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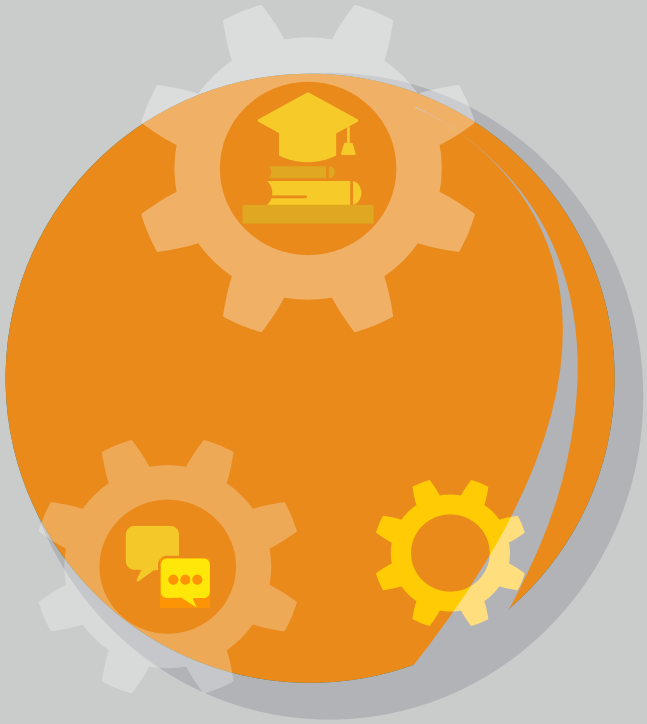

EXPANDED PUBLIC WORKS PROGRAMME

EXIT STRATEGY

FOR SOUTH AFRICAN CITIES

public works & infrastructure
Department:
Public Works and Infrastructure
REPUBLIC OF SOUTH AFRICA

EXPANDED PUBLIC WORKS PROGRAMME

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Chief Editor(s)/Project Manager(s): Ignatius Ariyo (NDPWI) Kgomotso Tolamo (SACN)

Project Management Support Team: Sadhna Bhana (SACN) Kopano Ntsoane (SACN)

EPWP Exit Strategies for South African Cities Contributing Authors: Cityzen Smart Solutions

Copy editing: Dave Buchanan

Design & layout: Hothouse South Africa

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FOREWORD

The South African government introduced the Expanded Public Works Programme (EPWP) as a means of creating jobs. The primary focus of the programme is to provide an income for the poverty stricken and to reduce the country's high unemployment rate while creating much-needed public infrastructure and improving service delivery. To maximise work opportunities, the early stages of the programme emphasised labour-intensive methods in the Infrastructure sector. Since then, cities have since found innovative ways to implement the programme in the Social, Environment and Culture and Non-state sectors.

Public Employment Programmes such as the EPWP programme offer a crucial entry into formal labour markets and enable work-seekers to retain linkages to the labour market. Naturally, an ongoing challenge with EPWPs is demand for permanent employment upon exit and defining achievable exit strategies. It is with this in mind that the EPWP Reference Group conceptualised this research.

It is hoped that both the Research and Strategic Framework and Implementation Guide contained in this publication will provide a valuable reference document, articulating how various ecosystem partners can come together to improve job creation in their respective local contexts.

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Part A

EPWP **EXIT STRATEGY**
GLOBAL BENCHMARK REPORT

1. INTRODUCTION

Public Employment Programmes (PEPs) are described as public-financed employment-generation tools implemented by various national governments across the globe as part of their respective national social security/protection systems (ILO, 2010). The main objective of these programmes is typically to alleviate poverty, unemployment and underemployment through the provision of infrastructure and public goods and services. While most countries have existing investment programmes that prioritise infrastructure assets and services, PEPs can be designed to complement them, by maximising the labour capacity required by their implementation processes. PEPs are independent of private sector involvement and funding, and are thus unaffected by the market-based employment capacities of the private sector that are often subject to market competition, and often negatively affected by economic crises (ILO, 2020).

One of the core objectives of the PEP model is to integrate vulnerable and unemployed people into the labour market by empowering them with employable experience and skills. This provides participants with predictable paid work while improving their income stability and security, usually over a short-term timeframe. Furthermore, PEPs can also be implemented to provide employment and income opportunities for skilled workers who have lost their jobs due to an economic crisis.

The South African Expanded Public Works Program (EPWP) is the nation's PEP temporary work employment strategy aimed at poverty alleviation and income provision, and offers a crucial entry into formal employment for unemployed South Africans. Samson (2018) notes that it is important that PEPs are viewed as a key component in completing the social security/protection intent of the government. PEPs must be viewed in relation to indigent policies, the various social grants and other programmes available to the poor. In the face of increasing unemployment and South Africa's skewed socio-economic environment, PEPs have played a central role in cushioning millions of citizens from poverty and the indignity of not being able to work for pay. The country's EPWP is an employment programme that provides for more than just income. Philip (2015) describes the positive outcomes on communities through the impact of income, the impact of participation in work, and the impact of the infrastructure and services delivered to the communities through these programmes. The EPWP is also an important rung on the ladder of employment and income-generating initiatives.

PEPs must be viewed in relation to indigent policies, the various social grants and other programmes available to the poor.

Unfortunately, PEPs often do not guarantee long-term employment or income-generating activities. As a result, the role of PEPs is often criticised, on the basis that participants are likely to exit into the same conditions they were in before the PEP. The South African EPWP has been criticised for offering short-term 'poverty relief' that creates short-term income dependency instead of stimulating the long-term employability of beneficiaries. When the EPWP in South Africa was started, it had two main principles. The first was that all government departments would create productive employment opportunities through labour-intensive methods of infrastructure provision; and that through government procurement, a concerted effort would be made to support SMMEs, and work opportunities would also be created in environmental and social programmes (Mngomezulu & Shange, 2016). The second principle required that unemployed people would be given work experience; that skills and training would be provided to participants while on the programme; and that workers would be assisted with employment once they exited from the programme (Mngomezulu & Shange, 2016). It has been acknowledged that the exit strategies have not had the positive outcomes that were expected. A review of exit strategies over the different phases of the EPWP in South Africa revealed that the exit-strategy thinking was based on an assumption that the job market would be able to absorb those who exited the programme, which is sadly not the case (Mngomezulu & Shange, 2016). The demonstrable successes of cities in implementing EPWPs are in part the source of their major challenge, that being the demand for permanent employment by recipients on exit.

This challenge is not exclusive to the South African EPWP. According to the ILO (2012), 'exiting' and 'graduating' participants from PEPs is a problem faced by many PEPs in different locations across the globe. Some of the key questions that arise in considering the exit of PEP recipients include: "How is it decided whether someone should no longer participate, who decides it, when is this decision taken and on what basis is it made?" (ILO, 2012). The answers to these questions are intricately linked to the nature of PEPs and the purpose they serve in their environments, as well as to the design principles behind the PEP and its various components.

2. RESEARCH OBJECTIVES

This study explores global examples of PEPs, with the aim of understanding design elements and approaches that enable the successful exit of participants from these programmes. The report will highlight different forms of PEPs, how they have been formed and what purpose they serve. The report then delves into the details of a select number of case studies, to understand how these PEPs were designed, how they function, and how they exit participants from the programme effectively.

3. PATHWAYS TO EXITING PUBLIC EMPLOYMENT PROGRAMMES

An exit strategy is implemented to ensure a long-term and sustainable impact after participants have graduated from the programme. This can be achieved by integrating PEP with broader social, employment and economic policy, to ensure an environment that will enable participants to continue earning an income using the skills and training acquired from the programme. Typically, successful exit strategies enable participants to obtain employment outside of the programme, or to create their own employment by starting businesses.

3.1 Graduating and Exiting PEPs

First and foremost, it is important to note the distinction between 'exiting' and 'graduating' from a PEP. Exiting is determined by the programme's policy conditions about when participants should leave the programme. These conditions can be based either on time or on an individual's status against set criteria or indicators. The latter is often referred to as 'graduation', as the participant meets a certain criterion that deems them no longer in need of being part of the PEP. However, the ILO (2012) defines 'graduating' as the voluntary exiting of participants from a PEP. Here, participants use their discernment to decide to leave the programme – often influenced by factors that lie outside of the programme, for example their ability to secure a place in a different programme that offers them improved quality of life (see Case Study 1 on the Jefers de Hogar, and Case Study 3 on the Bangladeshi BRAC Graduation Programme).

Although the term 'graduation' has a multitude of definitions, Almeida and Galasso (2007) point to the consensus on its objective, which is about more independent, sustainable, and resilient livelihoods, where recipients move from a state of dependency to an independent livelihood, or both. When it comes to design and implementation of graduation 'strategies' or 'policies', there is a large array of interventions – from the narrow ones that emphasise an 'exit' (e.g. limited duration of benefits) to the broader ones which enhance opportunities by enabling the poor to use 'complimentary' services and programmes that may tackle income poverty or 'dependency', based on linkages with active labour market programmes (Almeida & Galasso, 2007).

When it comes to design and implementation of graduation 'strategies' or 'policies', there is a large array of interventions.

Graduation from a PEP requires a socio-economic environment that is conducive for participants to investigate alternative options outside of the PEP. This is particularly challenging, as it requires not only an adequate job supply, but also perception and the mindset on the part of the PEP participant that there are opportunities in the job market to benefit from, and that it is possible to secure opportunities outside of the PEP. Inevitably, countries that face structural unemployment will face challenges in enabling participants to graduate from programmes. For graduation to be successful in such contexts, PEPs must be accompanied by intensive economic growth (ILO, 2012). Samson (2018) refers to the South African case as 'transformational unemployment', where there is simultaneous structural unemployment (i.e. a longer form of unemployment caused by fundamental shifts in the economy) as well as demand-deficient unemployment. The PEPs are supply-driven initiatives, and therefore their impact is limited in addressing the unemployment needs of often-discouraged work seekers. In South Africa, for example, where there were almost 4 million (29.9%) discouraged job seekers in the latter part of 2021 (Stats SA, 2022), it may be challenging to motivate PEP participants to seek opportunities outside of the PEP programmes. Tcherneva (2018) proposes a transition-type programme linked to PEPs in such contexts. An example of a transition programme is the American 'JustJobs Network' which offers existing PEP participants various kinds of full-time jobs for a minimum wage.

South Africa's employment context does not enable successful graduation from the EPWP. Participants must often exit the programme according to the exit policy, which makes provision for the replacement of beneficiaries who have been in the programme for more than two years in a five-year project cycle. In such cases the beneficiaries are anticipated to have received adequate training to enable them to move on to other income-generating activities outside of the EPWP. The challenge, therefore, is that there is a clear misalignment between the intentions and the objectives of the EPWP. The EPWP's objective is to provide short-term employment to its participants, which can be achieved internally through the programme. But the EPWP also intends assisting participants with graduating out of the programme into other income-generating opportunities. This involves factors that are primarily external to the programme and require an ecosystem approach to enable opportunities for participants to graduate.

