lastly, what about youth and school leavers? Why don't we set up a programme where we get the department to register people, all the youth who have no opportunity to study or who cannot afford to study, pull them into an EPWP. Let them register at all the DoL employment agencies. It is so easy to think out of the box for a little bit and not just have the traditional things that we think about, because it is not always going to take up the slack. I can sound like a preacher, I can go on forever, but as the ILO, we certainly have a lot of input and are available to continue beyond the areas in which we are currently involved, in building the capacity in this country to create more employment through EPWPs.

Q&A

Mr Magasela opened the floor for questions and comments.

Mr Stanley Marara (DSD, Limpopo): My question is to the DoL, Ms Ruth Mvelase. We were requested to submit suggestions for EPWP Phase 3 with regard to many issues including the MD. So we asked if it possible that instead of the revised rate of payment of stipend to be with effect from the 1st November, to be taken to the 1st April in line with the start of the financial year. So we wanted to know whether that kind of request could be implemented as soon as possible from the side of the DoL as they are the ones who decide on that. Number 2: Since the start of EPWP around 2004/5, when national youth survey started, I think the minimum to the youth volunteers who were participating in the EPWP were receiving R1500. So if we are at a rate of R70 now and why some years ago a minimum for youth was about R1500? Are we not disenfranchising these young people, but also other beneficiaries of EPWP as a whole? Therefore we are also proposing that as we go to EPWP Phase 3, is it possible that we can review and start with a minimum of R2000 for all categories and then we take it from there, regardless of the increase per annum?

Ms Ronica Louw (UN): Thank you very much to all the presenters for some very interesting presentations and for bringing all the questions together, because now that we've had heard about all the different dimensions, it is actually easier to give some big-picture comments in response to some of the questions actually which you, DDG raised. After Vic's inspiring talk, I want to shift the focus back to the social sector and to say that coming from the outside, South Africa has been inspiring to all of us, particularly in going into social sector services, because in most cases public employment programmes tend to focus on labour intensive infrastructure (building roads or other things); very rarely do they go into social services. And this is something that is important for a number of reasons. One, and I say this as a reluctant feminist, it takes up issues of care work which are absolutely critical, whether it's the care of elderly people, it's the care of children and these are seen as women's responsibilities and usually as unpaid work. So to have the scope to deal with things that reduce the burden of work for women, for families and which provide care, is something that's very, very important. It's only now that in fact, even at the UN, there's recognition of the full importance of care-work. More often than not this is

unpaid work, is work that is left to women, it is third-sector work. So thinking how to do this well is something that liberates women. It involves better care for children and of communities. It is important to emphasise the work that the departments are doing in this area. The second aspect is it is much easier to do in terms of meeting labour intensive standards because it is labour intensive. The material component is actually less. The third aspect is it is easy to get up and running as a CWP shows in areas that I have seen. Even with very little training it is possible to do. But the difficulty is with doing work in this area in three dimensions. One is the employment dimension; the second is the social protection dimension which is short term impacts in terms of poverty and longer term impacts in terms of resilience; and the third is the dimension of providing services. The trouble is that these three dimensions do not necessarily go together. If you try to optimise the social protection function which is to provide more impact on poverty, you may reduce the employment function which is in terms of jobs. But the other aspect is that you end up prioritising one or the other, so if you end up prioritising the focus on jobs, then you may not think as much on ensuring that there is a poverty impact. South Africa's programmes unfortunately, in terms of major programmes in the world, have had the lowest impacts on poverty precisely because other aspects have been prioritised and not enough has been paid in terms of the stipends. There is still the reference for the volunteers and this is a big problem for programmes all over the world. So Tanzania, for example, has labour intensive programmes. The TAZAF provided for labour intensive infrastructure and the assumption was that people would contribute their labour. They were not paid. Again it was a notion of volunteers. So the impact on poverty was much less that you would get. The programme in India changed the nature of the game by saying a minimum wage had to be paid at the statutory level for the National Rule Employment Guarantee Scheme and by doing that it set the floor, because one of the questions we do not ask when we design the programme is 'what is the state of the labour market? How does the labour market work in those areas? What is the depth of poverty when we are doing this, not just to spread it more, but how are we going to have an impact?' In most cases labour markets do not work for the poor. So you can have all the legislation you want and people will take work where they get it and not be paid the minimum wage. So by setting a floor, it actually helps to change the labour market function for other jobs as well. It has spread effects. That is something to consider, that social protection does not mean not looking at these decent dimensions, not thinking about how you change the way products function, the way that labour markets function for the poor and how can you maximise these impacts, not just the direct impacts. The aspect of services also creates lots of problems. The issue of services... I am just saying these for the design function and also because it is good timing since you have the whole thinking around social services and the delivery of social work in the department. There is thinking around third phase of EPWP. The whole question of social protection as an outcome. This is very good timing in terms of re-aligning all of these different phases. The problem with services I think, is that it should not substitute for what Government should do.

So the question is how do you design these programmes so that they can be complementary? So the NPO should not be doing functions in terms of ECD (or anything else) that Government should be doing because otherwise we are saying, that we don't care about the poor, that we are willing for them to have something which is much more *ad hoc* than the norms and standards we accept for ourselves. So the question is, how do you design these programmes so that they are complementary? I think a number of the EPWP jobs are like that. So the helpers in schools are not replacing teachers, life skill coaches. All of those kinds of things are complementing services that should be provided. That also helps to deal with many of the equity issues because if you are not substituting work, but you are complementing it, then you have a whole series of different wages and expectations and graduation paths. On that issue, there are three different approaches which South Africa may want to look at. One is that countries tend to have a defined set of paths for EPWPs. That raises its own problems with regard to *ad hoc* and stand-alone kind of processes. The second is to look at convergence, as in South Africa and India,

where it becomes part of a sector programme and this is the labour intensive component which can be part of a broader sector programme. The third is the question of synergies. NPOs are expected to provide infrastructure, but what if the EPWP infrastructure component was building the ECD centres and then you have the ECD workers coming from these kinds of programmes, to give local governments flexibility, to actually get synergies between different aspects of the EPWP so that overall you start to get impacts.

Mr Magasela: An 8-hour day of ECD practitioner work paid at R80 for an ECD practitioner who's in an ECD centre, versus 8-hours of work at building blocks, which is one of the national chains where we take our children to and the same kind of services are expected there.

Ms Portia Kekena: I am going to put on a hat of an activist and propose that there is no time as opportune as this one, that we are doing a 10-year review on EPWP that we should not move to a higher level of thinking around EPWP and really revolutionise EPWP in every radical sense of the word. Clearly there are things that have not worked in the 10-year period. From governance, design and institutional issues, regarding the non-presence of DGs or DDGs at the forum that we are supposed to sit at twice a year. If the EPWP manage to succeed without that layer, let us get rid of it and let us not be shy to say that it is not necessary and it has to be gotten rid of. But if there are things that have not worked in the EPWP as a result of lack in different areas, let us also be bold to say, for as long as we cannot get the DDGs, to come together in one room and just ponder on the issues, this thing will not get off the ground the way we want it to and we need to be bold in making those assertions. A question that is at the heart of this: is it prudent to have multiple objectives for the EPWP? Are we seeking to address unemployment? Is it an issue of skills deficiency? Is it the matter of poverty prevalence that is so high? Is it a matter of insufficient capacity? What is it really that we are doing because that will speak also directly to the issue of M&E and impact assessment. With a multiplicity of objectives, the likelihood of being able to measure and do justice to that particular activity, is almost zero. For instance, if you are trying to talk about unemployment, I think we need to agree in South Africa that we have gone beyond the stage of calling unemployment a challenge. We have the challenge of substance abuse; the challenge of unemployment; the challenge of poverty. Unemployment really has become a national disaster of epic proportions. We need a President, a Minister who will stand up one day and say, 'we've got a national problem and we need to have radical steps that need to be taken in order to address it'.

So if the EPWP is addressing unemployment, we need to ask about ethical ramifications. We are trying to address unemployment and we are talking about graduating the participants of EPWP, but when they graduate, it is into further unemployment. Is it not possible to commit to a number of days per week where people will participate in EPWP and they do not have to exit the programme if we do not have a viable alternative?

Quality issues. The types of skills transfer that we do in EPWP, whether in the social sector infrastructure, are they of such quality that somebody will be able to walk from the EPWP and go into the private sector and market themselves using those qualifications? So far I am afraid the answer is no. The issue of PPP also very important. If we are saying that Government cannot carry the cost alone, why do we not think about when people graduate from the public side of the EPWP, why can they not be graduating into some kind of a private arrangement where there is some kind of an MOU between Government and private sector that will keep these people for x-number of months so that they also get exposure in the private field.

So those are the issues that I think we need to start looking at, but also very primarily, and I do not think anybody has actually dared to talk about that, there needs to be an issue of political will. Political will goes beyond just saying that there is a public employment programme; there is

a sectorial determination and therefore people are getting R80 per day and we are doing our bit as Government. It is about committing to the effect that you will make sure that we are nipping the scourge of unemployment in the bud and we will ensure that people stay in employment of public works or anything whatsoever for as long as it takes for them to be self-sustaining for as long as they cannot find a decent job elsewhere.

Funding sources: This is another thorny issue because clearly when Government always talk about insufficiency of funds, we are talking about the fiscals that cannot accommodate all of this, we are forgetting that, for instance, in the public sector we do not contribute to the skills development levy. So what stops us to have an earmark text and say in the public sector that one person that is done in the private sector, it will be put aside specifically for the EPWP purpose. So I am saying that going forward let us think radically, let us think out of the box and let us put things that will create a controversy, but will help us to move forward in a different way because when we continue to do things the way we have been doing them in the past 10 years and we expect different results, we all know there is a name for that.

Mr van Staden: Linking to what the colleague from the UN said, the question in terms of fairness for the size of the stipend versus the number of people employed in a programme of this nature. I think the call is for massification of EPWP and expanding it to greater numbers. In terms of the fairness of the wage or the stipend, if we pay more, there will be less individuals in the programme. If we pay less, we can have more and I think that is a question that is really at the heart of finding the balance in terms of the fairness of the amount paid. My question specifically to Mr van Vuuren from ILO is, internationally, how is that balance seen by other countries? Is it something that they debate? Are their wages more reasonable than ours, in other words, closer to minimum wage than ours are, or is it sort of the same kind of principle that it is really very low, but the numbers in the programme are very high?

Mr Magasela: Is R70 a day going to purchase for the country the kind of investment it needs and tap into the transformative potential of ECD or not? In other words, when we talk about EPWPs, are they buying us as a country the quality services that ordinarily, another middle-class person would obtain elsewhere? Here I'm being specific to ECD and HCBC-work. If we talk infrastructure, is the infrastructure being provided through EPWP of the same quality as that that we find in other places or areas that are not under an EPWP arrangement? So those are the sorts of things as well that I think we need to be assisted on.

