

## Executive Summary

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### Case studies and Completion Reports on the Expanded Public Works Programme (EPWP): Synthesis Report of Evaluations of Selected EPWP Projects

Date completed: September 2006

#### 1 Key words

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Expanded Public Works Programme; training; skills development; employment; wage; job creation; women; youth; people with disabilities; infrastructure; environment; culture; social development; economic sector; outcomes

#### 2 Commissioned and supported by

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The evaluation was commissioned by the Department of Public Works.

Contact: 256 Madiba Street, Pretoria; Tel: +27 (0)12 337 2000; Website: [www.publicworks.gov.za](http://www.publicworks.gov.za).

#### 3 Conducted by

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The evaluation was conducted by McIntosh Xaba and Associates. Contact: Mary Cole, Email: [mw.mjcole@mweb.co.za](mailto:mw.mjcole@mweb.co.za).

The evaluation was conducted over a period of one year and four months, from May 2005 to September 2006.

#### 4 Background to evaluation

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The Expanded Public Works Programme (EPWP) is one of government's short to medium-term strategies to address the challenge of unemployment in South Africa. The target is to provide one million employment opportunities to unemployed people within the first five years of the programme.

The EPWP will achieve this through the provision of work opportunities combined with training. The intention is to improve workers' capacity to earn an income through providing skills development opportunities. The programme utilises public sector budgets in the Infrastructure, Environmental, Social and Economic Sectors.

#### 5 Overall purpose of the evaluation

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The purpose of this evaluation is to investigate the nature and extent of the relationship between the EPWP and specific outcomes across the Infrastructure, Environmental, Social and Economic Sectors. This will assist to identify and feedback implementation lessons to improve the program.

## 6 Scope of the evaluation

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The evaluation covered projects from each of the EPWP sectors, being the Environmental, Infrastructure, Social and Economic Sectors. It was conducted in seven of the nine provinces.

10 case studies were written up and 10 completion reports were prepared. While completion reports generally focus on outputs and activities, the aim of the evaluation was to extend the focus to outcomes and impacts.

## 7 Evaluation questions

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No evaluation questions were identified in the report or the Terms of Reference.

## 8 Evaluation methodology

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### 8.1 Type of evaluation

This Evaluation Synthesis utilised a mixed methodology, combining reviewing of monitoring and evaluation reports, and conducting fieldwork using qualitative and quantitative methods.

### 8.2 Methodology

The study involved compiling case studies and completion reports for purposefully selected projects that were either completed or nearing completion. In some cases both case studies and completion reports have been written on the same projects.

Both qualitative (focus groups) and quantitative data were obtained and analysed. The results were compared to draw common lessons and to analyse trends.

### 8.3 Data collection

The evaluation sample was drawn from the EPWP database of projects. From the list of about 4000 projects provided, 13 projects were selected as part of the sample. Projects were to be selected:

- From each EPWP sector: Infrastructure, Environmental, Social and Economic.
- From the four priority poverty nodes: Alfred Nzo and Maluti-a-Phofung Integrated Sustainable Rural Development Programmes (ISRDPs) and Motherwell and Alexandra Urban Renewal Programmes (URPs).
- Those that were 80-100% complete.
- Those projects where the client or stakeholders requested the evaluation to support decision making about the future of the project or to resolve differences of opinion about the project.

The spread of projects was widened beyond the 4 priority nodes when suitable projects in the nodes had been exhausted and in response to specific requests for evaluation (from the Western and Northern Cape Provincial Administrations). The economic sector was not represented because of the unavailability of projects at the time of the evaluation.

The evaluation sampled 1000 people for interviews, including project managers, contractors, consultants, beneficiaries, and provincial and district municipal officials.

## 9 Findings

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### *Labour distribution*

The EPWP targets for women (target of 40%) and youth (target of 30%) have largely been achieved as evidenced by 54% of projects sampled having 60% or more for female representation in the labour force. The area of greatest disappointment is the employment of people with disabilities where only 15% of the projects achieved the EPWP target of 2% or more.

### *Work system*

Three work systems were identified from the study: time based (daily wages), task-based, and a combination of time-based & task-based system in the same project. It was found that the task-based system yields better productivity than the daily-wages system. The greatest concern with task-based systems is how to precisely define a task. Poorly defined tasks can disadvantage the workers and supervisors.

### *Employment duration*

Three categories of employment duration could be identified through the study: 3 months period (23% of the projects), 6 – 10 months employment duration, and two years or more. Participants employed for 3 months complained about the short duration of employment. Projects that employ staff for two or more years seemed to be more successful at the training component of the programme and exit strategies. It appears that the duration of the project has direct impact on the training and post project employment opportunities.

### *Wage rate*

62% of the projects investigated paid wage rates between R40/day to R60/day. High population density where there is an abundant supply of labour. Though some projects have very low labour cost, 4.5% and 25% (30-40% is ideal for labour-intensive projects), they still called the projects labour-intensive. It seems that most project implementers are not aware of what constitutes a labour-intensive project. This needs to be clarified.