Many countries use this fused approach to graduation and exit strategies; but it comes with the premise that participants should be enabled to find work outside of PEPs. Therefore, participants are often kept on the PEP, but then exposed to experiences and training that will advance them to meet certain criteria that will then dismiss them from the programme (ILO, 2012). As reflected in Mngomezulu and Shange (2016), the EPWP was expected to create employment linkages for programme participants, but the markets have not been receptive of EPWP graduates or potential graduates. This points to the structural nature of unemployment in South Africa, which cannot be resolved solely from a supply perspective but requires labour market demands. Although the choice of graduating is not quite the mandate and capability of PEP programmes, it is evident that ideally, most PEPs want to enable participant graduation.

The World Bank (2010) lists two requirements for graduating into other income-generating activities: a) the availability of the right kind of interventions to enable a participant to graduate, and b) the sequence in which these interventions are discharged or rolled out. The ILO (2012: 11) further identifies a variety of graduation enablers. These are classified as internal and external to a participating individual or household (Figure 1 below). Whether or not these enablers are effective will always vary in local and individual contexts and sequencing. However, they must always be accompanied by other interventions to support them.

Figure 1: PEP Graduation Enablers (ILO, 2012:1)

According to various needs and contexts, different combinations of these enablers are what make PEP graduation successful, which is reflected in the case studies examined in this report. PEPs may contribute to some of these enablers by including them as part of their exit-strategy training programmes, or as complementary programmes that may have to be managed by different institutions. Linking to external programmes such as small business development support and mentorship is particularly important for ensuring participants graduate rather than only exiting.

3.2 Sustainable Income-Generating Methods

One of the most important objectives of most PEPs is to enable participants to move on to other income-generating methods after exiting the programme. Sustainable income-generating methods include activities such as self-employment, permanent employment and longer-term employment. It is clear that PEPs alone do not have the resources to completely enable individuals to achieve this; but PEPs can be linked to (or complemented by) initiatives that may enable participants to venture into independence. Sustainable income-generating methods may be enabled by factors such as stability and security, the acquisition of new assets, and access to networks, among others. Furthermore, sustainable income-generating methods require viable economic markets, and complementary economic development and employment policies.

The acquisition of skills through work experience is an important step towards sustainable income generation. Contrary to what is common practice, the application of on-the-job training or mentorship to participants in employment cannot be one-size-fits-all. This was a key finding of an employment programme which targeted youth transitioning out of foster care. Employment is perceived as a developmental experience, which can vary significantly between young recipients and adults (Lansing et al., 2021). This affirms the importance of clarifying, from a programmatic and evaluation perspective, the target audience for whom training programmes and employment assistance are intended (*Ibid*). This must include a clear understanding of their skill sets and the level of support required to move the participants to a skill level from which they can engage in income-generating activities.

Green et al. (2013) suggest a longer-term approach to improving employability. They describe 'employability' as the ability to gain, sustain and progress in employment, which goes further than being offered work opportunities. The demand and supply nature of most PEPs somewhat reduces the nature of job-market exclusion to a lack of effort and motivation on the part of the individual (Goodwin-Smith & Hutchinson, 2015). The employability approach suggests a more holistic view of employment, which recognises other barriers in the employment ecosystem that may be brought about by factors internal to individuals as well as those caused by the external socio-economic environment.

Again, some of these enablers are not within the mandate and capability of PEPs, which is why PEP exit and graduation strategies must co-exist with other complementary training programmes (e.g. including a differentiated financial literacy programme aimed at supporting potential entrepreneurs at different stages of readiness) and a city's economic growth plan. Training programmes should be intentional in targeting a combination of areas that act as barriers to employability and creating sustainable income generation, taking into account the heterogeneous nature of programme participants. Often, the training provided in PEPs is not sufficient to unlock the potential and foster a mindset that will drive participants to independence and the decision to graduate from a PEP.

Jackson (2014) suggests the inclusion of employment guidance, which targets assisting with skills development, job seeking, career decision making and employment maintenance. Employment guidance helps improve an individual's ability to gain and maintain a job at a formal organisation. Employment guidance can consist of (but is not limited to) the following activities:

- Assessment and development (of personal aspirations, attributes, preferences and psychological state)
- Screening and profiling
- Career management coaching (personal action plans and managing job changes)
- Job brokering and advocacy
- Individual and group job-search assistance (interviews, CVs, job applications, etc.)
- Labour market information
- Employment counselling (e.g. addressing perceived barriers to re-employment).

This type of training is usually only available to those who have the means to procure private career development. Though the most common form of PEP exit strategies focuses on a work-first and human capital development approach, Whelan et al. (2021) suggest that employability should be viewed as a **continuum** that includes work-life and life-first approaches (described in Figure 2 below), to assist citizens in dealing with various societal challenges. Of course, the type of approach adopted relies on its feasibility in the local context.

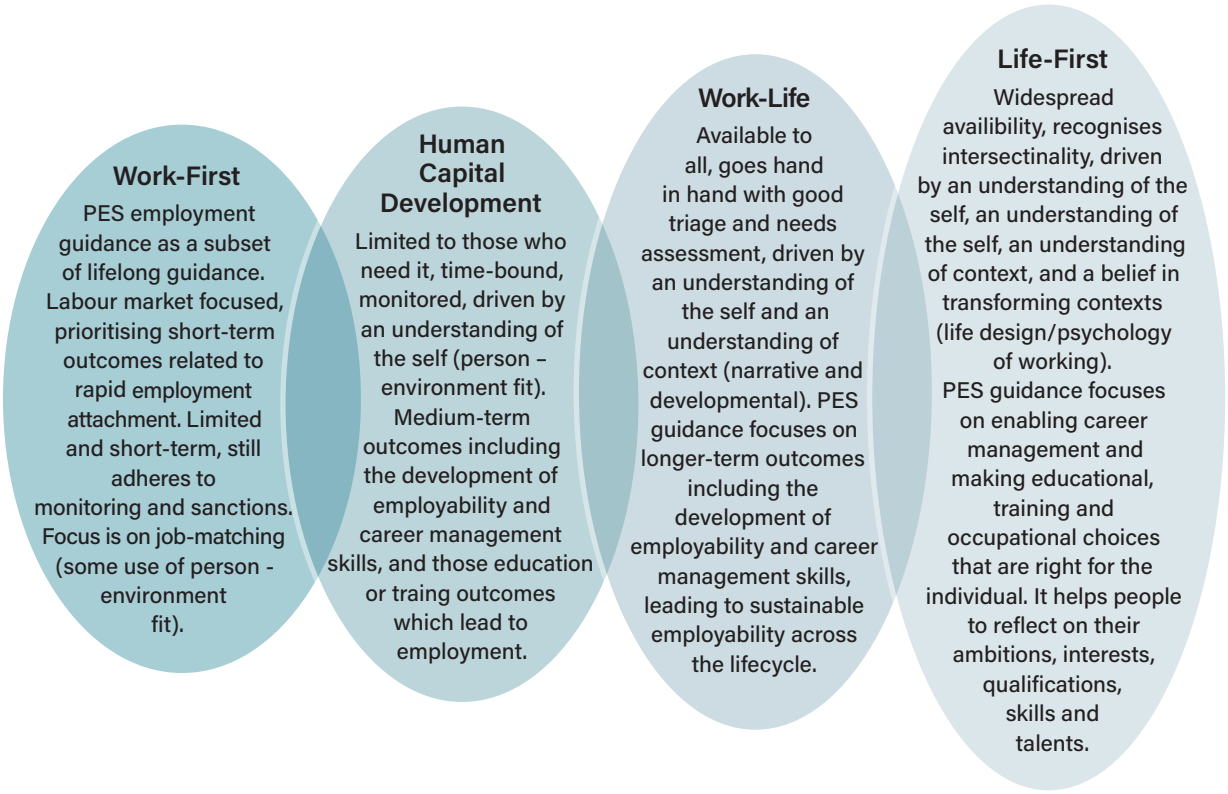

Figure 2: **The Employability Continuum (Whelan et al, 2021)**

There are various South African public and independent entities that already provide such employment guidance. The Framework for Cooperation in the Provision of Career Development (Information, Advice and Guidance) Services in South Africa (2012) provides a good basis for addressing the work-life and life-first components of the employability continuum. This framework identifies various public stakeholders in the career development field[1] and allocates different roles for these institutions in career development. This framework is therefore a good place to start in identifying public institutions that could complement the EPWP programme in providing training that is beyond technical skills development. Since this framework makes no acknowledgement of the EPWP, there is an opportunity to channel linkages with these institutions and their directives, as well as finding a place within the framework as an important stakeholder in employment development. Non-profit organisations such as Harambee are also important stakeholders in addressing youth employability and employment sustainability mechanisms.

This framework identifies various public stakeholders in the career development field and allocates different roles for these institutions in career development.

It is crucial to recognise interventions that have the potential to enable sustainable income generation. Referring back to the ILO (2012)'s enablers to graduation, it is important to note the role of stability and security as an enabler of sustainable income generation among individual PEP participants (although similar observations are true for household-level interventions). Stability and security are among the most basic needs for job-seeking individuals. If prospective income-generating methods do not provide stability, participants may be reluctant to take the risk of attempting something that will make them vulnerable, and choose to remain in a PEP for as long as possible without seeking alternatives.

A complementary PEP intervention may therefore provide income security for individuals who choose to pursue self-employment or other employment opportunities. In order to determine how long PEP participants would

1. Includes: the Department of Basic Education, Department of Higher Education, Department of Labour, Department of Correctional Services, National Youth Development Agency, South African Education and Training Authorities, National Artisan Moderation Body, South African Career Development Association, and the South African Graduate Development Association, among others.

require income security, the Productive Safety Net Programme (PSNP) in Ethiopia categorised households according to their potential to graduate. This identified households that could be enabled to graduate through income security, and linked these households to other programmes that provided the households with micro loans, land and tools to enable them to farm and sustain themselves independently (ILO, 2012). However, some households were identified as either unlikely to ever be able to graduate from the programme, or likely to take a long time to graduate from the programme. These households would therefore not qualify for an income security subsidy.

The ILO (2012) therefore suggests that PEP participants could be offered enough income to acquire development and productive assets. For example, 12% of Zibambele EPWP participants indicated that they used their income to buy stock to sell, or to start a small business. PEPs can support such initiatives further by assisting aspiring self-employing individuals with a channel to access networks and agencies. This could include peer-to-peer networks or access to financial services, which would assist with providing stability when venturing into self-employment.

3.3 Training

Almeida et al. (2012) point to several barriers to work, including lack of skills, information, working capital and mobility, and myriad social constraints that hamper the ability of individuals to access productive employment. "Skills constraints (technical, cognitive, or non-cognitive) imply that individuals lack the appropriate technical, cognitive, and/or non-cognitive skills to respond to the demand of prospective employers" (Ibid).

The motive for providing training in PEPs is therefore to transition the labour force from the periphery to the core of the job market. This is done by providing skills development courses that will improve the quality of the labour force to qualify for the available jobs in the market. To a certain extent, the inclusion of training in PEP programmes acknowledges that work experience is necessary, but not sufficient to meet the objective of upskilling the labour force into the core job market (McCord, 2006). Training in PEPs is offered in three forms: work experience, on-the-job training and formal training.