Prof Arowolo: There were two direct questions that relate to programme design. The first made reference to the different areas of social services including employment creation, social protection and service provision and the challenge seems to be at a design level. How do you ensure complementarity and equity so as to also gain synergy in programme implementation? That is why in my very short presentation I made reference to the point that the context of the programme design which you use as a log-frame, is the outcome system and is rooted in the theory of change and one of the basic elements of the theory of change is inclusive participation at all levels, including the design of the programme and the management of the programme including M&E. That also means that if you had an inclusive process you will have brought on to stage all the actors that have interest in employment creation, in social protection, as well as service provision. Such that when you are doing the design and you are defining the strategies and the outputs and the range of activities to be covered, there will be no particular sector that is left out. In doing so, because you have a frame, you have a programme that is designed, you have created a platform for all actors to interact and the purpose of that is to pool resources and ideas, to avoid overlap of functions and activities and maximise the utilisation of resources. Therefore synergy is ensured because you walk together, inclusive participation. My short response to that would be at the design stage.

Mr Magasela: Are you not idealising things too much? This co-operative design that you're referring to, while the assumptions that you are building into this logical framework, are you saying that every stage of the design, there's equal understanding for this to happen? At the national level, articulate, eloquent, clear. You then begin to move towards the other levels and things Prof do change. In other words I think you made reference as well in your presentation to the local level where the implementation happens. So how do we deal with that?

Prof Arowolo: That is really the point I am trying to raise, when I showed those three levels of governance in terms of programme design and implementation. My question is the extent of interaction at different levels and within each level, the extent to which there is effectiveness in co-ordination. The high level panel identified this as a very potential comment that while, as you have rightly pointed out at the national level you can speak at such level of participation. They can understand issues and come up with a proposal, while when you move to the other levels, there's need for capacity building. And I think even at the lowest level, if there is inclusive participation, the programme process can be reduced to the local language so that people understand what you are doing. I do not think that because they are local they do not know what to do or they cannot understand anything. But if we then go to the lowest level and start talking about theory of change, you are wasting your time. Even at the provincial level you have to find a substitute for the theory of change, something that allows you to develop your programme and as you are implementing it you are asking questions. Are we going in the right direction? So you have a question that has to do with what things have worked or have not worked, with reference to the cluster structure at the national level where you have the DDGs on top. I don't know, I have attended one or two cluster meetings, thanks to the ILO as participant and sometimes in most of those meetings, depending on your level, it is difficult to engage in practical exchange of ideas where you can do because if your DG is talking you have to be careful what you say. I am saying, is it working, because that is the question I posed. I did not answer the question and I was expecting that from the audience, members who have participated in these cluster workshops, who will be able to give us a clue.

Mr Magasela: Where is Mr Tsendi? Has he left? We have a social cluster expert who was here.

Prof Arowolo: The structure looks very beautiful in the design, but in reality does it translate to effective co-ordination? I was able to bring to the table the kind of detail and information required by the theory of change to assist management in reaching decisions. These are the questions for the structure that we have in place and how you go about challenging that structure, I really don't know. That is why I am saying, 'is it working?' If it is not, if we are not sure whether it is working or not, there is need to do an evolution of the system and the structure subordinate so that we can come up with some kind of answer. The last question has to do with political will. It was not directed at me, but I think that the initiative to start EPWP in South Africa was driven by Government itself and there are very few countries that have said to themselves, let us try EPWP, so political will at least is there. I also would like to say that beyond paperwork, the Government has invested a lot to justify the interest in EPWP implementation. I think South Africa is the only country that says 'hey, ILO come, we have money, come and help us translate our ideas of EPWP into action'. In other countries you expect ILO to provide technical expertise and mobilise resources. So to that extent I think South Africa has the political will and take Limpopo Province, after the national Government started EPWP, Limpopo says we also want to do what the national Government is doing. I think there is significant public will, political will behind EPWP. For me, the two challenges we are facing is that of the design and that of co-ordination, the implementation arrangements and these are critical areas that need to be looked into further as we move into third phase.

Mr van Vuuren: I think to answer the question on what countries and how they are dealing with the levels of the remuneration, we find that the levels of remuneration are usually low in almost all countries that have EPWPs. There is no single country that has medium to high levels of remuneration. They are all very low because it is low-skill based work determined on the minimum wage levels in that country. So they are usually linked to minimum wage levels, but we find many countries even below that. The point where we as an ILO have an issue that they are going below what we call decent work levels, because there is a level of decency that needs to be built in when determining these levels of remuneration and so the experience we have had through the ILO is that they are all very similar to South Africa, in most instances, of trying to find that happy balance of giving as many people work as possible, but also not underpaying them for the work that has been done and it is a difficult one. But it varies from country to country, but the same principles are applied across all. As I said there are those countries that even go below that and it is almost like slave labour that we are talking about and we need to be careful not to get into that down spiral. There was just one other question: what is the purpose of these programmes? I think it is job creation but with the intention of minimising poverty and giving people skills. I think the biggest challenge in this country and why we need EPWPs particularly in the medium and short term, is that the legacy of apartheid has not left us. We have many people with inadequate skills, not through their own doing, but through their upbringing. To try overnight to say it is not an issue, is bluffing ourselves. And so an EPWP does fill that gap to a certain extent and allow people to acquire skills which has been very difficult for them in normal circumstances. But until our education system is able to provide employable people and youth in particular, we are going to sit with the same problem. We have unemployable people and we are going to have to use them in mass employment programmes because that is the only space we can find for them. It is a tragedy, but it is a fact.

Mr Ramachela: To follow up on this point regarding the level of wages, the nature of the sector, the nature of the work. It goes to the crux of the nature of the social sector. Why the wages were set at that level is because by traditional convention public employment programmes compensation is not meant to displace the wages in the labour market. Deliberately it is set lower, such that it should not draw those who are already employed out of their work. You read the documentation; that is what it says. Now that is well and good if it is in the other sectors that we know have been the traditional ground, like infrastructure and so on. We are saying the social sector is a different kettle of fish. The work in the sector is on-going, it is continuous. They do not work, this cadre of workers do not work half a day, they do not work two days a week to care for older persons, to look after children, to help them in the cooking, in the feeding, including in assisting them to take their medication, whether it is to ensure that there are no relapses with the tuberculosis cases and so on. They in fact work more hours than you and me. So if you play by the book on EPWP, if you refuse and resist to recognise the uniqueness of the sector in which you have brought in a particular strategy of the public employment, then you realise that there is something that is at play that does not necessarily tally with the practice in other environments. That is the challenge. Now if the extension of the public employment programmes approach strategies and methodologies which we recognise, which we affirm, which we say has its role, has come into the sector and has been innovated upon, but now you have to deal with this policy dilemma and you do not do that. I will tell you a grandfather story and I then I am going to stop. When I was growing up, they bought me a suit that did not fit me, it was too big. They say 'he will grow with it' and I went trampling on it. By the time I grew up it was already worn out. My parents did not buy me shorts. You have the strategy here; you have to learn from it. You cannot go orthodox about it, otherwise you are not learning. These are critical areas that we have to deal with as South Africa. We are being called. The world admires us. We have just hosted India and Malawi. We have just had the team returning from Namibia last week learning about public employment programmes, the South African experiences. In this

case, what are the policy innovations that would then come? So there are different levels at which these lessons must be processed and translated.

Ms Mvelase: My questions were two basically, on the issue of changing the November to April of the minimum wage and also looking at the issue of the wage to say why does it not go up? I would like to say that when I started I did mention that DPW requested an amendment on the MD. Everything that is stated, the month, the wage, all these things are done through a consultative process. So I can take it forward to say these were the issues that were raised, but we cannot change it now because it must go through the ECC, it must go through NEDLAC, all the parties involved, employers, employees, all the parties that are involved on this MD before it is published. Then it can be changed. We are noting to say why April and not November and why 70 instead of 1.2. The MD does not apply to supervisors and management of EPWP. So it is basically on those levels should they be paid.

Mr Magasela: Mr Ramachela, has he gone, stepped out? There is an issue here. There are areas of EPWP that are not necessarily shadowing other labour market areas. I will give an example of something very close to us as DSD, ECD before Grade R. We say within Government in South Africa, that is the foundation for other foundations, nutrition, intellectual stimulation, as well as care for children. We are not replacing that. We are not complementing somebody else. It is an area of our primary responsibility and therein lies then the challenge of how EPWP then gets understood. Because one of the challenges is that those that get trained, get taken by the DoE and they go and work in Grade R. The salaries are better, the conditions are not better, regulated as part of the general Basic Conditions of Employment Act. So then the question arises 'what about those then that are for ECD from birth to school-going age? Can they really, honestly speaking, be catered for under an EPWP dispensation? If they are, what is South Africa saying about the importance of the particular development stage of millions of South African children?

Prof Arowolo: EPWP has multiple objectives. The question I was asking is whether this is manageable and whether it will not create a problem of measurement. I would like to submit that almost every project has multiple objectives. In fact I can put down many short term objectives and their long term objectives, immediate objectives and there can be 15, there can even be 20. At the design stage, care must be taken to define the objectives and define an appropriate strategy for that particular objective and having done that, you identify a cluster of activities to address the strategy so that you can achieve your output. So that is why at the design stage you must be very careful to take into consideration all aspects of the programme and involve most of the actors, particularly the media actors. It is not a problem at all that EPWP has multiple objectives. That is normal. It can be taken care of by good design.

Mr Magasela: There is a tension between employment and social protection. Where then if you talk about the other one, about job creation, it is the decent work agenda. So there is a tension whether you are going to use it primarily as a social protection mechanism or you are saying South Africa has got an unemployment challenge. So you want to consider EPWP also as an area in which you want to create jobs.

Prof Arowolo: Ja, I believe also that if you seriously apply the theory of change in the process of formulating and designing the programme and managing its implementation, the various actors work together to reduce this kind of tension you are talking about. There should be no conflict because at the end of the day it is about the people who are jobless. If that is the focus of attention, then it is possible through programme-based micro-policy to address issues that relate to tension and if the co-ordination mechanism is effective, tension should be easily removed.

Mr Jabulani Tshabalala (Limpopo DPW): Mine is directed to the DoL to say the MD and the Code of Good Practices, is good policy and regulations but it seems as if it is, in as far as EPWP is concerned, a 'nice to have' because there is a lot of non-compliance. Much as you are concerned about the issues of R70 which is the minimum, there are a lot of instances where they are actually paying below that particular minimum. There is no visibility of enforcement. So then it seems as if there are no consequences for non-compliance and now if there are no consequences for non-compliance then you promote non-compliance indirectly. So I think that is one critical area that says, much as efforts are being done to try and improve the conditions of these particular beneficiaries, if we don't enforce such things... If you talk to UIF, it is sort of an exit strategy in a way, because one day the services are terminated from the programme, then at least they have something that they will get from it. But on the rebound there's non-compliance. As for COIDA, it is a serious problem. You find that provincially in the DoL you do not get co-operation when you invite such colleagues to come and address issues of compliance. That is an area that we need also to look at going forward.

Mr Sidwell Mokguthu: Now I know why I would not like to be called a father. I was with Mr van Vuuren in Namibia last week and I did not ask this question, I wanted to ask it at home and it is a direct one. I have been in the sector and have been second guessing for a long time. I would like to know the ILO's attitude and position on the social sector. As you heard from Mr Ramachela, we pride ourselves, and the only voice of support has been the colleague from the UN that we have been hearing. This workshop is about the social sector, but most of the time even the anecdotes and stories are infrastructural and we in the sector feel every time we meet and discuss EPWP, we are forced to take the matching line from infrastructure which is the dominant approach and I would like to hear that, because that will help us on going forward on what is it that we can collaborate on?