### *Percentage labour cost*

Cost data could not be obtained for 54% of the projects investigated, signalling a problem of financial record keeping. Though some projects have very low labour cost, 4.5% and 25% (30-40% is ideal for labour-intensive projects), they still called the projects labour-intensive. It seems that most project implementers are not aware of what constitutes a labour-intensive project. This needs to be clarified.

### *Training*

85% of the projects investigated offer technical training together with other forms of training such as Life Skills, Safety, Health and Environment (SHE), and Social Interventions. This is a positive development.

### *Cost per job*

A comparative analysis of the cost per job reveals that the cheapest cost per job created was from the social sector (R12, 661/job), followed by the environmental sector (R18, 519 to R62, 331), and lastly the infrastructure sector (on average R73, 000 to R95 000 per job). The implication of this is that the potential for job

creation, both cheaply and labour-intensively, lies mostly within the social sector, and lastly by the infrastructure sector.

#### *Job creation potential*

The study revealed that 69% of the projects investigated had potential for job creation subject to overcoming certain constraints such as funding and financial and project management. Simply put, more jobs could be created with increased funding. The ability of participants to find further employment or become self-employed beyond the EPWP is a challenge for sustainability. Exit opportunities appear disappointing for all the projects investigated.

#### *EPWP assumptions*

The EPWP makes some crucial assumptions that were tested as part of this study. According to the study, the EPWP assumptions on private and public sectors having capacity to implement EPWP projects, SETAs having capacity to deliver, adoption of labour intensive methods, and systems in place to check corruption were found to be valid. However, a few individuals expressed concern about the lack of performance and delayed payment from SETAs. The study found exit options, funding provision for projects and awareness about the EPWP to be unsatisfactory.

#### *Key challenges for the implementation of EPWP*

The following issues were identified as areas for improvement of the programme:

- There are limitations in the strategic alignment of the EPWP programme to the priorities, resources, organisational strategic objectives and potential for labour-intensity.
- Organisational capacity can be strengthened through building solid partnerships and building buy-in and support from officials for the project. Lessons can be drawn from current projects within the EPWP.
- The structure of remuneration is a challenge in terms of the low pay rate, task-based work system and delays in payment.
- Although training has taken place, accredited training is a challenge.
- Exit strategies are not properly formulated and therefore not effective.

## **10 Conclusions and recommendations**

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The target is to provide one million employment opportunities to unemployed people within the first five years of the programme. The EPWP will achieve this through the provision of work opportunities combined with training. The intention is to improve workers' capacity to earn an income through providing skills development opportunities.

The EPWP is generally very well received by communities and vulnerable groups (particularly women and youth) have benefited from employment opportunities. Although the task-based system yields better productivity than the daily-wages system, it is important to acknowledge the challenges in accurately predicting the labour required to fulfil a task so that it is not financially detrimental to workers or contractors. Most projects investigated earn between R40/day to R60/day. These projects seemed to be located in areas of high population density where there is an abundant supply of labour.

While most projects offer training, accredited training is a challenge. The EPWP seems to work best where projects employ staff for two or more years as training is better implemented and exit strategies are more effective.

The Social Sector seems to provide the best potential for job creation, both cheaply and labour-intensively. The ability of participants to find further employment or become self-employed beyond the EPWP is a challenge for sustainability. Thus, attention needs to be given to the development of exit opportunities.

The strategic alignment of EPWP projects and organisational capacity should be strengthened for the programme to be a success.

The following key recommendations were made in relation to the programme:

- There is the need to develop an EPWP selection matrix to determine whether a project can qualify as EPWP or not.
- Communication with all stakeholders, particularly the workers/potential workers is vital. There has to be a clear understanding about the objectives behind the EPWP and EPWP projects, how they are to be employed, trained (what they will learn and future prospects) and remuneration.
- SETA/CETA and Department of Labour shortcomings in providing support to the EPWP need to be investigated and dealt with urgently.
- Average extended duration of employment of six months or more could allow additional time for training and would enhance exit opportunities.
- An EPWP maintenance plan needs to be included into all contracts awarded.
- There is a need to review the wage rates in most projects especially those around R40/day. Contractors and EPWP implementers should be trained on realistic and accurate calculation of tasks in task-based work.
- There is a need to explore potential for self-employment and to train project participants on how to run their own businesses, since participants are unlikely to find formal employment.
- Social projects must be sought and given serious consideration and be promoted if the EPWP is to assist participants to find employment after the program.

## 11 Evidence of use

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Since the client was not interviewed, information on the utilisation of results was not available.
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## 12 Note on quality of report

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The evaluation received an overall score of 2.92 out of 5 when applying the Evaluation Quality Assessment Tool (EQAT). It is important to note that the client's perspective on the quality of this evaluation is non-existent, and service provider input was non-existent. This limited the overall assessment of the quality of the evaluation.

The major challenge in this evaluation is the lack of proper structure and content to provide a framework for the reader to understand the flow and logic of the report. Key aspects such as the evaluation objectives, key questions, methodology and sample were very limited. The interpretation of results was thus a challenge. The report would need some work before it is of a publishable standard.

The data itself was useful and presented very succinctly. The alignment to the purpose of the evaluation (i.e. assessing outcomes) may however have been limited, although this may also have been due to a limited understanding or communication on the programme outcomes and Theory of Change.