The motive for providing training in PEPs is therefore to transition the labour force from the periphery to the core of the job market.

The training approaches implemented by the South African EPWP can be used to deduce the government's interpretation of unemployment. Since the EPWP training offering is a labour supply intervention that focuses on improving labour market performance, we can deduce that the premise for EPWP training is that: a) South Africa needs increased economic growth, so that job supply is increased and exceeds job demand in the labour market; and b) improving education and training will empower the workforce to participate in the skilled work opportunities available with increased economic growth (McCord, 2006). However, as submitted in this study, the structural nature of unemployment presents more than just inadequate labour market performance, but also a mismatch in the supply and demand of labour; the job market requires skilled to professional labour, which EPWP participants do not possess.

Current training programmes are therefore linked to the objective of improving the employability of participants. Since most EPWP training programmes prioritise mastering work techniques over life skills (DPWI, 2015), the current training programmes take a human capital development and work-first approach to improving participant employability. There is an opportunity to consider other approaches on the employability continuum, particularly the work-life approach, which would allow participants to develop other career management skills that would enable them to self-actualise and navigate the job market more effectively in the immediate and the long term. Likewise, questions regarding the type of training to be offered to participants should be answered based on identified barriers to employability, and aligned with economic interventions.

Currently, some training is offered through the National Skills Fund, the DHET and SETA. These leverage the training mandate of these organisations to remove the training resource burden from the EPWP (see Box 1 above). Similarly, work-life training programmes could be implemented by public institutions that have the capacity and mandate to provide meaningful and targeted training opportunities to participants to ensure maximum impact.

City of Ekurhuleni Water Stewardship Programme

Project Identification and Partnerships

The City of Ekurhuleni EPWP established the Water Stewardship Programme. This programme was developed after the realisation that there was a need to retain institutional knowledge in the water departments, since most of the staff were close to retirement. The Water Department then approached the EPWP for a potential partnership opportunity. After designing the programme, an advert was published inviting interested qualifying candidates with a minimum requirement of a National Senior Certificate (matric).

Training and Monitoring

The funding for this project was derived from various sources, including Rand Water and training funding allocated to other city departments. TVET colleges played a central role in providing training, and the City of Ekurhuleni engaged with these colleges regularly for monitoring of the programme. During practical training, participants were allocated experienced mentors to impart skills and knowledge and oversee work done.

Programme Graduation

The programme attempts to enable participants to venture into entrepreneurial and other income-generating activities after the programme. Although there is no formal agreement or strategy on the graduation of participants after the programme, some participants have been absorbed by contractors and other city departments, such as the Human Settlements Department, to work on other income-generating activities. Furthermore, Rand Water has made provision for the participants to retain their toolboxes after obtaining training. This provides participants with the necessary basic tools of trade to enable them to work independently.

Challenges

The Stewardship programme faced some challenges in the enrolment of participants for the programme. The first was finding suitable candidates for the programme – many applicants did not possess a matric certificate. After the second call for applications, the City still could not find enough suitable candidates for the programme. Provisions therefore had to be made to enrol 'non-qualifying' participants into the programme, and capacitate the youth participants to at least obtain their N1 qualification while on the programme. The second challenge was 25 out of 120 participants dropping out of the programme for various reasons, including a preference for practical work only and not the theoretical work that was offered at the beginning of the programme.

Box 1: **Ekurhuleni Water Stewardship Programme**

4. CASE EXAMPLES

4.1 Case Study 1: Argentina: Jefes de Hogar Desocupados (Programme for Unemployed Male and Female Heads of Households)

The Plan Jefes de Hogar Desocupados (Programme for Unemployed Male and Female Heads of Households) was instituted by the Argentinian government for employment generation as a tool for social and economic reform, following the 2002 social, economic and political crisis. The programme was introduced at the height of the country's unemployment problem, peaking at 25%, with the main objective of creating employment opportunities for poor, unemployed heads of households (Kostzer, 2008).

The programme implementation process was centralised through the Ministry of Labour, Employment and Social Security, which was responsible for financing the programme; and decentralised through local governance, NGOs and grassroots organisations responsible for identifying implementation projects and programme beneficiaries.

Participant Identification

The initial beneficiary identification tool suggestion was for participants to register at schools where the teachers, through their knowledge of the socio-economic backgrounds of the students whose parents were registering,

would assist in selecting the beneficiaries of the programme. This was to create a transparent selection process and assist in informing future policies through an analysis of the employment potential of beneficiaries. However, the aforementioned beneficiation identification strategy was abandoned and the responsibility was moved to municipalities, so that the programme would gain local government political backing and recognition.

Programme Statistics

- 80% of the 4.9% allocated by the country's yearly budget was designated for employment actions; the money was paid directly to the beneficiaries, who accessed the fund using a debit card (which had added benefits such as value-added tax refunds and transportation discounts).
- 71% of the beneficiaries were women, and 60% of those women were from single-headed households.
- 11% of participants finished secondary school education and only 7% of beneficiaries progressed enough in their education career to start tertiary education.
- 60% of the beneficiary households had one or two children.
- 90% of the beneficiaries lived below the poverty line, and the programme increased their income by 67%.
- One fifth of those households had the plan as their sole income (Kostzer, 2008; World Bank, 2013).

Each beneficiary was expected to work 20 hours a week, and would be laid off if unable to meet this requirement or if they found a full-time job in the formal sector. The work commitment reduced pressure on the informal sector while providing on-the-job training and producing goods and services for the local community. The nature of the work consisted of the following:

- Community projects – child or elderly care, health programme support, community and school kitchens.
- Microenterprises – housing maintenance, carpentry, small metal workshops, etc.
- Back to school – to finalise formal education.
- Vocational training – identified local skills needs, to be implemented through technical schools, unions, and employers.
- Administrative work at municipalities.

Kostzer (2008) found that the programme gradually came to be perceived as direct competition to existing local labour markets, because it offered beneficiaries more benefits than what was offered in the private sector. This had the effect of discouraging beneficiaries from finding work outside the programme, and forcing the private sector to raise their wages in an effort to retain employees. Over time, the Jefes Programme became a burden to the state; it had effectively created dependency on the programme, despite originally being envisaged as relief intervention. When the economy subsequently recovered, it became too costly for the government to sustain this large-scale safety net. The government then considered a policy mix aimed at transforming *a uniform workfare transfer* into interventions tailored to the heterogeneous universe of participants (Kostzer, 2008). The labour market policies implemented ranged from aiming to promote wage employment (creation of employment offices, and completion of adult education) to promoting self-employment activities.

Over time, the Jefes Programme became a burden to the state; it had effectively created dependency on the programme, despite originally being envisaged as relief intervention.

Programme Exit through self-employment

In the context of phasing out Jefes, the Argentinean government considered alternative ways to help Jefes beneficiaries obtain a sustainable source of income, so that their dependence on social assistance would be reduced (Almeida & Galasso, 2007). In this context, a programme was proposed to promote self-employment, called *Micro Emprendimientos Productivos* (MEP). The programme provided beneficiaries with two complementary inputs for their self-employment activities. First, it provided financial support in the form of grants to finance inputs and equipment. The maximum transfer possible was substantial. These resources had to be transferred during a six-month period from inception. The grants were provided in kind, with the local municipalities in charge of the purchase of inputs and equipment on behalf of the beneficiaries. Second, the programme provided technical assistance through periodic visits by 'tutors' to the beneficiaries, to assist in achieving sustainability for the financed project.

Effectiveness of the Exit Programme

The programme's rationale as a viable exit strategy from Jefes relied on two key assumptions: (i) that a 'sizable' proportion of Jefes beneficiaries would be willing to set up a self-employment activity; and (ii) that programme beneficiaries were prevented from doing so by a combination of lack of credit or assets to finance their start-up capital, and lack of business training (Almeida & Galasso, 2007). The programme results show that beneficiaries of the self-employment programme were less likely to maintain or find wage-paying jobs outside the project, especially in the case of male beneficiaries. We also find evidence that the programme significantly increased total hours of work (either in the market or in the programme).

Procurement by the municipalities was subject to substantial delays. Bureaucratic intermediation and an initial lack of experience at the municipality level for this type of transaction often resulted in delays in the receipt of the inputs, and in an imperfect match between what was requested and what was received. The municipalities also often wished to promote local business development by purchasing the inputs locally, instead of looking for the best (quality for price) inputs and equipment. Finally, the intermediation of the municipalities created some confusion regarding the ownership of these inputs and equipment, with some beneficiaries afraid of possible expropriation in the event of project failure.

Approved projects also received technical assistance from local institutions – universities, technical institutes and NGOs. This assistance was provided by agents (tutors), who covered general management practices as well as more specific technical assistance. The objective of providing these services was to ensure that the financed projects would be sustainable. During the six-month period the agents were supposed to visit the project at least four times for general purposes, and once for a specific technical tutoring activity. An in-depth review of a sample of projects highlights some shortfalls in the design and implementation of the technical assistance.

Lessons and Observations

The programme rationale of providing inputs and tools seems to have matched the perceived constraints for the self-employment of participants. Yet empirical results show that participation in the programme reduced the probability of having an alternative wage-paying job (especially for males), and that it increased the total hours worked but failed to have a significant effect on individual labour income or total household income in the short run. The results of the evaluation must be read in light of the limited running time of programme implementation. The lack of income gains did not make the programme cost-effective on average in this very short run (Almeida & Galasso, 2007).

Analysis shows that only **a very small and select group of beneficiaries was attracted by this type of programme**, most others possibly discouraged in part by substantial supply-side bottlenecks in its implementation. The results showed significant effects of the programme on individual income for a select subset of beneficiaries, those younger and more educated, and those for whom self-employment was related to an ongoing activity. Those who stood to benefit from the intervention were those who were intrinsically more suited to run self-employment activities, due to their unobserved skills and their human capital endowments.

The results showed significant effects of the programme on individual income for a select subset of beneficiaries.

The pool of potential participants in the programme was thus more likely to be represented by female household heads and more educated Jefes beneficiaries (Almeida & Galasso, 2007).

Beneficiaries' self-reporting on the value of inputs and machinery as well as **the positive response to tutoring** suggest that the combination of both components in one programme **might be a promising avenue for self-employment programmes.** Yet there are various dimensions to this type of intervention that are still relatively unexplored, and for which it would be useful to provide further experimentation in the future, such as the balance between grants and credit, the provision of inputs in kind versus cash, and the length and content of the business education and tutoring for programme beneficiaries (Almeida & Galasso, 2007). The fact that a very small subset of former welfare beneficiaries were attracted to the programme, coupled with the fact that only a select subset of participants benefited from participation, cast doubt on this intervention representing a viable exit strategy from public works programmes.

4.2 Case Study 2: Papua New Guinea: Urban Youth Employment Project (UYEP)

50% of the Papua New Guinea population comprises young people, who also make up a large portion of the urban poor. A large number of young people are leaving schools without the skills or work experience to join the formal workforce, thereby falling into a group named the underemployed workforce (World Bank, 2013). Formal employment is unable to meet the employment demands resulting from rapid urbanisation and population growth (*Ibid*).