Mr Van Vuuren: The ILO takes its cue from the Government strategy and if you look at the areas that have been identified in the South African NDP you find that there are various focus areas and the infrastructure is a big one. So whilst many examples are used around infrastructure, the ILO will go into any country and look at where those core or key areas are, that have been identified by Government and we will support them there. If we feel that they are off the mark, we will certainly make suggestions to broaden that scope. So to the extent that the South African strategy enables us to go beyond infrastructure and it does, into other areas like the social sector, then we certainly would be willing and able to help in that sector as well, but then we need to find that focal point in Government that we as the ILO can talk to. At the moment our entry point is through Ministries of Labour and when we get there we are then given the NEDLAC scenario and we are dealing with mostly the workers, the employers and the Government sectors that are represented there. But that does not confine us to that work and we certainly are prepared to go beyond that. So the invitation is there too. If you approach us, we will be ready, willing and able to discuss areas outside of the infrastructure.

Mr Magasela: There are many issues that remain unresolved or are not discussed, for instance we haven't spoken about the issue of working together with other sectors such as Education. If you say you have ECD practitioners, who regulates the quality of the training of those ECD practitioners? What role do you have as EPWP in ensuring that there is quality training and those kinds of issues? At this stage I would like to hand over to Dr Stephen Rule who will just give us a high-level summary report of what has happened. Ms Sethibelo, will wrap everything up for us.

Rapporteur's summary: Dr Stephen Rule

Dr Stephen Rule: This has been a really interesting and very comprehensive look at the EPWP. We were reminded at the beginning by Mr Ramachela that the EPWP has been working in community, health, ECD and infrastructure and other sectors for almost 10 years with a prime aim being to be used as an instrument to fight chronic poverty in this country. And the 10-year mark that we have almost reached is an appropriate time to be really re-evaluating and determining the extent to which we are being successful here. Mr Skosana reminded us about the four primary mandates of the EPWP, these being to strengthen service delivery; to enhance human development and social capital; to enhance community development and livelihood capacities; and to foster sector coherency, co-ordination and integration rather than working in silos. Mr Skosana told us about the multiple mechanisms that are in place to drive the programme and my interpretation was that the national steering committee with its consistent monthly meetings is the most effective mechanism. Others are in place, but not quite as effective and perhaps should be relooked at.

We then had an interesting look at EPWP opportunities in the social sector from Mrs Lukwago-Mugerwa. She reminded us that the mandate of the EPWP came from the growth and development summit in 2003 and that in terms of numbers, the social sector has been particularly successful in creating work opportunities in the first phase. Around 178 000 opportunities were created when the target was only 150 000. However the creation of work opportunities has been far more successful than the creation of FTE jobs for various reasons that we looked into. Another interesting point that came up was that the cost of creation of a FTE job has been reduced from initially R56 000 down to only R23 000. Therefore the number of opportunities have been increased at that lower cost. Another point was that the incentive grants are being effectively spent, but are arguably not the most appropriate delivery mechanism for jobs. We then moved on to a couple of questions. One of the points made there was that the EPWP is not properly institutionalised in departments, thus contributing to lack of effectiveness. Also, some basic questions were asked. The programme is supposed to be boosting productive employment in developing marketable skills, is this actually happening? Where are the concrete statistics? A cry for a better M&E. One of the responses made by Mr Skosana was that performance agreements should explicitly include reference to the EPWP in the public service, otherwise it tends to be marginalised and not prioritised.

After tea we had an interesting, provocative, different perspective from Mr Donald Maphiri. He did say that although he is in the National Treasury, his viewpoints were private and based on his private sector experience. His view was that work opportunity statistics should not be the real issue. So he was taking a different viewpoint there. He said that service delivery is what counts. The quality of services, whoever is delivering those services, should not be compromised. The social sector mandate needs a clear review and the EPWP should not overshadow the social services mandate to deliver services. Some red flags being waved there. He did concede that there are problems in terms of the remuneration frameworks, career-pathing, and lack of access to bargaining councils amongst EPWP workers and he made an interesting point that funding guidelines need to be more accessible, keeping in mind the example of the Gogo and the rural NPO, not having access to a board, to GAAP or easy access to the media and transport; and the need for timelines and sunset clauses regarding ultimate standards required but to be achieved over a longer period rather than immediately in order to become eligible.

We moved onto interesting inputs from Prof Arowolo in terms of programme design and institutional arrangements. He made the point that the quality of the design and the implementation are absolutely critical for effectiveness. It is really important for workers to have regularity and predictability of income. Ms Ruth Mvelase went through the MD as set out in the Basic Conditions of Employment Act, as well as the Codes of Good Practice that are at the heart

of the EPWP. So the theory is there, but as we heard later on, much of the theory is not put into practice unfortunately, but certainly the regulations are there. Mr van Vuuren from ILO pointed out, perhaps a subtle difference between EPWPs and EIIPs which are implemented by the ILO internationally. He gave the example of his personal history and the need for a change of mind-set in implementing EPWPs effectively. He did focus in on the infrastructure, pointing out the need for roads and clean water and energy and effective sanitation worldwide and also in South Africa and the huge potential for job creation that comes from focusing on infrastructural needs. He also pointed out the need for creativity and not being boxed in one mind-set when trying to implement EPWP. Then we had a set of other questions and comments. Kalel from the UN pointed out the need for programmes to be compatible with local labour market realities and then we had a question on multiple objectives and how justice can be done to multiple objectives. Should we not have a radical focus on employment creation only? Professor Arowolo's response was that as long as we have clear indicators for each objective, it is not too problematic.

Closure: Ms Kelebogile Sethibelo

Ms Kelebogile Sethibelo: Let me take this opportunity to thank the DST and the HSRC and the DSD, for organising this workshop. This is a policy workshop where we discuss policy issues and problematic issues so that we can improve the programmes of Government so that we are able to deliver as a country. And today we are tackling a very difficult subject around the EPWP. We have been asking ourselves whether it is about job creation; or a social protection programme; or about provision of services and I said, it is all in one. So to deliver this programme is very difficult because we are bound to have weaknesses in some areas. As we move to phase three, we will take into consideration the inputs that were made today so that we better improve the implementation of the programme. If we do not design our policies properly, when we have to implement, we will have defects. So we need to ensure that there is similar implementation of our programmes and so that we also improve the co-ordination mechanisms because this programme is about how we all pull together. It is not about public works; it is not about social development; it is about all spheres of Government coming together and making sure that we deliver. There is a discussion at Cabinet committee level about a structure that deals with all development aspects and EPWP should be a secretariat of that so that all these initiatives around development (job creation, poverty alleviation) are brought together under one roof. A similar structure like the PICC where Ministers would really drive this and it is prioritised. Those development initiatives are prioritised so we were asked to make inputs regarding the issue of secretariat. Thanks to the presenters today who gave us a lot of insight and the participants and the rapporteur.

ADJOURNMENT

Appendix 1: Programme & Abstracts

Rapporteur: *Dr Stephen Rule, Outsourced Insight (freelancer)*
Chair: *Mr Oupa Ramachela, Department of Social Development*
Facilitator: *Mr Wiseman Magasela, DDG, Social Policy, Department of Social Development*

08:00 - 09:00	Registration, Tea & Coffee
09:00 - 09:30	Introduction
09:00 - 09:10	Welcome <i>Mr Oupa Ramachela, Department of Social Development</i>
09:10 - 09:20	Background to the workshops <i>Prof. Alinah K. Segobye, DED, RIA</i>
09.20-09.30	Social Sector EPWP: <i>Mr Nkere Skosana, Director, Strategy Integration and Coordination, Department of Social Development</i>
09:30 - 10:05	Session 1: Programming for the Social Sector EPWP 2004-2014
09:30 - 09:50	EPWP opportunities in the Social Sector <i>Ms Pearl Lukwago-Mugerwa, Department of Public Works</i>
09:50 - 10:05	Q&A
10:05 - 10:20	TEA
10:20 - 11:20	Session 2: EPWP Decentralisation and coordination
10:20 - 10:50	Programme design and Institutional arrangements for programme management <i>Prof. O. Arowolo, HSRC, Pretoria</i>
10:50-11:00	Q&A
11:00 - 11:30	Funding mechanisms <i>Mr Donald Maphiri, National Treasury</i>
11:30-11:40	Q&A
11:40 - 12:	Conditions of service, including compliance and issues of regulatory mechanisms. <i>Ms Ruth Mvelase, coordinator EPWP, Department of Labour</i>
12:10-12:20	Q&A
12:20 - 12:50	Capacity building <i>Mr Vic van Vuuren, Director, ILO Regional Office, Pretoria</i>
12:50 - 13:00:	Q & A and the way forward <i>Mr Wiseman Magasela, DDG, Social Policy, Department of Social Development</i>

13:00 - 13:30	Closure
13:00 – 13:15	Summary report <i>Rapporteur, Dr Stephen Rule, freelancer</i>
13:15 – 13:30	Closure <i>Ms Kelebogile Sethibelo, Chief Director EPWP Operations – Department of Public Works</i>
13:30 - 14:30	LUNCH

Departure

Appendix 2: Biographies

Professor Oladele Arowolo

Graduated from the University of Ibadan, Nigeria, with Honours degree in Geography (minor in Sociology and Economics) in 1968, and obtained his Masters (1971) and PhD (1973) in Demography from the University of Pennsylvania, Philadelphia, USA. taught in several universities in the USA, Nigeria and Ethiopia over the years; he was appointed Professor of Sociology and served as Head of Department of Social Sciences and Dean of the Faculty of Law and Humanities, Lagos State University, 1984-1988. Prof. Arowolo worked for the United Nations International Labour Organisation, Geneva, as Chief Technical Adviser in population planning and policy formulation (1988-1999) in Ethiopia; Kenya; and Namibia. Thereafter, served as consultant to UNFPA, UNDP, FAO, the World Bank, etc. on population and development projects in Namibia, Mozambique, Botswana, Malawi, Swaziland, Lesotho, Ethiopia, Syria, South Africa, etc., from 1999 to 2009. His main areas of concentration as a university lecturer, researcher and population professional were population dynamics, population policies and programming, population and development integration, project monitoring and evaluation. He has published books and contributed to chapters in books and produced numerous academic papers, have also published in international journals. Prof. Arowolo's current research interests include Human Rights and Development, Population and development planning and; Millennium Development Goals in Africa.

Ms Pearl Lukwago-Mugerwa

Academic Journey:

- Social Worker by profession and social development specialist
- Studied at the then University of Transkei, Rhodes and University of Port Elizabeth from 1986 – 2002 with success!
- Worked in Eastern Cape: Rhodes University as a tutor, Department of Health, Welfare and Pensions, Cape Provincial Administration and Social Development in 1988 – 2005
- Relocated to Gauteng province on promotion in 2006 to-date.

Career progress:

Have developed chronologically from entry level as an assistant administrative clerk, Social Worker, Senior Social Worker, Chief Social Worker, Assistant Director-Community, Deputy Director- Youth Development and now Director EPWP Social Sector at the National Department of Public Works.