The Urban Youth Employment Project (UYEP) is a temporary/short-term employment and skills training programme that was established by the World Bank in 2011, in several countries including Papua New Guinea. It was designed to provide income and improve the employability and living standards of the youth in the capital city of Port Moresby. In 2009/2010, of the population between 15 and 24 in Port Moresby, an estimated 29% were living on less than $3.10 a day, and 31% were unemployed (Ivaschenko, Naidoo, Newhouse & Sultan, 2017).

The project is implemented continuously, with new batches of beneficiaries every three months selected from areas that have not previously participated in projects. Papua New Guinea's National Capital District Commission (NCDC) is the vehicle through which the project is implemented, and it supports the government agenda to tackle youth unemployment and exclusion while enabling the beneficiaries to generate an income (World Bank, 2013).

Participant Enrolment

- NCDC Project Management Unit (PMU) undertakes Youth Outreach.
- Interested youth take the Eligibility Screening Survey (ESS) to verify basic eligibility criteria such as age, residence and socio-economic characteristics. Eligibility requires youth (1) 16-35 years of age, (2) residing in the National Capital District (NCD)/Port Moresby for at least one year, and (3) who have been unemployed and out of school for a period of six months.
- Interviews with community leaders to verify applicant eligibility.
- Eligibility Baseline Survey (EBS) collects crime and social behaviour data.
- Applicants undertake a 40-hour/one-week Basic Life Skills Training (BLST) course which targets improving soft skills among youth.
- Potential participants take the literacy and numeracy test which ensures that only qualifying candidates are selected, as there is a limited number of Pre-Employment Training (PET) positions. The PET programme aims to serve approximately 2 000 eligible youth over the lifetime of the project. They can choose from one of two tracks: one that focuses on jobs related to trade, industry and commerce; and another that focuses on skills related to bookkeeping, data entry, business practices and information technology.
- A quarter of the highest-scoring and strongest BLST/PET graduates are allowed to proceed to the Skills Development Employment Scheme (SDES) stage, and are later allocated On the Job Training (OJT) opportunities (World Bank, 2013).

The rest of the project is implemented through two components:

- The Youth Job Corps (YJP) provides short-term (two-month) public works employment opportunities maintaining/cleaning roads to approximately 12 500 (80% of total programme participants) urban less-educated youth, for a period of seven years. Youth who complete the two months complete the programme, while those who demonstrate strong commitment under the YJP are given extra days of semi-skilled work, such as building concrete footpaths and drainage within the city.
- The Skills Development and Employment Scheme (SDES) provides a month of Pre-Employment Training (PET) followed by five months of on-the-job training (OJT) in various sectors for more educated youth.

A follow-up survey (FUS) is conducted after beneficiaries have participated in the project (World Bank, 2013).

Youth Job Corps (Component 1)

Sub-Component 1(a): *Unemployed youth and Project Identification* are done through community awareness campaigns and information programmes. Youth identified for the programme are then screened and interviewed. To accommodate poorer communities, the information and recruitment campaigns were run in

or very close to poorer communities throughout identified neighbourhoods to ensure access for potential trainees. These campaigns continued throughout implementation (World Bank, 2020).

Sub-Component 1(b): *Basic Life Skills for Employment Training* (BLST) was provided to trainees (40 hours paid per trainee) before work placement opportunities (World Bank, 2020). The training was designed to provide participants with life skills and an understanding of the working environment, "including appropriate on-the-job behaviour, personal presentation, health and hygiene, occupation, road safety management and working as a team" (*Ibid*).

Sub-Component 1(c): "*Public Works Job Experience* provided youth with practical skills expected in workplace environments. Improved infrastructure such as paving, road maintenance, landscaping, drainage clearing, vegetation control, refuse collection, etc. was undertaken by project participants" (*Ibid*).

The ultimate goal of the programme is to help young people find long-term employment. Figure 3 below outlines the UYEP process of selecting and allocating participants, and Figure 4 breaks down the UYEP streams (Ivaschenko, Naidoo, Newhouse & Sultan, 2017).

Skills Development and Employment Scheme (SDES) (Component 2)

Sub-Component 2(a): "*Selected trainees entered a 20-day (160 hours) PET programme*, equivalent to an entry-level vocational training programme. This programme provided eligible youth, who have achieved 70% for their BLST and the basic literacy and numeracy test, with basic information and skills required to join the private sector, public sector and not-for-profit organisations as trainees. The training programme covered basic literacy and numeracy, employer expectations, work documentation, on-the-job relations, work safety, tools and equipment use, and creativity and innovation" (World Bank, 2020).

Sub-Component 2(b): "*PET graduate trainees were placed in On-the-Job Training* (OJT) with an employer in the NCD for five months of work placement training. Youth were selected based on their performance in the initial BLST and on literacy and numeracy tests which required the minimum successful PET attendance of 80%. Approximately one quarter of the BLST/PET graduates who receive the highest marks and are highly vetted by trainers received OJT. Upon completion of the OJT, participating employers in Port Moresby had the option of retaining the respective trainees, either full or part-time, or releasing them to seek employment elsewhere" (World Bank, 2020).

Step	Activity	Participants
1	Publicity campaign of the program	National Capital District Commission
2	Application	Interest youth
3	Participants selected	The screening survey firm (implementation agency), under the oversight of the Project Management Unit (PMU) and with input from community leaders, determines applicants' eligibility based on the ESS.
4	Basic Life Skills Training (BLST) and literacy and numeracy test + EBS	All program participants
5.1	Component 1: YJC	Majority of participants. This component is targeted to vulnerable youth with limited education and who need short-term employment to earn some money.
5.2a	Component 2a: PET for 1 month	Participants who are rated above the 70th percentile on completion of the BLST and the basic literacy and numeracy test.
5.2b	Component 2b: OJT for 5 months	Participants who have at least 80% attendance during the PET then progress to the OJT for 5 months.

Figure 3: Outline of the UYEP process (selection and allocation of participants) (Ivaschenko, Naidoo, Newhouse & Sultan, 2017:8)

1. Basic YJC stream Basic Life Skills + YJC work experience Training	**Additional YJC activities** + Community-based project or + 2nd YJC work experience/additional semi-skilled work or + Pre-Employment Training and OJT
2. Basic OJT stream Basic Life Skills + Pre-Employment Training + OJT work placement Training	**Additional OJT activities** + Mentoring during OJT

Figure 4: UYEP streams (Ivaschenko, Naidoo, Newhouse & Sultan, 2017:9)

Figure 5 below indicates the different opportunities offered to participants in the programme, depending on the education level of the participant and their performance on the different assessment tasks. Embedded in the programme are different packages, tailored for participants from different educational and skills backgrounds. The programme is flexible and offers participants various opportunities to prove themselves and improve, and to access better skills, training, development and employment opportunities.

Programme Achievements

Some youth participating in the programmes received **opportunities for full-time permanent positions**, while others were maintained on casual registers and called in to work part-time when work was available (World Bank, 2020). Employers interviewed as part of the World Bank's completion report on the project confirmed that employers have retained OJT trainees after their training was completed. The employers for OJT are subsidised, as wages are provided by the programme. Some employers indicated that they appreciated the increased pool of "trained casual workers that have experienced work in their company, as they were ready to work at any time. ... Overall, employers strongly valued the programme for the opportunity to engage trainees at low cost, screen for those with positive attitudes and after the training [have] good-calibre staff ready to contribute to their work teams" (World Bank, 2020).

The employers for OJT are subsidised, as wages are provided by the programme.

Indicator Name	Baseline	Original Target	Actual Achievement at Completion
Percentage of OJT graduates who have an offer of a paid job on leaving UYEP	0.00 1 September 2011	30% 18 November 2015	41% 31 December 2018
Percentage of OJT beneficiaries with a job (salaried or otherwise) 3 months after graduation is 10% higher than comparable controls	0.00 1 September 2011	10% 18 November 2015	26% 31 December 2018

Figure 5: Programme recipients (OJT) with a job or offered employment after the project (World Bank, 2020)

Mobilising Private Sector Financing: The main component of mobilising private sector financing occurred through the OJT activities. The programme managed to attract the participation of some 100 employers, including private, public and civil society organisations and covering sectors from health to hospitality, retail stores and manufacturing (World Bank, 2020). The private sector not only contributed through job placements, but came to the party through funding and (in some instances) training around financial literacy, as well as setting up bank accounts for participants.

The programme has been successful at **promoting social inclusion and gender**. 41% of beneficiaries were female, exceeding the original target of 33%. "Female participants had a propensity to complete training offered, which suggests that the project has been successful at engaging young women" (World Bank, 2020). The programme developed specific messaging regarding gender equity in its communications strategy, and empowered women and households.

The World Bank's report indicates a substantial increase in **job-seeking behaviours** by participants who did not receive placement as a direct result of the project. "Anecdotal feedback from participants was that those who were more active in job search were generally more successful in securing work, even if temporary. There was also anecdotal information relating to participants who had entered self-employment by starting small businesses selling small goods" (World Bank, 2020). In their study on the effects of the project on youth crime statistics, Ivaschenko, Naidoo, Newhouse & Sultan (2017) found that the project decreased the likelihood of participation in crime and of anti-social and aggressive behaviour in beneficiaries.

Lessons and Observations

There are several lessons to be learnt from the implementation of the UYEP, including regarding difficulties with **institutional arrangements**, which hindered the potential embedding of the project processes into a sustainable system (World Bank, 2020). Thus, though the program was considered a priority by the government, embedding certain components of the programme did not materialise, such as the employment of young people in labour-based work. The World Bank (2020) points to the limited budget allocated to the capacity building of implementation partners, and procedural barriers between the project and potential partners, as some of the challenges.

M&E Design consisted of a strong emphasis on data collection methods designed to fill knowledge gaps. The project data was useful in establishing a baseline of information enabling accurate measurement of outputs in relation to project indicators. This included two impact evaluations (2015 and 2017), and M&E comprised various survey instruments designed to capture the profile of youth coming into the project (Eligibility Screening Survey, ESS) and evaluate the impacts of the project on the participating youth and their communities, which provided different perspectives on the project (World Bank, 2020).

"**Training is not just about learning** but also building confidence and connecting to local networks and other institutions, e.g. banks, Technical Vocational Education Training (TVET), etc." (World Bank, 2020). The community and government feedback highlighted concerns that the UYEP support did not go far enough to create life pathways for young people. While the project intervened at a basic level, the feedback was that for long-term change, young people need to be supported to work towards higher-level skills such as through TVET or trade apprenticeships. There was concern that without such pathways, young people would revert to previous behaviours and not be able to apply the lessons learned in UYEP. In addition, employers expressed concerns that some UYEP participants tended to have unrealistically high expectations of securing full-time employment, and that some participants were unwilling to engage with menial tasks because the training had prepared them for skilled work. The pathways towards skills development and self-employment could be more clearly identified and introduced to young people. Consistent feedback on the project is that the **project needs to consider a longer-term horizon** for the young people that it supports. This includes encouraging young people to understand and consider alternatives for continuing their pathway to full-time employment. This may include increasing understanding of how to engage in self-employment and continue further studies, or considering options for securing employment with employers who offer career pathways. In UYEP, there was little tracking of the pathways taken by graduates and how successful these were, particularly for those engaging in self-employment. This is an aspect that can be further researched and considered, in order to offer young people long-term career advice and support towards longer-term outcomes (World Bank, 2020).

4.3 Case Study 3: Bangladesh: BRAC's Ultra-Poor Graduation Programme

The Bangladesh Rural Advancement Committee (BRAC) Ultra-Poor Graduation Programme targets a subset of the most vulnerable and lowest-earning population, who lack access to basic social safety nets and government support globally. It is aimed at addressing the challenges of food security, poor health, social stigma, and limited skills, savings or assets, through an approach that is holistic enough to empower participants to engage

with markets in order to graduate from extreme poverty beyond the scope of the duration of the programme (BRAC, 2012).

Food aid, cash transfer, school feeding and public works programmes are effective in delivering essential goods and services to poor and vulnerable communities; but these benefits are limited to the duration of the intervention. PEP programmes such as BRAC's Ultra-poor Programme expand the Social Protection Floor of the aforementioned interventions by implementing complementary labour, health, education and nutrition policies and social insurance systems to create a comprehensive poverty alleviation and social protection strategy which empowers beneficiaries beyond consumption. This builds resilient communities that can remain food secure and build sustainable livelihoods (BRAC, 2012).

The programme has been implemented in various countries around the globe including Bangladesh, Uganda, South Sudan and Afghanistan, to tackle issues ranging from hunger and malnutrition to youth unemployment, domestic abuse, homelessness and geographic isolation. The programme's model identifies an ultra-poor population by considering the local context; this is due to the reality that poverty looks different in different contexts, such that identifiers of poverty in one context might not fit perfectly for a different context (BRAC, 2012).

A comprehensive contextual analysis is critical to gaining an intense understanding of the target population, and thus identifying the appropriate interventions that are context-specific to their needs. The programme has two differing approaches, for urban populations and climate-affected populations, to cater for their differing needs. The Targeted Ultra-Poor (TUP) approach for urban population programmes found that a large majority of the urban ultra-poor were slightly more skilled, educated and economically well-off than their rural counterparts, which prompted the programmes to implement market-driven and relevant options for the urban population (BRAC, 2012).

Graduation Strategy

The programme enables the ultra-poor to gather skills that allow them to plan and save for the future, equipping them to build secure, resilient and sustainable livelihoods as a result. Participants are placed in the programme for a specified amount of time, and provided with a variety of interventions covering their immediate needs while empowering them with technical skills training and life skills, in addition to asset transfers and enterprise development. This holistic approach addresses the social and health needs of participants and gives them economic upward mobility towards sustainable livelihoods (BRAC, 2012).

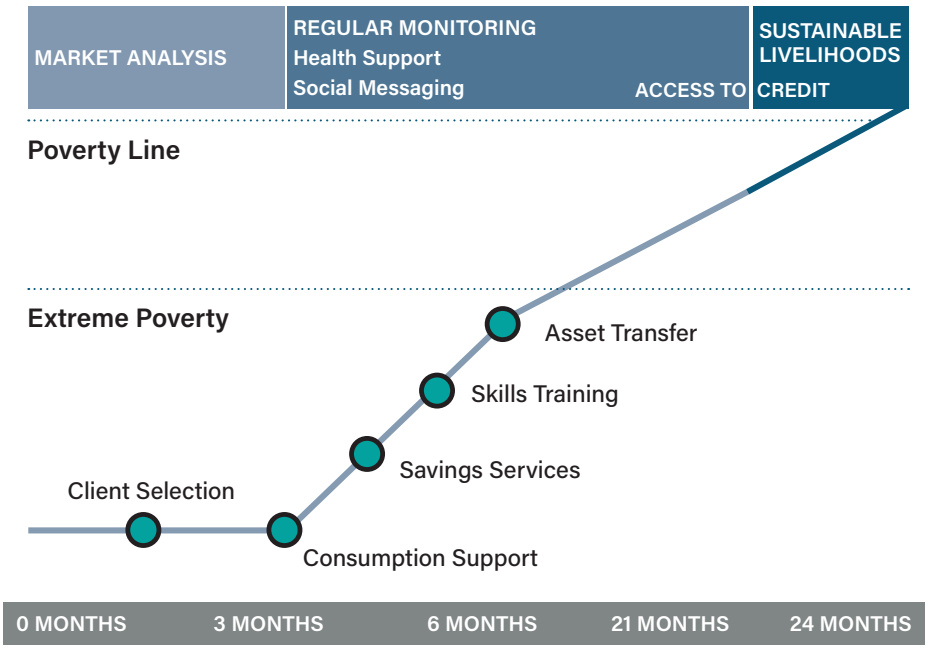

Figure 6: BRAC Graduation Model (ILO, 2012)

When the ultra-poor have been successfully identified, BRAC's ultra-poor programme:

- Provides assets in the form of livestock, and loans through BRAC's microfinance adopted using the productive asset-based approach for those who lack access to productive assets or safety nets.
- Provides training to build agriculture, poultry and livestock rearing and petty-trading businesses.
- Empowers participants to grow their own food, enabling them to sustain themselves long after they have graduated from the programme.

These interventions dignify the destitute, the aged, unemployed youth and women with entrepreneurship skills and the ability to provide for themselves, beyond the programme. When participants have graduated, they receive reinforcement support services so that they can withstand any crises that may arise on their journey out of poverty. This support is in the form of finance, government-led social protection programmes and mainstream development programmes (BRAC, 2012).

In 2010, BRAC launched the Urban Ultra-Poor Graduation pilot (Urban UPG) to address the needs of the growing populations in urban Bangladesh (BRAC, 2021). The programme launched with a small pilot of 100 participants in two slum communities in Dhaka, and has since expanded to more slums within the capital, as well as to urban areas in Chittagong and Khulna. As demonstrated in the table below, the urban programme differs from the rural programme in a number of areas. Specifically, the urban programme has a wider offering under the livelihoods promotion intervention, to cater for the vast number of opportunities in the urban space. The urban component also has segmented tracks under financial inclusion, to support the rapidly emerging/ growing entrepreneurs from the programme.

Graduation Interventions	UPG - Rural Bangladesh	UPG - Urban Bangladesh
Targeting	▪ Participatory rural appraisal with social mapping and wealth ranking ▪ Targeting survey of shortlisted households with selection criteria based on age, income, active household loans, land and productive asset ownership, etc. ▪ Household verification by programme staff	▪ Participatory rural appraisal with social mapping and wealth ranking ▪ Targeting survey of shortlisted households with selection criteria based on age, income, active household loans, land and productive asset ownership, etc. ▪ Household verification by programme staff
Social Protection	▪ Linkage to basic services such as health, WASH, education, and safety nets	▪ Community health promoters supplement poor service provision and train local women to provide linkages to services ▪ Referrals to government medical facilities
Livelihoods Promotion	▪ Livelihoods primarily include livestock and petty trade options ▪ Business and technical skills training	▪ Greater number of livelihood options including mobile petty trade (tea stalls, clothes, cosmetics) food vending, rickshaw driving, and sewing and a lesser focus on livestock ▪ Business and technical skills training
Financial Inclusion	▪ Savings and credit support through linkages to financial services ▪ Financial literacy training	▪ Savings and credit support through linkages to financial services ▪ Segmented tracks which enable an early transition to microfinance for 'fast climbers' ▪ Financial literacy training
Social Empowerment	▪ Bi-weekly household visits for coaching and monitoring livelihoods ▪ Life skills training on social and health issues including early marriage, family planning, nutrition, and waterborne diseases ▪ Community intergration through creation of Village Solidarity Committees	▪ Monthly household visits for coaching and monitoring livelihoods ▪ Life skills training on urban social issues including child labour, road safety, and urban safety ▪ Linkages to existing Community Development Organisation

Figure 7: **BRAC Urban & Rural Graduation Interventions (BRAC, 2021)**

Lessons and Observations

The BRAC approach takes a **holistic view of the participants** in the programme. The programme consists of an in-depth analysis of the circumstances of the target community, **understanding their environment and testing their capabilities**. The programme is time bound, considering a series of sequenced interventions to assist the recipients to graduate from extreme poverty. The participants are able to **access credit** at the end of the incubation programme, which enables them to build sustainable livelihoods, independently of direct government support, and maybe additional training and access to resources. However, this does not mean that government support is completely removed; but programme **recipients can have access to aftercare support for children**.

5. CONCLUSIONS

It is perhaps imperative that prior to unpacking the vital inferences of this study, one first achieves an appreciation of the fundamental assumptions underpinning PEPs that must be brought to bear on the findings, or the shortcomings thereof. Firstly, PEPs (EPWPs, in the South African context) are premised on the assumption that public- and private-sector stakeholders have the management, technical and financial capacity to implement the programmes. This includes having national, provincial and local management capacity available to successfully undertake a programme in terms of personnel, systems and budget provisions; and/or the ability to develop the necessary plans to put the necessary capacity in place. In the absence of these, PEPs are unlikely to be effective.

Secondly, with regard to key partners, it is assumed that capacity is available in the relevant skills development and formal training domains; that the human resources and management systems are in place to manage the attainment of training objectives; and/or that plans to build the required capacity will be developed and implemented. By the same token it is presumed that the relevant non-governmental organisations (NGOs) have the ability to scale up their existing programmes to absorb the additional work, and also that labour-intensive delivery will be adopted at scale by the private sector and local authorities. Therefore, an enabling environment for labour-intensive agreements needs to be in place, with adequate skills training and development capacities made available to allow participants to successfully complete or graduate from the programmes.

A centralised capacity to evaluate the relevance of training in terms of exit and graduation opportunities is also requisite; the training environment is crucial to the deliverables of the PEPs.

The third presumption is that the relevant training partner institutions have the capacity and competence to deliver, and that adequate capacity exists in NQF-accredited service providers. A centralised capacity to evaluate the relevance of training in terms of exit and graduation opportunities is also requisite; the training environment is crucial to the deliverables of the PEPs. On the capacity front, several of the programmes rely on new training modules being developed, new learnerships being set up and new materials being produced. The capacity to meet these needs is not available in all sectors or provinces.

Lastly, in relation to the capacity of participants to function after exiting or graduating the programmes, the assumption is that the labour market will be able to absorb at least 10% of the candidates for sustainable jobs. It is also presumed that the skills and experience attained by participation in the programme will be relevant to the labour demand in the economy. This is also based on the hope that where appropriate, the private sector will take up opportunities to roll out labour-intensive delivery methods and facilitate further training opportunities for PEP participants. Moreover, the perception is that some participants would have acquired the capacity or the desire to set up their own sustainable enterprises.

Based on the above, inferences can then be drawn from the study and supporting literature to demonstrate that in the absence of a robust strategy to help to dynamise these assumptions into quantifiable objectives and actions, PEPs will face a number of shortcomings. To address them requires the support of an aggregated or ecosystem approach that enables PEPs to produce candidates adequately capacitated to succeed in the market, in both the formal and self-employment spaces.