Mr Wiseman Magasela

Wiseman Magasela is Deputy Director General: Social Policy at the National Department of Social Development. He heads the Social Policy Programme which has the responsibility to promote and institutionalise evidence-informed policy making in the social development sector. The Programme fosters the key role of research in providing evidence in policy making and policy choices, and the promotion of social policy as a way of thinking in an integrated manner in addressing human and social development challenges. The Social Policy Programme works with Directorates in the Department in the development and review of policies on children, youth, the elderly, people living with disabilities, community development, and other policy areas which are the mandate of the Department of Social Development. Prior to joining the Department of Social Development, Wiseman Magasela held the position of a Research Manager at the Centre for the Analysis of South African Social Policy, University of Oxford, England. He worked as a Chief Researcher at the National Research Foundation in the Research Capacity Development Directorate which promoted and supported research at South African universities. Wiseman Magasela lectured Sociology at the University of Natal and the University of Fort Hare. Wiseman Magasela has researched and written in the areas of poverty and human and social development. He holds a Bachelor of Social Science and a Bachelor of Science (Honours) in Sociology from the University of Natal (Durban), a Master of Arts in Sociology from the University of Witwatersrand and a Master of Science in Comparative Social Policy from the University of Oxford, England. Wiseman Magasela is an Associate Research Fellow in the Department of Social Policy, University of Oxford and is currently reading for a Doctor of Philosophy Degree at the University of Oxford.

Mr Donald Maphiri

Donald Maphiri obtained his Masters degree in Economics from the University of Cape Town in 1999. His major area of specialisation is public finance management. He worked as a research associate at the Applied Fiscal Research Centre based at the University of Cape Town from 1997 to 2000. In 1999 he co-founded AFReC

(Pty) Ltd, a private company whose mission was to build financial and public management capacity in government. Between 1997 and 1999 he was involved extensively in making input into Parliamentary processes associated with budget reforms. From 2003 he was responsible for strategic direction in the development and delivery of management development programmes offered by AFReC aimed at developing capacity of senior managers in the public service. He has done extensive work on service delivery models, design of internal management systems, monitoring and evaluation systems and costing of public sector services, including financial modelling. He has published several papers in accredited journals. The latest paper was on integrated in-year management systems published in the Southern African Journal of Accountability and Auditing Research in 2011. In 2011 he joined National Treasury to lead work on assessment of the implications of the remuneration policy and the wage bill on sustainability of the fiscus.

Dr Temba Masilela

Temba Sipho B. Masilela is the Deputy CEO of Research at the Human Science Research Council (HSRC), South Africa. His wide-ranging research interests include social policy, public management reform, social innovation, research communication, the research-policy nexus, and stakeholder engagement. He was the founding director of the Policy Analysis Unit at the HSRC and was previously the executive director of the Policy Analysis and Capacity Enhancement cross-cutting programme at the HSRC.

Ms Ruth Mvelase

Ruth Mvelase is employed by the Department of Labour from January 1997 to date. She is currently the coordinator of EPWP and represents the Department in all Governmental EPWP structures.

Mr Paul S. Oupa Ramachela

Paul Ramachela is a manager and institutional development specialist with over 30 years involvement with in administration; professional employment in the multilateral UN system, Non-Governmental sector and the public service. Presently Mr Ramachela is a Public Sector General Manager, Chief Director responsible for convening the Social Sector Public Employment Programmes of the EPWP. He has also participated and interfaced with the process and initiatives dedicated to the protection & development of Indigenous Knowledge Systems (IKS) in the areas of policy, and capacity building. As part of this involvement, he project-managed the publication of An Annotated Bibliography of SA published works on IKS.

Dr Stephen Rule

Stephen Rule holds a PhD in Political Geography from the University of Witwatersrand. He is currently an independent research consultant and Director of Outsourced Insight and has extensive experience in the design and management of social surveys and data analysis throughout southern Africa. He has managed quantitative and qualitative research on, and monitoring and evaluation of educational and developmental projects, and religious and political issues. He is a current Board member of the South African Monitoring and Evaluation Association (SAMEA). Previously he has been a Director of Surveys at the HSRC, a research director in the Department of Social Development, and chairman of the research committee of the National Development Agency (2003-07). From 1986-96 he lectured in urban and political geography at Vista University in Soweto (now part of the University of Johannesburg)

Professor Alinah K. Segoby

Alinah Segoby is Deputy Executive Director and Head of Research Use and Impact Assessment (RIA), Human Sciences Research Council. Before joining the HSRC she was Associate Professor of Archaeology at the University of Botswana and Acting Coordinator of the Master's in Development Practice Programme in the School of Graduate Studies. Prof. Segoby has undertaken research in the areas of the archaeology of southern Africa, heritage studies and development in Africa. Segoby worked in the area of HIV/AIDS as a consultant for the African HIV/AIDS Comprehensive Partnerships (ACHAP). She serves on the Botswana National Prevention Think Tank dedicated to policy advice in the area of prevention of HIV/AIDS for women and girls. Prof. Segoby is a Senior Research Fellow at the University of South Africa (UNISA) and has been a visiting Research Fellow at the Australian National University (1995), the University of Cambridge (Wolfson College 2004/5) and University of California at Berkeley (2005/6) where she was a visiting Fulbright Scholar. She was a Mellon Research Fellow at Stanford University in 2009.

Mr Kelebogile Sethibelo

Kelebogile Sethibelo completed his B degree and post-graduate studies in social science. He is a Chief Director, EPWP operations, in the department of Public Works, responsible for three sectors in the EPWP, namely social, environment and culture, as well as the non-state sector. He joined the department six years ago and was part of phases 1 and 2 of the EPWP. He has extensive experience in development work, having 22 years of experience in the field, and also having worked in community development. Mr Sethibelo was also part of pilot programmes of many government initiatives.

Mr Nkere Skosana

Nkere Skosana is the Director, Strategy Integration and Coordination, in the Department of Social Development. He has 17 years' experience of working in both the NPO sector and in government. He worked in the area of substance abuse, in the rehabilitation of alcoholics and drug addicts. Mr Skosana has worked for government for the past 14 years in the fields of HIV/AIDS, youth development and other welfare services. He has been working for the National Department of Social Development in the Special Projects Office where he's been instrumental in the implementation of the EPWP. He is passionate about human development and the empowerment of communities.

Mr Victor van Vuuren

After completing a law degree Vic started his working career at the Department of Justice as a public prosecutor and magistrate. Thereafter he moved to Transnet Ltd where he initially functioned as a legal advisor but eventually occupied the position of General Manager, Human Resources. In January 1997 Vic moved from Transnet and took up the position of Chief Executive: Human Resources at Sanlam, a position he occupied until December 2005. Whilst at Sanlam, Vic was seconded for 2003 and 2004 to take up the position of Chief Operations Officer at the newly created Business Unity South Africa which he helped establish. In January 2005 Vic left Sanlam and joined BUSA on a full time basis in the same capacity a position which he occupied until January 2009. Whilst at BUSA Vic was the representative for Business at Nedlac (National Economic Development and Labour Council) and served on the Nedlac Executive and Management committees. He also served on the BUSA Governing Body, BUSA Management Committee and acted as business advisor to the Millennium Labour Council (A national bipartite Employer and Worker Council). In February 2009 Vic was appointed as the Director, International Labour Organisation, Eastern and Southern Africa based in Pretoria. Vic also served on the Council for Higher Education and also represented organised business on JIPSA (Joint Initiative on Priority Skills Acquisition). Vic served on the International Labour Organisation Governing Body for 5 years and was appointed onto the ILO Committee on Freedom of Association where he led the international employer's delegation. In addition to this he also served on the Council of the Pan African Employers Confederation and was until 2008 South Africa's lead delegate for organised business at the International Labour Organisation. Vic also served as a board member of the Security Industry Association and the South African Power Utility Research Advisory Board. Outside of the work environment Vic is a non-executive director on the Board of the La Rosa Spanish Dance Company.

Appendix 3: Attendance

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Appendix 4: Presentations

Copies of the PowerPoint presentations are reproduced here.

MR NKERE SKOSANA:

**Expanded Public Works Programme
(EPWP) extension workers in the social
sector**

DST Government Cluster Policy Workshop
31 October 2013



Presentation Outline

- Background
- Institutional arrangements
- Social Sector mandate
- Institutional arrangements



SS EPWP Background

- The sector came into being with the advent of the EPWP in 2003/4.
- Cabinet designates DSD to lead the Social Sector
- The initial departments were Health, Education and Social Development.
- Focus was put on the two programmes, i.e. Early Childhood Development (ECD) and Home Community Based Care (HCBC)
- The SS can be defined as the sphere of Social Policy that focuses on human development in the areas of welfare, education and health.



Social Sector Mandate

- **Strengthening Service Delivery** : Increasing access, reach and improve quality of social service provision
- **Strengthening Human Development and Social Capital**
 - Harnessing the volunteer spirit, and bridging the formal and “informal, experience based” learning through the development and transfer of accredited skills.
 - Building community organisations as service delivery vehicles and relationships of mutual trust.
- **Enhancing Community Development and Livelihood Capacities**
 - Reinforcing empowerment initiatives through enhancing livelihoods capacities and creating work opportunities.
- **Fostering sector coherency, coordination and integration**
 - Reinforcing social sector wide policies, systems and delivery processes in areas such as: planning, integrated bidding, and monitoring & evaluation)



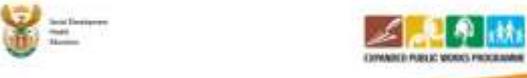
Institutional arrangements

- The sector set up the following Institutional Arrangements to ensure effective coordination and thereby meeting set targets for work opportunity creation:
 - DSG Forum
 - Programme Managers/ Chief Directors forum
 - National Steering Committee
 - Extended National Steering Committee (includes provincial representatives)
 - Annual National Conference
 - M&E, Training and Capacity Building and Communications subcommittees
 - Dedicated capacity at provincial level has also been set up to ensure implementation of plans.
 - Provincial Social Sector Steering Committees
 - National and provincial Incentive Grant Project Management Teams



SS EPWP Implementation

- Implementation is in line with the 5 year Social Sector Plan operationalised through Annual Action Plans
- Two sector plans spanning the periods 2004-2009 and 2009-2014 were developed.
- Currently developing a EPWP 3rd Phase Sector Plan for the period 2014-2019.



MS PEARL LUKWAGO-MUGERWA:

Reflections on the case for Expanded Public Works Programme (EPWP) Extension Workers in the Social Sector

EPWP WORK OPPORTUNITIES IN THE SOCIAL SECTOR

By: Pearl Lukwago-Mugerwa
DST/HSRC/DoSD Government
Cluster Policy Workshop
CSIR, Pretoria
31 October 2013



Inclusion of Social Sector in EPWP Mandate

- To realise full implementation of EPWP as a policy strategy for dealing with poverty and unemployment, State President Mbeki in his State of the Nation Address in his Joint Sitting of Parliament in 2005 mentioned that all government departments and State Owned enterprises will create 1 million productive employment opportunities in the short to medium term period of 5 years.
- In his own words, he said

"To take the interventions in the Second Economy forward, the following additional programmes will be introduced or further strengthened by April 2005, as part of the Expanded Public Works Programme and focused on providing training, work experience and temporary income especially to women and youth. These are: The Early Childhood Development programme, based on community participation, having ensured a common approach among all three spheres of government – the necessary additional funding will be provided, increasing the numbers of Community Health Workers, having harmonized training standards and increased resources allocated to the programme."