On the basis of several leading researcher outputs, such as Almeida et al. (2012), ILO (2012), World Bank (2020; 2021) and as demonstrated in the PEP Case Studies, the assertion is clear: in order for PEP participants to transition effectively from a programme, there must be multi-dimensional collaboration between different stakeholders from an environmental as well as a programme-design perspective.

From an environmental perspective, the factors for consideration include an acute appreciation of the urban context within which PEPs are developed. **There are a multitude of context-specific constraints that may affect programme recipients within their respective environments**. These include supply-side constraints (such as lack of care facilities to look after the elderly or children of programme participants during working hours, and the prevalence of substance abuse or inadequate housing) within communities. These are in addition to the barriers around mobility, working capital and the more common challenge of limited skills that impact our South African communities. An ecosystem approach means the graduation strategy responds to the prevailing conditions impacting the community by building links with and complementing existing programmes such as safety-net cash transfers/grants. Hence the need for a holistic approach to PEP programmes, where the full conditions of the participants are taken into consideration.

From a programme design perspective, an exit or PEP graduation strategy needs to be embedded within an ecosystem of actors whose contributions are tied directly to the desired pathways of programme recipients. This includes partners in the educational and training sector, whose task is to assess and respond to the training needs of recipients before they become part of the PEP as well as during the programme. Depending on the pathways selected, the presumption is that the participants will be sufficiently equipped with skills and knowledge to independently explore suitable means to a sustainable livelihood. Therefore, enabling environments should be set up to support the graduating participants. Financial institutions need to be brought into the ecosystem to support those who aspire or are willing to start small businesses, as demonstrated by the UYEP of Papua New Guinea and the Jefes de Hogar Desocupados in Argentina.

To add credence to the above point, it is vital to highlight that in their purest form, PEPs are of four distinct types; their major characteristics may cut across boundaries, but their design, planning and implementation may also diverge, to yield different outcomes. This means that **participants are bound to exit from programmes in different ways.** Consequently, framing an effective exit strategy or action plan that advocates for the graduation of participants requires it to be formulated around that type/those types of PEP that will lead to successful graduation from the programme.

PEP Types

- programmes that provide short- to medium-term employment to both the youth and older citizens;
- labour-intensive programmes of government infrastructure spending;
- large-scale government employment programmes offering a degree of employment guarantee;
- programmes offering formal training and skills development to improve employability.

This means that clear programme objectives and deliverables can be set, with clear pathways to achieve the desired outcomes against appropriate key indicators. It also ensures that key programme stakeholders or role players will have a common understanding of the programme and its goals.

The case studies point to the importance of **recognising that part of a successful graduation emanates from the initial process of the selection of the participants**. In the Jefes de Hogar Programme, detailed profile information on participants was made available, outlining their education level and demographics including gender mix and family structure information. This also ties in with the notion of defining the type of PEP for which the participants are recruited. In the case of the BRAC programme in Bangladesh, the ultra-poor were treated using a holistic approach that included health, social and economic training directed towards upward mobility. They were also given financial support to set up businesses, and training for running their own business. They were also assured some protection from possible crisis once the business had started.

In the Papua New Guinea Urban Youth Employment Project, participants were tested to ensure their suitability for the programme. This required them to go through literacy testing to ensure that they would be placed in suitable PEPs in order for them to graduate successfully from the programme.

The case studies provide support for the contention made earlier in the report that **a holistic approach is needed for addressing the issue of graduation from PEPs**. This is not only required to address the role of potential partners in the various solutions and the support they may lend to projects, but also to ensure consideration of the health, social and economic training of project participants and of the macro market conditions. The ecosystem approach is needed within the PEP programme to ensure graduation success.

An even more important consideration in the graduation strategy design is the **role of the private sector** in response to a community or sector of potential PEPs. In the Papua New Guinea youth programme, the private sector came on board to support on-the-job training and ended up absorbing participants beyond the programme, with others included on a roster for temporary employment when work was available. However, **it is critical to guard against a blanket approach to these partnerships**, inasmuch as it is critical not to think of PEP recipients as a homogenous group. An exit strategy must be co-created with potential employers of programme graduates, or with their needs in mind. If the role of the public sector is to create policies that are conducive to economic growth, then it is the role of the private sector to drive this growth. A growing economy creates opportunities for jobs, learnerships and apprenticeships. **The role of the private sector in the ecosystem approach is therefore vital as a conduit for on-the-job training**. This is an instrument used successfully in a number of case studies and other research, most notably in the MY TIME programme, which empowers PEP recipients and makes them attractive to employers, as they gain practical experience within the company or are relevant to the sector. As some of the employers on the MY TIME Programme reported, they are more comfortable employing from a pool of resources who understand the business of their companies. To a greater extent, the inclusion of training in PEP programmes acknowledges that work experience is necessary, but not sufficient to meet the objective of upskilling the labour force to enter the core job market.

From the case studies, it is clear that there is no rigid formula for project timelines. These must be context-specific, determined by the nature of the programme, the level of training required to support participants to exit, and the on-the-job training available or mentorship linked to successful graduation of participants from the programme. Timelines may also be determined by the relationship-building process between the various ecosystem players, from identifying these partners to agreement on the roles and responsibilities on a project.

The three case studies above demonstrate that you cannot develop a blanket exit or graduating strategy, but must offer clear guidelines on what might be good for specific contexts. Each has its own entrance programme, which contributes to the outcomes also being varied. A critical point to highlight in this regard is the role of proper monitoring and evaluation systems to measure the efficiency and effectiveness as well as the impact of the programmes. PEPs/EPWPs are susceptible to potential corruption, malfeasance and underhandedness within the system that can drastically hinder the entire programme implementation process. It is essential to put in place mechanisms to mitigate this risk, such as strong management and robust control systems.

The graduation of PEP participants must be context specific, so the outcomes of this study must be tailored to South African country and city dynamics as well as to the approach to EPWPs adopted.

The above observations from the case studies and research undertaken provide a solid theoretical base from which an exit or graduation approach can be constructed. The lessons learned provide a set of principles that an exit strategy would have to consider, starting with an ecosystem approach, and bringing on board different stakeholders able to contribute to the general objectives of employment creation, training and mentorship support. The graduation of PEP participants must be context specific, so the outcomes of this study must be tailored to South African country and city dynamics as well as to the approach to EPWPs adopted. Entrepreneurship, although an important pathway for exiting participants from a PEP, is by no means a panacea for all the ills of job creation. It is critical to understand the type of individual being brought into a programme, so that they are supported through their ideal pathway. Programme participants must be adequately screened and evaluated prior to enrolment on an exit programme, so they are able to graduate from their desired or ideal pathway.

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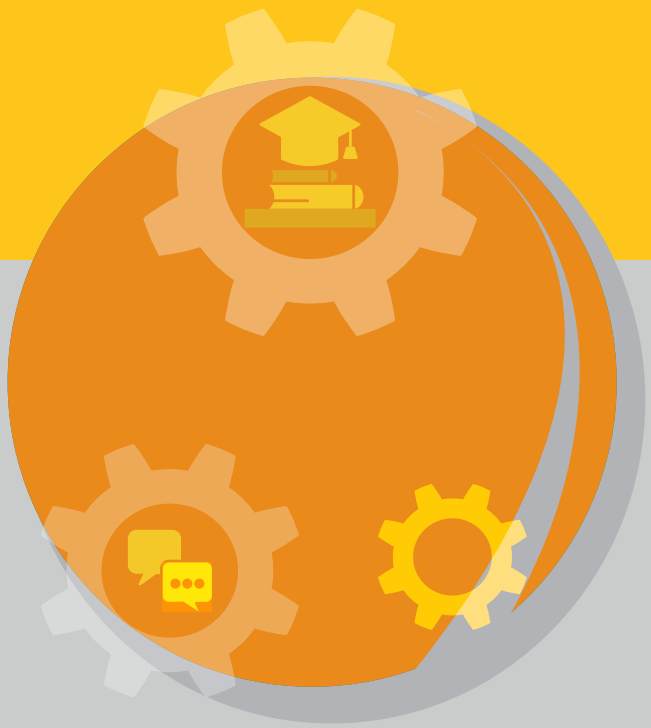
Part B



EPWP **EXIT STRATEGY**

FRAMEWORK AND IMPLEMENTATION GUIDE

Section
1

EPWP **EXIT STRATEGY** IMPLEMENTATION FRAMEWORK

1. OVERVIEW

By their nature, effective Public Works Programmes (PWP) should straddle the divide between endemic unemployment and opportunities rendered by the labour market. They can be an integral part of national social protection systems; hence they must not be viewed as a stand-alone intervention, but as an integrated component of the wider social protection systems. They may not fully address structural unemployment and poverty problems, but they provide short- to medium-term work opportunities and skills development to enable participants to exit such programmes armed with the requisite skills or assets to sustain their livelihoods henceforth.

The crucial element of PWPs is to alleviate poverty associated with unemployment by offering productive work and providing income-generating skills training, resulting in the improved employability of participants. The planning and design of PWPs must therefore align with this objective, while being economically and socially efficient. In their purest form PWPs are of four distinct types:

- programmes that provide short- to medium-term employment to both youths and older citizens;
- labour-intensive programmes of government infrastructure spending;
- large-scale government employment programmes offering a degree of employment guarantee;
- programmes offering skills training to improve employability.

While each type is fundamentally underpinned by the availability of employment and some form of social security, each denotes a different notion of a programme with different institutional implications. This means that the approach and interventions are diverse, to meet the targeted outcomes of optimising developmental impact, enhancing policy coherence, avoiding duplications, and minimising undesirable consequences.

This distinction in type also means that clear programme objectives and deliverables are set, with clear pathways to achieve the desired outcomes against appropriate key indicators. It also ensures that key programme stakeholders or role players have a common understanding of programme ideals and goals. Effective implementation, monitoring and evaluation become inherent.

However, in the South African context the Extended Public Works Programme (EPWP) appears to have adopted a crossbreed approach, incorporating attributes of all four types of programme. This requires multi-agency or multidimensional coordination to succeed, and poses a lot of complex challenges; which has prompted and necessitated this study and proposed exit pathway for programme participants.

2. FRAMEWORK OBJECTIVES

The objectives of this framework are to provide a structured approach for cities to effectively support EPWP participant transition from the programme into sustainable income-generating activities and/or the furthering of their skills. The framework provides instructive guidelines to assist cities in making informed decisions along the various stages of any EPWP project. The framework is not intended as a rigid process but rather as a flexible set of actions that can be tailored to each city environment, to achieve the graduation of programme participants in their specific contexts.

3. PATHWAYS TO GRADUATING FROM THE EPWP

An effective exit strategy is only as good as the economic policy adopted or the economic conditions prevalent in cities. It is critical to integrate EPWP projects with broader social, employment and economic policy to ensure an environment that enables participants to graduate into income-earning opportunities, through skills and training acquired from the programme. Typically, successful exit strategies enable participants to obtain employment outside of the programme or create their own employment by starting businesses.

Participants leave the programmes in two ways: graduation and exiting. **Graduation** happens when a participant of a programme leaves because they are deemed to have acquired the desired level of skills to competitively venture into other sustainable income-generating activities. **Exiting** on the other hand could mean that a participant fell away from the programme, or that they ran down the duration of the contract. It suggests that the participant will either fall back into the poverty cycle or could have attained a degree of capacity to sustain a livelihood independently in the short term.

South African EPWP programmes offer various short-term employment opportunities that are primarily structured for participants to 'exit' after an agreed-on time. This approach provides unsustainable employment solutions that are often met with various challenges at the time the participant exits. Therefore, the strategy in this report advocates for the 'graduation' of EPWP participants, which offers a more intentional and sustainable approach to job creation and poverty alleviation in South African cities. **Graduation** from EPWPs into sustainable, income-generating activities is the key objective. The graduation process is underpinned by the acquisition of requisite skills that will enable participants to transition into sustainable income generation, such as self-employment and long-term or permanent employment. There are also internal and external city factors at play that require EPWP projects to be complemented by other initiatives that will prepare and support participants to venture into independence. These are located in the broader economic development initiatives across city departments; they are education and skills-development partners and economic-sector role players in the private sector.

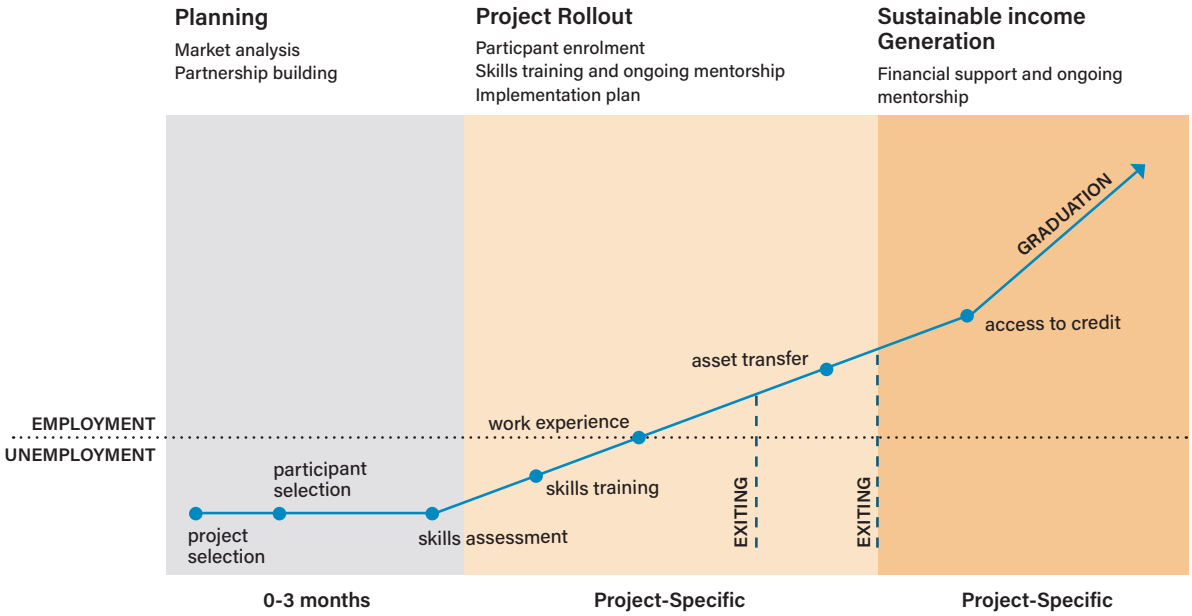


Figure 1: **Public Employment Programme Graduation vs Exiting (adapted from ILO, 2012)**

To enable graduation, EPWP policies must:

- Provide an environmental assessment based on local development policies that have an impact on EPWP strategies;
- Make provision for basic profiling of participants;
- Set clear objectives on how participants will be equipped to transition from the programme;
- Identify and enable localised approaches or interventions tailored to project participants;
- Streamline and augment EPWP activities in a way that enables the gradual enhancement of capacity; and

- Facilitate the participation of key partners in the private sector, educational institutions and other spheres of government that have the capacity and mandate to provide meaningful and targeted opportunities to participants to ensure maximum impact.

These factors enable the development of key elements of the exit strategy that will assist participants to graduate from EPWP projects. The elements do not seek to be rigid in their nature but do emphasise the need for cities to change orientation to enable participant graduation.

4. KEY ELEMENTS OF PROPOSED EXIT STRATEGY

The exit strategy design is premised on the main fundamental components that espouse collaborative working through a consolidated planning process. This harnesses the potentially divergent needs of different stakeholders for the successful achievement of programme objectives. As stated above, the programme objectives of the EPWP Exit Strategy are to place participants on a pathway to successful graduation from the programme, with the necessary support. As shown in Figure 2 below, the foundational elements of the exit strategy consist of the ecosystem approach, and effective planning and monitoring systems put in place.

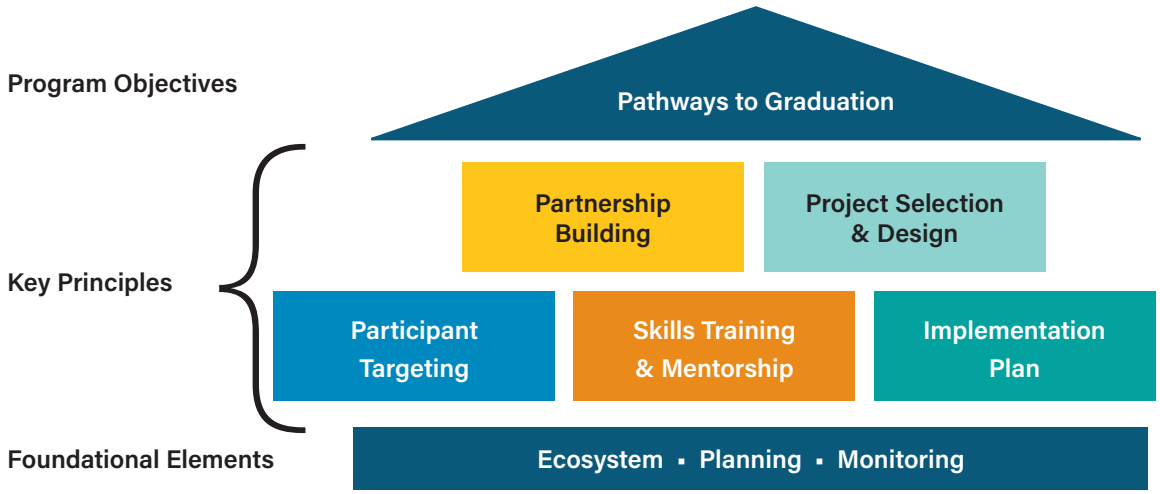


Figure 2: Exit Strategy Implementation Framework

4.1 An Ecosystem Approach

The term **ecosystem approach** denotes that the EPWP implementing units and EPWP strategies/policies cannot exist in isolation but must be part of a broader network of organisations and institutions with a common purpose. This is an intentional practice that harnesses and integrates various disciplines to address the enabling demographic, socio-economic, technological, political and environmental factors into an all-inclusive programme management tool. This is done with the sole aim of developing participant capacity to improve employability and to attain a sustainable means of income on graduation.

In contemporary, fast-paced environments it is common practice for key sector stakeholders in national, provincial and local government, as well as private sector and training authorities, to come together in a **Community of Practice** format to build synergies to effectively achieve set objectives. The members of the groupings become designated **Knowledge Centres or Programme Support Organisations** tasked with delivering interventions or activities set against key indicators, such as providing relevant sector-specific training, learnerships, mentorships and ongoing support to programme participants.

4.2 Planning

EPWP interventions are implemented in an environment where parallel requirements and operations prevail. At a policy and legislative level, a great deal depends on the ability of all EPWP implementation agencies to

work together, with a mutually shared understanding of the programme ideals. This means that programme planning and design must align EPWP policy frameworks to all existing public policies at all levels of governance (national, provincial and local). Critical to the successful implementation of sustainable exit strategies is the role assumed by local authorities as the drivers and enablers of SMME development, employment creation and sustainable skills development.

The devolution and decentralisation of the planning, design and implementation of EPWP interventions – right down to project level – ensures that the EPWP policy is embedded within the respective city IDPs and integrated across relevant sectors, and ensures the commitment of municipal operational and capital budgets.

4.3 Monitoring

A range of authorities and administrative sector departments or clusters at all levels of government are charged with planning and implementing EPWPs. The Department of Public Works remains the overall coordination centre responsible for monitoring and evaluation; promoting relationships between sectors and ensuring that there are common support programmes in place. They also play a role in evaluating exit strategies and training frameworks. Digital tools could be deployed more effectively to support progress reporting against specific programmes. This requires in-depth analysis of individual city reporting systems to understand existing practices, and augment where needed with digital tools that automate and streamline the process.

5. KEY STRATEGY PRINCIPLES

The Exit Strategy Framework consists of five principles (shown in Figure 3 below), which seek to provide detailed guidance on executing the implementation strategy. Though these principles are designed to outline the most important considerations, they should not be viewed as rigid processes but rather as flexible guidelines to be tailored to individual city circumstances.

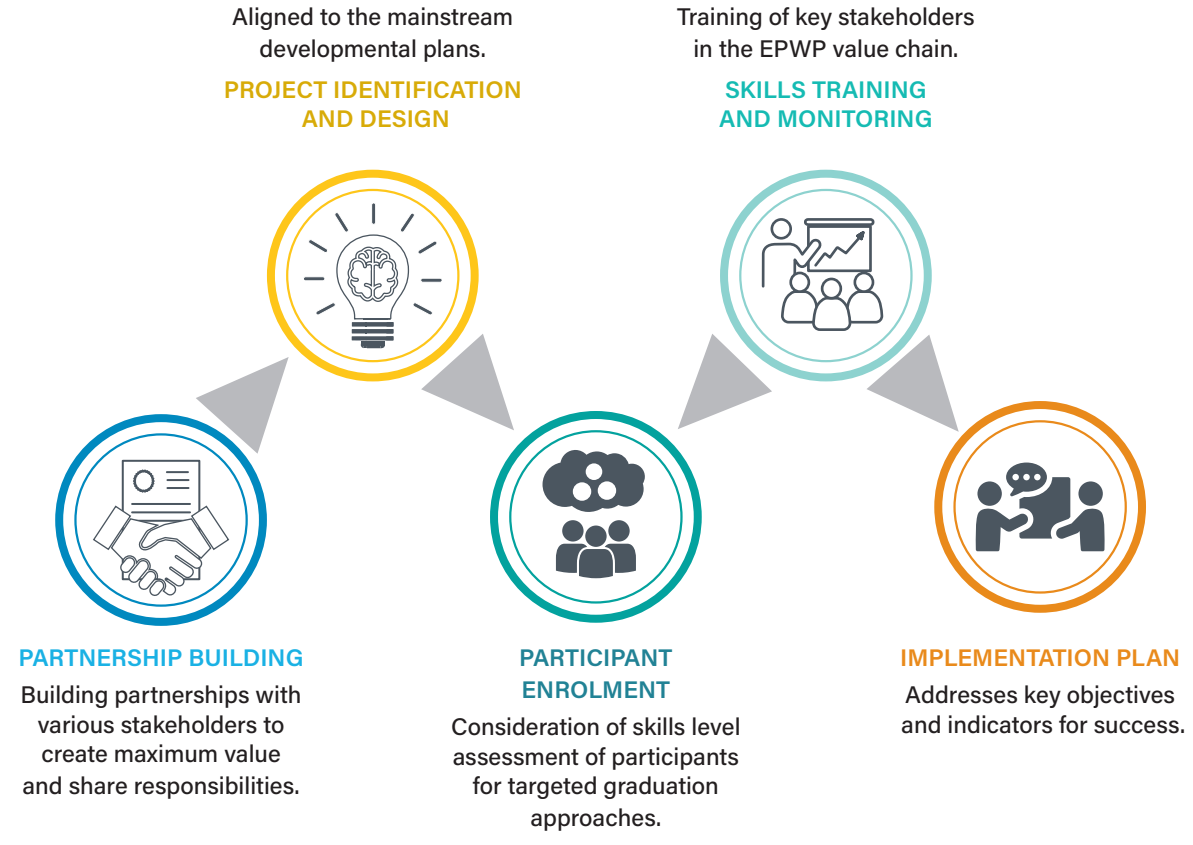


Figure 3: Exit Strategy Principles

5.1 Partnership Building

The ecosystem approach has been aptly designated a cornerstone element for the proposed EPWP exit strategy. Key to this method is the collaborative formation of strategic alliances between the main role players (depicted in Figure 4 below); the success of any programme evolves from the concerted efforts or inputs of different partners with a common purpose.