EPWP Work Opportunities: Phase 1

- EPWP target for Phase 1 was set at 1 million Work Opportunities.
- Targets were distributed unequally among the four sectors taking into consideration foot print and experience.
- Of this target, the Social Sector had to contribute 150 000 work opportunities by end of 2008/09.
- The sector exceeded the target with a final contribution of 178 000 Work Opportunities



EPWP Mandate

- EPWP draws its mandate from the agreement entered into by Government and its social partners in a Growth and Development Summit (GDS) convened in 2003 and later adopted by Cabinet in November 2003.
- The GDS partners agreed that government cannot provide a solution to the problem of unemployment alone, subsequently all social partners made practical commitments to work for more jobs, better jobs and decent work for all through among others:
 - Public-private investment partnerships;
 - Focus on labour intensive sectors (sectors which have a potential to create work for larger numbers of people) of the economy such as agriculture, tourism, business services etc;
 - Strengthening support to cooperatives, small enterprises and local economic development; etc
- The EPWP is a nationwide programme covering all spheres of government and state-owned enterprises whose aim is to draw significant numbers of unemployed people into productive work accompanied by training.



EPWP Sector Approach



Infrastructure Sector: involves the use of labour-intensive methods in the construction and maintenance of public sector funded projects.

The programmes in the sector includes the following: Routine Road Maintenance Programme like Zibambele, National Youth Service (NYS), Vukhile Contractor Learning, Water Refilection and Sanitation and the Provincial Access Roads.



Environment and Culture Sector: involves the employment of people to work on projects to improve their local surroundings and environment. The programmes in the sector includes Working for Water, Working on Fire and Wetlands, People and Parks, Coastal Land Care, Waste Management and Growing a Tourism Economy.



Social Sector: The sector has transitioned through EPWP Phase 1 to Phase 2 after it currently provides work opportunities to unemployed and unskilled people through the delivery of social development and community protection services such as Early Childhood Development (ECD), Home Community Based Care (HCBC), Schools Nutrition Programme, Khari Gade Mass Literacy Programme, Mops Participation.



Non-State Sector: consists of two sets of programmes (i.e. Community Work Programme and Non-Profit Organizations). Programmes in this sector are implemented by non-state sector agencies like NGOs, NPOs, FBOs in communities.



EPWP Work Opportunities: Phase 2

- EPWP Phase 2 was scheduled to run over a period of 5 years from 2008/09 – 2013/14.
- The programme is currently under review for Phase 3.
- In Phase 2, EPWP has a target of 4.5 million Work Opportunities and 2 million Full Time Equivalents to achieve by the end of 2013/14 financial year as reflected below according to sectors:

Table 1

Financial Year	EPWP annual work opportunity targets	EPWP cumulative work opportunity targets	EPWP annual FTE targets	EPWP cumulative FTE targets
2008/09	950,000	950,000	2,100,870	2,100,870
2009/10	842,000	1,792,000	2000,870	4,101,740
2010/11	888,000	2,680,000	361,739	4,463,479
2011/12	1,270,000	3,950,000	602,118	5,065,597
2012/13	1,280,000	5,230,000	684,163	5,749,760
Total	4,830,000	4,830,000		2,090,430

Source: Business Plan (dated January 2008)

Work Opportunities: number of individuals reported to have been employed on an EPWP project

FTE (Full Time Equivalents): person days of work and training divided by 250 days



EPWP Phase 2 Social Sector Work Opportunities

- The Social Sector has to meet EPWP Phase II log frame targets of 750 000 work opportunities or 513 043 FTEs by 2014 through its existing and expansion programmes
- Below are the EPWP 2 Social Sector targets per sphere.

Table 2

	WORK OPPORTUNITIES				FULL TIME EQUIVALENTS			
	Social				Social			
	Total	Municipal	Provincial	National	Total	Municipal	Provincial	National
2009-2010	80 000	2 744	77 256	0	60 870	270	60 599	0
2010-2011	96 000	3 291	92 707	0	67 826	301	67 525	0
2011-2012	132 000	4 527	127 473	0	90 435	402	90 033	0
2012-2013	187 000	6 414	180 586	0	124 348	552	123 795	0
2013-2014	255 000	8 748	246 254	0	169 505	753	168 752	0



EPWP Phase 2 Work Opportunities Created

- Overall the EPWP is not too far off its job creation target against work opportunities as originally framed.
- In fact, it can be projected that the programme in overall will not achieve target especially for FTEs.
- By the end of 2012/13, approximately 3 054 027 (88%) work opportunities as against a target of 4 920 000/4.5 million and 868 974 (43%) FTEs against a target 2 020 435/2 million were generated.
- Tables 3 and 4 below show that the work opportunities are growing better compared to full time equivalents.
- The Social Sector is leading at 674 830 (90%) against target followed by CWP as at end of 2013/13. However a different picture emerges with regards to FTEs where the Environment and Culture sector is leading at 176 110 (54%), followed by the Social Sector at 247 601 (48%) against target.
- This raises questions on possible causes particularly on Social Sector whose programmes are long term in nature.
- It may be argued that sector departments' programme monitoring and reporting systems are weak leading to incorrect reporting or programmes are cutting their budgets thus reducing durations for projects.



EPWP Phase 2 W/Os and FTEs Created per Sector

Table 3

Sector	Targeted Work Opportunities	Work Opportunities (1 Apr '09 - 31 Mar '14)	% Progress (Work Opportunities)
Infrastructure	2 274 000	1 288 804	56%
Environment	1 186 000	811 716	68%
Health	190 000	879 230	462%
Non-State, NGOs and CWP	840 000	511 730	60%
Total against 4.8 M W/O	4 990 000	3 054 027	61%
Total against 4.8 M W/O	4 990 000	3 054 027	61%

Table 4

Sector	Targeted FTE	FTE (1 Apr '09 - 31 Mar '14)	% Progress (FTE)
Infrastructure	603 470	385 034	63%
Environment	203 850	176 110	86%
Health	813 040	247 601	30%
Non-State, NGOs and CWP	378 350	80 139	21%
Total	2 098 435	868 974	41%
Total against 2 M FTE	2 098 435	868 974	41%



EPWP Phase 2 Social Sector Performance

- Social Sector EPWP delivery is mainly focused at provincial sphere since:
 - Local sphere involvement is small and fluctuates year-on-year. The sphere is targeted for improvement to expand sector EPWP delivery.
 - There is only one national programme involved in the sector, whose duration is short and has negative effects on the sector's overall FTE performance, although has positive contributions to the overall sector W/O performance.
- There has been a sudden decline in the sector's expenditure over the past four years especially in 2010/11 at R2.2 bn to R1.5 bn and R1.4 bn in 2011/12 and 2012/13.
- This is indicative of the budget pressure that the sector has been experiencing in past two years 2011/12 and 2012/13, meaning that less budget from the equitable share is set aside for EPWP.
- The Social Sector incentive grant is too small to achieve meaningful growth as it constitutes only 0.01% of the overall sector budgets. This comparative analysis is based on the 2012/13 allocations for the equitable budgets at R1.473 bn and R217 m.
- However, there seems to be an indication of cost-effectiveness in the utilisation of budgets which shows through the number of FTEs per R1m created in the sector.
- FTEs per R1m gradually increased from 15 in 2009/10 to 45 in 2012/13.
- Concurrently with the exception in 2009/10, cost per FTE has declined from R56, 262 to R27, 376 and R23, 134 in 2010/11, 2011/12 and 2012/13 respectively.
- There seems to be congruency between FTE cost and cost per W/O though from 2010/11 to 2012/13.
- There has been an up-ward trend in the duration of W/Os in the last 3yrs and decrease in the cost per W/O.
- Year-on-year over the past 4 years FTEs have increased which means that the sector is growing and there is room for growth despite budget pressures, to meet target especially in 2012/13.



Provincial Performance – WO and FTEs

	Work Opportunities				Full Time Equivalent Jobs			
	2009/10	2010/11	2011/12	2012/13	2009/10	2010/11	2011/12	2012/13
GN	14 650	1 924	5 110	16 880	3 577	1 707	1 044	11 263
EC	6 196	6 126	10 110	6 634	1 746	3 291	6 601	5 610
MP	19 077	10 700	24 860	26 808	4 443	6 870	12 011	16 348
WC	14 000	9 286	11 070	11 290	3 900	3 869	4 410	6 136
MP	16 897	14 138	12 940	10 518	4 341	4 640	6 119	5 186
LP	16 400	10 997	24 860	16 804	5 114	6 370	11 041	8 600
FS	10 280	6 300	6 601	5 211	1 791	3 011	3 600	1 518
NC	6 055	6 187	6 760	6 617	1 476	1 900	6 000	2 140
MP	16 754	11 860	6 133	6 307	5 205	4 954	1 739	2 260
Total	140 289	85 111	112 140	124 502	29 120	35 945	57 572	61 380

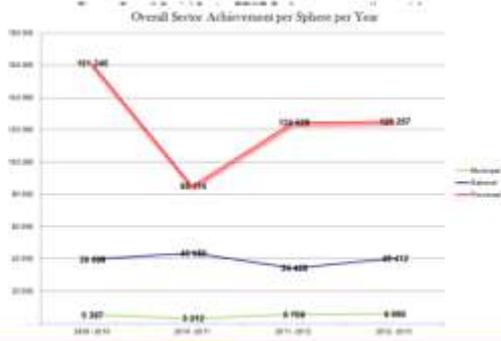
Social Sector Overall Contributions against Budget (Equitable Share and Conditional Grants) in all Spheres as at end 2012/13

Table 5

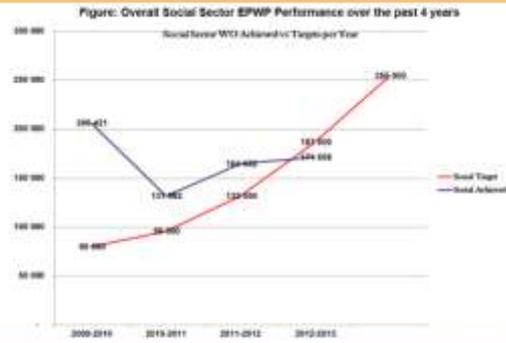
W/Os Allocation	2009			2010			2011			2012		
	Actual	Forecast	Est									
Provincial	1 027 500	1 075 200	1 027 500	1 027 500	1 075 200	1 027 500	1 027 500	1 075 200	1 027 500	1 027 500	1 075 200	1 027 500
Municipal	8 800	12 340	1 000	4 000	8 100	1 100	3 400	12 340	1 100	4 000	12 340	1 100
National	100	3 000	60	3 000	3 000	1 100	4 000	3 000	1 100	3 000	3 000	1 100
Non-State/NGOs	11	140	40	11	140	40	11	140	40	11	140	40
Anglican	14 000	15 000	15 000	14 000	15 000	15 000	14 000	15 000	15 000	14 000	15 000	15 000
Health	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000
Env	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000
Other	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000
Total	1 046 300	1 097 540	1 046 300	1 046 300	1 097 540	1 046 300	1 046 300	1 097 540	1 046 300	1 046 300	1 097 540	1 046 300



Overall EPWP Social Sector Performance (2009 – 2012/13)



Overall EPWP Social Sector Performance over the past 4 years



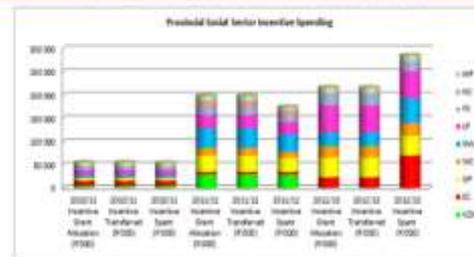
Implementation of the Social Sector Incentive Grant

Table 7: 2010/11 Incentive Grant Spending and Performance

Province	2010/11 Spending				2011/12 Spending				2012/13 Spending			
	2010/11 Actual	2010/11 Target	2010/11 %	2010/11 %	2011/12 Actual	2011/12 Target	2011/12 %	2011/12 %	2012/13 Actual	2012/13 Target	2012/13 %	2012/13 %
NC	1,176	1,200	98%	97%	20,120	7,800	258%	258%	1,071	1,071	100%	100%
E	20,034	20,000	100%	100%	2,000	2,071	96%	96%	22,222	22,222	100%	100%
W	1,200	1,200	100%	100%	14,700	4,500	327%	327%	4,400	4,400	100%	100%
GC	1,200	1,200	100%	100%	10,700	4,000	267%	267%	10,700	10,700	100%	100%
MP	7,124	7,100	100%	100%	43,275	12,700	341%	341%	20,244	20,244	100%	100%
FF	20,177	20,177	100%	100%	30,000	7,800	385%	385%	27,700	27,700	100%	100%
FS	4,600	4,600	100%	100%	12,000	3,000	400%	400%	20,000	20,000	100%	100%
LC	2,100	2,100	100%	100%	10,000	4,475	223%	223%	1,071	1,071	100%	100%
MP	1,100	1,100	100%	100%	10,000	1,100	909%	909%	10,000	10,000	100%	100%
Total	54,471	54,471	100%	100%	124,428	48,400	257%	257%	100,257	100,257	100%	100%



Social Sector Grant for Provinces



Resolutions

Having identified its challenges, the Social Sector proposes the following measures for improvement, continuation and positioning for EPWP Phase 3:

IMPORTANT ISSUES FOR IMPROVEMENT	NEW IDEAS AS PROPOSALS
<ul style="list-style-type: none"> • Sector is dynamic and requires strong institutional arrangements • There has to be strong management of political change effects • Funding models to be oriented to achieve social impacts and the needs of the sector such as training for exit. • Funding availability for capacity • Integrate EPWP M&E systems to avoid burden on public bodies • Improve accountability, include EPWP in DGs' and HoDs' performance contracts 	<ul style="list-style-type: none"> • Attract youth into the sector by improving project offerings and conditions of EPWP employment. • Adopt a demand-driven approach for the sector funding models • Adopt a combination of top-down and bottom-up approach when targeting in order to achieve broad buy-in and commitment to create work opportunities • Monitor service delivery impacts of the programme to appreciate EPWP contributions • Expand programme for massive implementation at local level • Interface between sectors to realise the value chain • EPWP Policy requirement

Concluding Remarks

Despite good performance demonstrated in the past four years of EPWP Phase 2, the sector is seeing gradual decline in participation among public bodies. Consequently, the sector failed to meet its overall W/O and FTE targets both at provincial and municipal levels in 2012/13. Therefore, within the context of crafting EPWP Phase 3:

1. The sector needs to urgently identify suitable expansion programmes scoped by the Health System Trust (HST) in 2007 and support implementing bodies to lobby for requisite resources and capacity to drive coordination and implementation thereof.
2. Some of these programmes including National School Nutrition Programme (NSNP), are currently being reported but require alignment to EPWP guidelines and Ministerial Determination.
3. Responsible departments are constantly engaged to request for additional allocations from equitable share allocations for full national roll-out.
4. EPWP incentive grant of the Social Sector is also being used to support eligible departments. A total additional number of 15 249 FTEs will be created by the end of 2013/14 but this comprises only 0.01% of the sector's total budget.
5. Additional budget is seriously required for both provinces and municipalities.
6. The sector will tap into the EPWP Incentive Grant for Municipalities to support implementation of social service related projects at local level. An estimated number of 20 000 work opportunities can be created over the remaining months of the EPWP Phase 2.



EPWP EXTENSION WORKERS – REFLECTIONS ON SOCIAL SECTOR

EXPLORING FUNDING OPTIONS

DONALD MAPHIRI

DET/THRC/DARD GOVERNMENT CLUSTER POLICY
WORKSHOP

31 OCTOBER 2013
OSR CONFERENCE CENTRE

OUTLINE

- EPWP objectives
- Programme design principles
- Remuneration matters and costs of employment
- Funding and service delivery models
- Implementation framework

EPWP Objectives

- Objectives of EPWP
 - Are EPWP objectives conflicting?
 - South Africa has problems relating to unemployment, poverty, skills and poor service delivery
 - Key themes that emerge from the review of EPWP objectives are **poverty reduction, work experience, on-the-job training and skills, and improved quality of public and community services**
 - The overall objective of EPWP should be to **extend and improve the quality of services delivered** and the rest of objectives can be prioritised in relation
 - This would also reduce **excessive focus on statistics on work opportunities** and would create scope for EPWP to **adapt** to challenges in the social sector
- Nature of employment
 - There is need for employment of extension workers
 - Questions:
 - employment in NPOs or government
 - Short-term or long-term

Programme Design Principles

- Programme design
 - What is EPWP about?
 - Improved quality of and extended service delivery
 - Not about whether extension workers should be employed; or whether they should be employed in government or not; or whether their employment should be short- or long-term
 - **That is: quality of services delivered should not be affected by who the employer is!**
 - What is required for effective programme design?
 - Review of mandate of government
 - Review all services that need to be delivered rather than those that are perceived to 'fit' within EPWP framework
 - Identify those that need to be provided (and funded) by government, although the management of delivery thereof could still be done by other bodies, including non-government bodies (who could also co-fund such services)

Programme Design Principles (2)

- Programme design
 - What is required for effective programme design? (Cont...)
 - Assess the scale of work to be done
 - identify people who qualify for services (target group)
 - assess service delivery backlogs (situational analysis)
 - generate a complete portfolio of services that need to be delivered in the social sector including the extent of the problem in each of the service areas and aim of backlog elimination (i.e. comprehensive strategic plan for the social sector – in line with integrated service delivery model)
 - Costing of services
 - extent of the resources (and therefore budget) that would be required to address backlogs – **progressive realisation**
 - this requires comprehensive and coherent quality frameworks
 - Prioritisation needs to be done taking into account:
 - financial resources available for delivery of services
 - backlog and urgency of the various services under consideration
 - capacity of the state to deliver in terms of skills and workforce

Remuneration Matters & Employment Costs

- How should extension worker services be valued?
 - They are not recognised by professional bodies
 - They are not represented in bargaining councils
 - Ministerial Determination 4 prescribes R60 per day (which has not increased to R66.34), considered by many to be too low
 - Guide for EPWP incentive grant put the maximum at R150 per day, but applies to sectors other than social sector?
 - Determining a single minimum wage figure is inadequate to address the problem of fair remuneration in the social sector, especially if the principle of career-pathing and progression is introduced
 - the Social Sector Ministerial Determination has not as yet been gazetted (suggesting confusion around this matter)

Remuneration Matters & Employment Costs

- How should extension worker services be valued?
 - value of the resources required to deliver services must be defined (e.g. work requiring a professional should be valued as such)
 - various exit levels need to be defined and corresponding remuneration needs to be set for each of the levels
 - once people have acquired experience and training over time, their remuneration should improve and approximate the level at which workers in other occupations or similar occupations in other sectors with similar number of years of work experience and training would get remunerated

Remuneration Matters & Employment Costs

- Costs of employment
 - Analysis should be done within context of total cost of service delivery
 - Workers in elementary positions in govt get at least 400% more than the prescribed EPWP minimum wage
 - If EPWP workers are paid at these rates programme would be unaffordable
 - However work aimed at standardising pay for equal value work should proceed
 - existing process therefore excludes the particular option of paying extension workers at public service pay scales or indeed creating a new level below level 3 in the public service
 - the existing covers all costs of service delivery including complementary inputs used in the social sector as well as facility and administrative costs

Remuneration Matters & Employment Costs

- Early childhood development (model results – status quo)

Model Output Costs	2008/09	2009/10	2010/11	2011/12	2012/2013	2013/14
Early Childhood Devt	4,072,490,000	4,775,648,000	5,075,699,400	5,286,298,700	5,497,834,200	5,709,369,600
EPWP cost	4,503,031,184	4,751,072,800	5,000,619,800	5,249,162,400	5,497,709,000	5,746,255,600
Programme contribution	13,362,901	10,471,000	20,000,000	10,250,000	11,754,100	10,113,000
Current Funding level	36,298,280	3,222,280,000	3,887,228,000	3,887,228,000	3,771,228,000	3,871,228,000
Shortfall to EPWP cost	90,185,180	1,528,800,800	1,881,418,800	1,837,934,400	1,810,000,000	1,871,037,600
EPWP cost/EPWP	100	100	100	100	100	100

Remuneration Matters & Employment Costs

- Early childhood development (model results – scenarios)

- Scenario 1: Requiring that underpaid and part time workers are offered stipends at the Ministerial Determination level of R60 per day plus the minimum benefits as outlined in the Ministerial determination;
- Scenario 2: Temporary and underpaid workers are employed to work full time; and
- Scenario 3: Raise the minimum wage to R80 plus minimum benefits prescribed in the Ministerial Determination.

Modeling scenarios	2008/09	2009/10	2010/11	2011/12	2012/2013	2013/14
Baseline cost	4,072,490,000	4,775,648,000	5,075,699,400	5,286,298,700	5,497,834,200	5,709,369,600
Scenario 1	4,064,844,000	4,668,011,200	4,734,270,000	4,734,270,000	4,734,270,000	4,734,270,000
Scenario 2	4,064,844,000	4,668,011,200	4,734,270,000	4,734,270,000	4,734,270,000	4,734,270,000
Scenario 3	4,064,844,000	4,668,011,200	4,734,270,000	4,734,270,000	4,734,270,000	4,734,270,000
Programme contribution	13,362,901	10,471,000	20,000,000	10,250,000	11,754,100	10,113,000
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Shortfall to EPWP cost	90,185,180	1,528,800,800	1,881,418,800	1,837,934,400	1,810,000,000	1,871,037,600
EPWP cost/EPWP	100	100	100	100	100	100

Remuneration Matters & Employment Costs

- Early childhood development (model results – scenarios)

- ECD services expanded to all poor children

Model Output Costs	2008/09	2009/10	2010/11	2011/12	2012/2013	2013/14
ECD	39,233,996,000	40,000,000,000	41,000,000,000	42,000,000,000	43,000,000,000	44,000,000,000
EPWP cost	24,000,000,000	25,000,000,000	26,000,000,000	27,000,000,000	28,000,000,000	29,000,000,000
Programme contribution	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000
Current Funding level	36,298,280	3,222,280,000	3,887,228,000	3,887,228,000	3,771,228,000	3,871,228,000
Shortfall to EPWP cost	90,185,180	1,528,800,800	1,881,418,800	1,837,934,400	1,810,000,000	1,871,037,600
EPWP cost/EPWP	100	100	100	100	100	100

Remuneration Matters & Employment Costs

- HCBC (model results – Status Quo)

Cost Category	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
PERSONNEL COSTS	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
GOODS & SERVICES	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
TOTAL	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000
PROVINCIAL CONTRIBUTION	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
DNAP TOTAL	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
CURRENT FUNDING LEVEL	36,298,280	3,222,280,000	3,887,228,000	3,887,228,000	3,771,228,000	3,871,228,000
Shortfall to EPWP cost	90,185,180	1,528,800,800	1,881,418,800	1,837,934,400	1,810,000,000	1,871,037,600
EPWP cost/EPWP	100	100	100	100	100	100

Remuneration Matters & Employment Costs

- HCBC (model results – Scenarios)

Modeling scenarios	2008/09	2009/10	2010/11	2011/12	2012/2013	2013/14
Baseline cost	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Scenario 1	1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000
Scenario 2	1,400,000,000	1,400,000,000	1,400,000,000	1,400,000,000	1,400,000,000	1,400,000,000
Scenario 3	1,600,000,000	1,600,000,000	1,600,000,000	1,600,000,000	1,600,000,000	1,600,000,000
Programme contribution	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000
Current Funding level	36,298,280	3,222,280,000	3,887,228,000	3,887,228,000	3,771,228,000	3,871,228,000
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EPWP cost/EPWP	100	100	100	100	100	100

Funding and Service Delivery Models

- How should services be funded?
 - decide on the extent to which such services will be funded and the sequencing of such funding going forward to build the requirement of progressive realisation of figures in the 5-year budget
 - develop detailed guidelines supplementing the financial awards policy for service providers focusing on portfolio of services, benchmarks and funding levels for various services and categories of beneficiaries (perhaps this should be what has now come to be called the NPO funding guidelines)
 - there will always be services that will be fully funded and those that will be partially funded
 - Decision on levels of funding needs to be done for each key resource required per service area
 - funding criteria will include to what extent wages, materials (complementary inputs), facilities, transport, utilities, etc will be funded for each service area, per level of intervention, per beneficiary type, per location type
 - Funding formulae can be designed to further objectives such as transformation by putting more weight on rural based services and partnership arrangements
 - If funding is adequate it would not matter whether extension workers are employed in government or by NPOs

Funding and Service Delivery Models

- **Current policy documents**
 - Guidelines for NPO funding/financing do not seem to exist (but should deal with issues of funding models in detail)
 - Integrated service delivery model
 - Deals with levels of intervention and generic issues and standards
 - Policy on financial records
 - Transformation matters (funding coverage, sustainability, etc) – to go beyond help with preparing business plans and include guidance with setting up NPOs, raising eligibility criteria, introduce lump sum funding and governance requirements all linked to our set clauses
 - Service specifications (where, how, when, etc)
 - Financing (unfused funding model, co-financing, programme financing, financing of services) i.e. call for proposals
 - Methods of payments (not explicitly linked to transformation)
 - Eligibility criteria (accounting compliance could be a challenge)
 - Disclosure of co-funding (NPO Act does not deal with this adequately and business plans should be designed to reveal this information)

Funding and Service Delivery Models

- **Funding Options**
 - Full funding by the State (or to the same level as those services delivered by the State – NAWONGO case in Free State)
 - Partial funding (where donors supplement base State funding)
 - Requirement for co-payment by beneficiaries
 - No State funding at all e.g. Pre-grade R in ECD
 - Co-funding/supplementary by donors
 - Full funding by private/non-governmental sector (recognise that EPWP initiatives do not necessarily have to be funded by the State)

Funding and Service Delivery Models

- **Supplementary funding**
 - Does it matter?
 - Development of funding models has nothing to do with the availability of donor funding or its absence
 - donor funding simply makes additional funding available as would be the case if beneficiaries were required to contribute for the services they received
 - When NPOs are involved as is the case currently there has been concern about the practice of double-dipping
 - Regimes accounting frameworks where organisations funded are required to report on the use or application of such funds per service area also obscuring the source of such funds
 - NPO Act should be amended to provide for penalties for those whose organisations have been found to be engaged in double dipping, which penalties might include withdrawal of their registration. Currently, NPO act says in s. 10(1)(c) it is an offence "to make false representations in any document or narrative, financial or other report submitted to the director" but NPOs simply refuse to make information available and therefore cannot be punished in terms of the Act

Implementation Framework

Activity	Responsible	Timeline
Agreement of the definitions, outcomes, deliverables, EPWP assessment and consultation of service providers and development of service catalogue in social sector (EPW, statutory and non-statutory services)	Departments of Labour, Social Development, Health, Education, National Treasury, DSA	18 months
Production of quality frameworks and accreditation and standards for each social sector programme	Departments of Social Development, Health, Education	12 months
Development of job opportunities, career paths and remuneration structures	Departments of Labour, Social Development, Health, Education	12 months
Development of a detailed funding model (linked with financial sector policy) funding terms and application in social sector (small business, micro and agriculture)	Departments of Labour, Social Development, Health, Education, National Treasury, DSA	9 months
Finalise regulatory, legislative framework and integrated service delivery model in the social sector (including self-employment or g. extension, support, accreditation, capacity building, etc) and service delivery in g. regulatory framework, accreditation of existing NPO Act, accounting requirements, etc	Departments of Labour, Social Development, Health, Education	18 months
Production of work strategies in relation to the funding model process	Departments of Social Development, Health, Education	6 months
Implementation of regulatory, legislative and operational framework	Departments of Labour, Social Development, Health, Education, DSA, NPOs of the Sector	18 months

PROFESSOR OLADELE AROWOLO:

Programme Design & Institutional Arrangements

Presented by:
Prof. Oladele Arowolo
HSRC
31 October 2013

Social Cluster Workshop

Outline of presentation

- Background – EPWP Social Sector
- Programme design : the context of 'Theory of Change'
- Programme coordination
- The 'Cluster' system; challenges & opportunities
- M&E strategy for the Social Cluster
- Role for HSRC (IA Unit)

Social science that makes a difference

HSRC

EPWP Social Sector

- The EPWP social sector is set to achieve poverty alleviation through programmes focused on reduction of income inequalities and human capital application.
- The main objectives of this cluster are to improve: Education; Quality of life; Housing, shelter and water; Health care; Social cohesion; and Social justice.
- The EPWP Social Cluster comprises DoH, DoE & DSD, charged with creating work opportunities in public social programmes (e.g. community-based health and social welfare care and early childhood development).
- Apart from home-based care and early childhood development, the Social Sector has identified additional entry points for expanding the coverage of its EPWP interventions, as follows:
 - Within the Department of Education the following programmes have been identified as areas for the expansion of the EPWP: School nutrition programme; School sports coaches; Maintenance of schools; Construction of schools; Adult education; Teacher Aids in special schools; Administrative support at schools & Community development workers.
 - Within the Department of Health the programmes identified are: Directly Observed Therapy (DOTS); Voluntary Counseling and Testing (VCT); Nutrition advisors; Lay counsellors; Malaria officers & Community Health workers.
 - Within the Department of Social Development the programmes identified are: Community Development Workers; Youth Care Workers; Child Care Workers; Emergency food relief & Social Security.



Proposals for the 3rd Phase

- As the EPWP is going into Phase 3, the High Level (HL) proposal (August 2013) call for a shift in orientation, which will require that a much stronger emphasis is placed on social protection, convergence and creating or developmental opportunities.
- The call for changing specific 'design features of EPWP', as well as improved implementation.
- The HL proposal suggest the following changes to the design features of the EPWP:
 - A strong increase in the scale of the non state sector programmes – CWP and the NPO programme with a large share of any available additional resources directed to these programmes.
 - The introduction of a set of core principles to clearly distinguish the EPWP from other initiatives and create a minimum level of uniformity and standardisation across all EPWP programmes.
 - A stronger emphasis on providing work opportunities that improve the regularity and predictability of income so as to maximize social protection outcomes.
 - The creation of both the policy space and specific mechanisms for convergence in particular areas of the sectoral programmes to enhance synergies and avoid duplication.
 - Much stronger emphasis on the qualitative outputs of the programmes, including compliance with core EPWP requirements and it is proposed that more stringent monitoring of some of these aspects is introduced.
 - A stronger focus on impact assessment so as to better understand and articulate the development outcomes of the programme, and adjust design and implementation features to maximize these impacts even further.



Programme Design

- Policy basis: EPWP policy
- LogFrame conceptualization based on Outcomes system – emphasis is on results rather activities
- Goal of policy – Programme Outcomes
 - Outcome indicators
 - Baselines & Targets
- EPWP Social Sector objectives
- Strategy mapping & determination of programme outputs
- Output indicators
 - Baselines & Targets
- Programme activities in relation to specific outputs
- Programme interventions (human, material & financial resources)
- Implementation arrangements (coordination & collaboration)
- Programme M&E framework and determination of 'milestones'
- Feed-back mechanisms



National coordination a) National

- The Cluster system has been introduced by Government 'to instil and retain an integrated and synchronised approach to policy formulation and coordination, to combat a silos approach to governance, and to build a collegial approach and shared perspective on government priorities'



Provincial level coordination b) Provincial

Provincial level (2004/5-2008/9 Plan)

Implementation arrangements



Programme Coordination C) Local Authorities

- Local governments also play a key role in mobilising community action in planning and implementing EPWPs.
- District level managers are crucial to linking services to community-based initiatives and integrating programmes into existing community services and facilities.
- They also create effective referral linkages and thereby ensure the accessibility of programmes at community level.
- The following support initiatives planned to support Local Authorities:
 - The development of a set of 'good practices' case studies by the EPWP project management team,
 - The development of a mentoring strategy for Local Authorities pilots by the provincial management team.



Cluster strategy: challenges

- HL proposals include the suggestion that the departments leading the sectors and some of the key programmes should be strengthened in their capacity for coordination.
- Both the environmental and social sector foresee an expansion of their programmes into the municipal sphere which requires coordination among a much larger number of public bodies.
 - This also requires the creation or strengthening of an appropriate institutional framework (viz. strengthening the Special Projects Office – SPO in DSD; the establishment of dedicated EPWP units in the collaborating Departments).
 - In the drive for convergence, there is the need for more active collaboration between sectors and the strengthening of the oversight of the EPWP.
 - Its success demands enhanced & additional capacity.
 - Coordination of 3 Departments and a large number of stakeholders at different levels of governance.
 - Generation & reporting of adequate programme data for M&E.
 - Need for a dedicated Project Management team in each department, to be managed by a Deputy Director.
 - The development and management of a comprehensive and responsive M&E system.
 - Effective feed-back mechanisms for programme management.



Cluster strategy: opportunities

- Human and institutional capacity strengthening
- Collaboration in preparing Annual work plan to address aspects of each output, and setting annual performance targets.
- Continuous monitoring of progress through structured meetings.
- Financial monitoring and annual audit (internal & external) in support of efficiency of resource utilization.
- Periodic (quarterly, annual, etc) evaluation – Annual reporting ensures effective delivery of interventions.
- Programme Evaluation (every 5 years or so), based on M&E framework – progress reporting provides means of verification of achievements and failures.
- Evaluation report/recommendations & Feed-back mechanism for decision making.



Programme Monitoring & Evaluation

- Context: 'A Theory of Change'
- The overall national Government's M&E framework has been developed within the context of a 'Theory of Change', and it is expected that all Government Departments and agencies such as EPWP will adapt it to their respective programme management.
- Focus on problem diagnosis, policy formulation, programming and programme implementation, including monitoring, evaluation and impact assessment.
- Defines the pathway of change or strategy mapping, to achieve a given programme Outcome, and the programme interventions (institutional, human, financial and material) that will bring about such a change.
- Structured on a rigorous identification of programme 'milestones' as basis for performance monitoring.
- It is programme (Logframe) and measurable – Outcome, Outputs, baselines, targets, interventions; risks, management – monitoring and evaluation.
- Research for programme data generation, collection and analysis for programme management and development of Outcome/Output indicators.
- The theory advocates strong stakeholders' participation in the process, from policy and programme formulation to its management, including monitoring & evaluation.
- Also a form of RBM or HRBA to programming.



Monitoring, Reporting & Evaluation

The High Level report (August 2013) proposed that the role of Monitoring, Reporting and Evaluation (M&RE) in Phase 3 is:

'To efficiently gather information regarding the performance of EPWP programmes/projects to monitor and report implementation progress and evaluate the impact of the programme on the unemployed and their communities.'

In this regard, the following principles & strategies are proposed for the 3rd phase:

- **Principles:** International best practice (and techniques) used, stronger emphasis on process evaluations to better understand how implementation procedures can be improved upon, increased focus on measuring impact (on the lives of beneficiaries, on communities and multiple areas, and the value of EPWP programmes on the broader economy, environment and society) and increased programme focus on the micro level but aim to gradually expand to the macro level over time.
- **What to Measure:** objective and the indicators per sector for measuring performance.
- **Framework:** a logical framework (logframe).
- **Monitoring** will be strengthened by, among others, enhancing coordination structures to monitor implementation progress, including re-activating the M&E forum so that M&RE issues of common interest can be discussed; challenges resolved and lessons shared.
- The **Reporting** function will be enhanced through rationalising and focusing on the required (and mandatory) reporting fields that will allow EPWP to adequately assess in-year progress, and identify the data that will be gathered through other means (such as surveys, etc) to measure performance and impact.
- The type of **Evaluation** envisaged will be more or less in line with the existing framework except that it will focus on: i) process evaluations ii) impact analysis iii) case studies on programmes/projects specifically to highlight success stories and problem areas, iv) benchmarking the performance indicators.



Role for HSRC (IA Unit)

As the EPWP moves to its 3rd phase, the Social Cluster could use the expertise available in IA in particular and HSRC in general to address aspects of the challenges faced and the HL recommendations, for a more effective programme performance, such as:

- Providing support to the SPO in framing the programme for the Social Cluster.
- Supporting the Social Cluster in the design of a Monitoring and Evaluation framework that addresses the HL recommendations and conforms to the national M&E system.
- Supporting the Social Cluster management in strengthening the monitoring processes and undertaking specific evaluation and/or impact assessments.
- Providing support to capacity enhancement (human and institutional) for a more effective delivery of programme interventions.



Development Cycle



MS RUTH MVELASE:

EXPANDED PUBLIC WORKS PROGRAMMES

Ministerial Determination and Code of Good Practice issued in terms of BCEA



BCEA / Ministerial Determination

- Variation from provisions of the BCEA
 - Specific to EPWP
 - Extent
 - Conditions

Ministerial Determination

Date published	Date implemented
25 January 2002	February 2002
22 October 2010	1 November 2010
4 May 2012	4 May 2012

Which workers are covered?

- All workers who are part of what is called the "Expanded Public Work Programmes"
- "EPWP" means a programme to provide public or community assets or services
 - through labour intensive programmes and
 - initiated by government and funded from public resources

Which workers are covered?

- **Examples of programmes:**
 - **Environment and Culture Sector Programmes** – Working for Water, Fire, Wetlands, People and Parks, Energy, Woodlands, Coast, Land care, Waste, Tourism, Investing in Culture Programmes.
 - **Infrastructure Sector Programmes** and Projects including construction, rehabilitation and maintenance of rural and low-volume roads, storm-water drains, water reticulation, basic sanitation, footpaths, sidewalks, bicycle paths, schools and clinics
 - **Social Sector Programmes** – ECD, Home & Community Base Care, Community Safety and other community based programmes
 - **All projects and programmes accessing the EPWP wage incentive** (NGO, CBO and Community Works Programmes)
 - Any other programme deemed to be part of EPWP by DPW

Extent Ministerial determination?

- **The Varied conditions are:**
 - **S10(2) Overtime rate (Task based)**
 - Task-rate worker may not work more than a total of 55 hours in any week to complete the tasks allocated (based on a 40 hr week)
 - **S14(3) Remuneration to be paid for meal intervals of longer than 75 minutes** (May agree on longer breaks)
 - **S 29(n) to (p)- Written particulars of employment**

Varied conditions cont.

- S 30 - Display of employee's rights
 - S37 - Notice of termination (Fixed term contracts)
 - S41 - Severance pay (Fixed term contracts)
 - S 51 – 58 Sectoral Determinations
- Do not apply to persons employed in supervision and management of EPWP

Conditions of variation

- Weekly rest period – Two days p.w.
- Minimum wage – R70.59 per day linked with inflation per annum
- Termination:
 - Fair procedure must be followed
 - No severance pay (However current proposed amendments to the Labour legislation may have an impact down the line)
 - Qualify for UI benefits on termination by employer

IMPORTANT REQUIREMENTS

- Unemployment Insurance Contributions Act applies to EPWP.

There is no exclusion mechanism in the Act
- Health and Safety
 - OHS Act must be complied with
 - Employers must be registered with COIDA and records of employees must be kept in order for workers to be compensated in the event of accident.

Code of Good Practice

To assist with implementation of the Ministerial determination

Purpose and application

- Provides guidelines on:
 - Working conditions
 - Payment and setting rates of pay
 - Disciplinary and grievance procedures
- Promote uniformity
- Applies to all employers and employees in EPWP
- Is in line with all relevant legislation
 - BCEA, LRA, EEA, OHS, COIDA, UIA, SDA
- Must be read in conjunction with Ministerial Determination

Beneficiaries of EPWP

- Locally-based (close as possible) prepared to work on specific EPWP
- Spread benefits - one person per household
- Not more than 20% skilled employees from other communities
- Proposed targets:
 - 55% women
 - 40% youth (16 – 35)
 - 2% disabled

(means people who have a long-term or recurring physical or mental impairment which substantially limits their prospects of entry into, or advancement in, employment)

Selection and participation

- Local community informed and consulted about the establishment of EPWP
- Criteria to target the poorest of the poor
 - Where head of household has less than primary school education
 - Household with less than one full time person earning income
 - House where subsistence agriculture is the source of income
- Provide as many people as possible with opportunity to participate
- Distribute amongst the unemployed
- Forced labour is prohibited

Payment

- At least** the prescribed minimum rate
 - Annual Increase linked with inflation from 1 November**
- May be paid on number of tasks completed ("task-rated" workers) or daily rate
- Paid on basis of time worked ("time-rated workers)
- If informed a day before that work will not take place the next day – not entitled to payment
- Training allowance to be paid 100% when required to attend training
- Written particulars to be provided
- If project is completed earlier than anticipated - worker should receive agreed remuneration for the period in full.

Discipline and grievance

- Must have disciplinary code and grievance procedure in place that apply to all
- Disciplinary Procedures
 - Fair procedure
 - Steps – Verbal , Written warning, dismissal
 - Examples of offences that warrants warnings
 - Examples of serious offences that warrants dismissal
 - Poor work performance - counseling/guidance, training
- Grievance Procedures
 - Sets out procedure for employee to follow
- Contract of Employment for task-rated workers provided.

Thank you

MR VIC VAN VUUREN:



EPWP

31 October 2013

Vic van Vuuren

ILO

- ILO Started 1919
- First specialised unit of the UN in 1946
- Only tripartite UN agency
 - Role of the trade unions at international and regional level
- Dual role of ILO
 - International Standards through Conventions and Recommendations
 - Development



ILO

- Around the world more than 1 billion people lack access to roads with nearly 1 billion without access to an all-weather road, 884 million do not have safe drinking water, 1.6 billion have no reliable sources of energy, 2.4 billion lack sanitation facilities and 4 billion are without modern communication services. Infrastructure is the biggest share of public investments and has in recent years become a growing part of development agencies' portfolio. Such infrastructure investments have the potential to alleviate the poverty of many through the jobs they create. Unfortunately, this potential is often not realized, as many projects are equipment-intensive and frequently rely on foreign contractors. Studies have shown that making greater use of local labour and resources is usually 20% less costly and save as much as 50% of foreign currency requirements, in addition to creating three to five times more jobs. And there is a multiplier effect of indirect benefits of 1.6 to 2.0 more jobs.

ILO

- Thirty years of experience in over seventy countries, linking employment with infrastructure development, has endowed the Employment Intensive Investment Programme (EIIP) with a unique and vast portfolio of both productive employment creation for economic development and social safety nets, as well as environmental measures for natural resources restoration and management. The EIIP provides advice and tools facilitating policy making and standard setting in favour of employment generation, developing entrepreneurship and skills, and creating social dialogue and protection through infrastructure works. This is carried out in both urban and rural areas, during times of crisis and also as part of a longer-term strategy of local development, creating sustainable institutional and economic environments. The employment potential of infrastructure investments is vast but, as many projects traditionally have been equipment-intensive, the potential is often not realized.

ILO

- The EIIP 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 - in rural and urban areas; as part of reconstruction and recovery in times of crisis seeking to bridge immediate crisis recovery to long-term development work; as well as contributing to longer-term national employment policies, in the following ways:

ILO

- In addition with the financial and economic crisis there is even a stronger call for this kind of intervention; it has increasingly been recognized that more needs to be done – the challenge is now to grab this great opportunity and help constituents realize the employment potential therein and thereby an inclusive social and economic development.

ILO

- Introduction
 - Policy
 - NEDLAC
 - Constituencies buy-in
 - Government driven
 - Coordination
 - Project management
 - LMIS
 - Role of the ILO

ILO

- At macro level by providing advice to requesting governments in the design and assessments of employment impact of infrastructure investments and on active labour market and employment policies. At national level it works on the creation of an enabling environment, through awareness raising, the promotion of appropriate policies and legislation, and capacity building.
- At meso level, the Programme works on institutional development and capacity building; and with the private sector and civil society, to guarantee the successful implementation of employment-intensive infrastructure programmes.
- At micro level, the Programme works at the municipal or community level through active local-level planning and community contracting to create a maximum number of productive jobs using labour-based technologies. At community level the EIIP works on improving the communities' capacities for organization and negotiation to execute projects under Decent Working conditions.

ILO Research

- Appropriateness of labour-based methods has been proved beyond any doubt and endorsed in many programmes.
- All stake holders in the rural development sector confirm that the efficiency of rural infrastructure service delivery can be considerably improved through participation of private sector small scale contractors.
- Major constraints faced by the contractors were:
 - delays in settlement of their payment certificates by the Clients;
 - unprecedented increase in the price of construction materials;
 - high interest rates;
 - need for further training;
 - corruption and poor quality of supervision.

ILO

- Gender
 - Human rights
 - Development pre-requisite
- Health
 - Lack of benefits
 - Vulnerability
 - Increased social interaction

ILO

- Audit
 - Assessments carried out to align with needs
 - Coordination between government departments
 - Availability of project management skills
 - Alignment of skills towards a non-conventional delivery approach
 - Entrance to programmes by women and youth



ILO

- Environment of EIIP
 - Short to medium term
 - No accreditation
 - Lack of skills enhancement
- Two biggest underperformers
 - EIIP
 - Coops



ILO

- Creativity
 - Lottery
 - PPP
 - Youth/school leavers

Thank you