Figure 4: **EPWP Partnerships Framework**

The ecosystems approach is dynamic and exposes programme planning and implementing units such as the EPWP to progressive business practices such as the Community of Practice (see Figure 5 below), Knowledge Centre and Programme Support Organisation formats facilitated by cutting-edge technology. The partnership formation initiative will be defined against the backdrop of these set principles.

5.1.1 Cities as Lead Organisations

By virtue of being the policy custodian and key executor of development plans and programmes at municipal level, **the City** plays the **lead** role in the ecosystem. This entails the formulation of policy frameworks such as the EPWP policy framework (EPWP Units and clusters) in line with national PWP policy. Through its various functional units, the City also ensures that the policy is adapted and infused into sector developmental plans, to streamline the delivery of EPWP objectives in line with mainstream municipality activities.

The City is tasked with creating a robust system of regular communication with its partners to establish and maintain a clear understanding of what is expected of them in relation to implementing the EPWP. It should

have direct digital links to share information, programme plans, guidelines, training requirements, etc. with the various members of the network of Community of Practice.

5.1.2 Training Institutions

The Framework for Cooperation in the Provision of Career Development (Information, Advice and Guidance) Services in South Africa (2012) comprises relevant institutions of higher learning and sector-specific accredited training institutions and agencies. These include the Departments of Basic and Higher Education, the Department of Labour, the Department of Correctional Services, the National Youth Development Agency, the South African Education and Training Authorities, the National Artisan Moderation Body, the South African Career Development Association and the South African Graduate Development Association, among many others.

Their partnership role is to offer all the requisite training and accreditation stipulated by the requirements of the EPWP. They are the designated Knowledge Centres, discharging a sectoral approach to training, learning and skills development.

5.1.3 Business Chambers

The Business Chambers of Commerce are sector repositories of business owners and entrepreneurs whose common goal is to promote the interests of their local businesses and the immediate community. They provide access to valuable resources, networks and relationships that have the potential to unlock immense development and growth for EPWP participants.

They represent Private Sector Partner interests in the proposed Community of Practice of the ecosystem approach, offering sector-specific programme support organisations that provide focused training, learnerships, mentorships and ongoing support to participants.

5.1.4 Shared Responsibilities

It is imperative that when the members of the ecosystem or the Community of Practice are identified, their purpose is clearly articulated; and that there are Terms of Reference setting out the overall programme objectives, stipulated programme interventions, expected programme deliverables, the duration of the programme and the timelines thereof.

To ensure the effectiveness and sustainability of the EPWP, there must be continuous engagement to align stakeholder responsibilities and coordinate roles. The approach encourages a system of regular communication between stakeholders or partners, to establish a clear understanding of what is expected of them in relation to the implementation of the programme. Proactive steps should be taken to establish direct linkages with the central programme Unit responsible for programme design and provision of technical support. This should facilitate the following critical activities:

- A consensus on the **Overall Programme Deliverable**s;
- Definitive discussions around the **Funding/Financing** model to be used;
- Engagements on programme **duration and timelines**. This should include honest discussions around **capacity** to deliver, as well as the scale of delivery;
- The setting of parameters and systems for **Coordination and Oversight**;
- The eventual signing of programme **Partnership Agreements**.

The Business Chambers of Commerce provide access to valuable resources, networks and relationships that have the potential to unlock immense development and growth for EPWP participants.

The Community of Practice

- The Community of practice will draw on different expertise and best practices among EPWP implementation roles players. Together they can establish the mission and the expected outcomes for the community. It would facilitate better sharing of knowledge, know-how and best practicesthat will benefit the reference group through active participation.
- Cities can define and customise Communities of Practice roles to suit their circumstances, however some basic key rotational roles to support functionality are suggested, below.

Champion: The Champion ensures support at the highest level, communicates the purpose, promotes the community and insures impact.

Sponsor: The Sponsor serves as a bridge between the CoP and the silo within organization, ensures that there is support for the COP within the municipality, and may remove barriers.

Facilitators: They may also serve as moderators during discussions. They are responsible for clarifying communications and making sure that everyone participates and that dissident views are heard and understood. They are the chief organizers of events such as meetings (face to face as well as virtual meetings). They administrate all communications by drawing out reticent members, reconciling opposing points of view, posing questions to further discussions, and keeping discussions on topic. They may also moderators during discussions.

Practice Leader: The Practice Leader is the acknowledged leader of the CoP theme. The relevant theme may be along the lines of Accredited training partnerships, Self-employment initiatives, Employment facilitation, private sector partnerships and non-accredited training for employment. The leader provides thought leadership for the practice or strategic service, validates innovations and best practices, and promotes adherence to them. CoP Practice Leaders serve as a model to coach other members, or they arrange to provide coaching, and they are always alert to the potential need for CoP changes (e.g., more members, different members, and different member compositions).

Information/Knowledge Integrators/managers: Information/Knowledge Integrators serve to interface with all COPs to ensure clarity and lack of duplication of the information disseminated with all CoPs, inform CoP members about relevant activities elsewhere, and inform others about relevant CoP activities. The knowledge center coordinates information from CoP members to avoid duplication, redundancies, and poor quality (e.g., in postings to CoP websites and forums) and they filter knowledge and request for help.

Figure 5: A Stakeholder Community of Practice

5.2 Project Identification and Design

The decision-making process relating to what type of EPWP project to undertake rests with the relevant municipal units and must be aligned to the mainstream developmental plans as entrenched in the respective IDPs. The project objectives must be intended to promote socio-economic development, poverty alleviation, employment creation and skills development to support employability, and sustainable exit plans that stimulate SMME development and entrepreneurship.

Furthermore, the project planning, design and implementation must take into consideration the prevailing socio-economic conditions as a key factor in determining a fit-for-purpose exit plan, taking into consideration current statistics and project location.

- The programme type, design and scale will determine the demographic profile of the desired participant in terms of age, gender and physical status.
- This process serves as a guide to Exit Pathway Mapping. What sector skills are required? What level of skill does the participant group have? What gaps have been identified? What are the training and support needs for the cohort of participants? How will the training and support be packaged? Will it be a more individualised, holistic training that includes mentorship and is tailored to strengthen self-awareness, self-efficacy and basic business/financial literacy?
- The natural progression would be to tap into the Community of Practice to define and identify the Programme Support Organisations to work with on the interventions to achieve the set deliverables. These will be the appropriate Training Authorities and Business Partners with whom partnership agreements will be signed when all the funding/financing intricacies have been outlined and agreed.

5.3 Project Participant Enrolment

The activities of programme identification, planning and design will outline the calibre of candidate required, the desired skill set and level of capability, and the gender and age mix, as well as the locality for the particular project. The actual selection and screening process cannot be a one-size-fits-all exercise but will depend on the unique project needs, as well as the prevailing socio-economic conditions at the time. A generic enrolment tool will encompass the following aspects:

- **Candidate Outreach:** the pertinent sector unit will undertake a targeted outreach in the project locality, setting out the minimum requirements.
- **Selection Criteria:** the prospective candidates should undergo an eligibility screening appraisal to verify basic eligibility criteria such as gender, age, location, education, work experience and socio-economic status.
- **Interviews:** will be conducted with the selected candidates to verify eligibility and to assess personality traits for suitability for the programme.
- **Skills Level Assessment:** this will complete the candidate profiling by determining abilities and capabilities for alignment with suitable sector and desired growth pathways. The type of programme will determine what the assessment entails. Generally, potential participants take a literacy and numeracy test to ensure that only suitable candidates are selected. Candidate evaluations could also focus on trade- or industry-related assessments, or basic computer or information technology literacy.
- **Recruitment and Contracting:** the required number of suitable candidates will be appointed and formally contracted to the programme. The rules of appointment, duties and obligations are set out in the contract. The contract will also set out a candidate's growth pathway to successful graduation from the programme.

5.4 Skills Training and Mentoring

The graduation of beneficiaries of EPWPs is underpinned in the main by the provision of comprehensive training programmes linked to the sector projects that they are part of, or the participants' desired career pathways. Training is a key enabler of the transition of programme participants from the periphery of the labour market to its core, provided that the content of the training is holistic, targets specific sectors, and is adequate to address the numerous systemic constraints to access to sustainable employment opportunities.

Adequate training, therefore, must address technical, cognitive and life skills deficiencies; lack of access to information, networks and technology; limited mobility; and lack of basic financial and business literacy, as fundamental to developing or enhancing employability and the ability to venture into other income-generating endeavours. It must be an intentional and targeted undertaking that fully complements the on-the-job work-experience initiatives whose main outcome is to produce a well-rounded programme graduate, adequately equipped to compete for prospective opportunities in the market.

The Community of Practice network and its Knowledge Centre model proposed above provides the ideal platform to effectively deliver on all forms of training prescribed by the PWP mandate. The network provides for collaborative course planning, design and delivery. It has the capacity to self-monitor and evaluate in terms of the effectiveness of courses offered in the manner described below.

- The proposed collaborative nature of EPWP project planning and design would incorporate the identification of the appropriate Programme Support Organisations within the Community of Practice to provide **short, high-impact, high-value courses** that are holistic, target specific sectors, and are accompanied by the appropriate accreditation. The course content will therefore consider factors in both the graduation-enabler and employability continuums, aligned to human capital development and work-first paradigms.
- The delivery of these training courses is crucial in order for the participants to have full access. Delivery can be through the **traditional in-person methods**; recently, however, modern-day tech-age **virtual training methods** such as webinars, Zoom lectures and dissemination via other web-based platforms have come to the fore. The majority of the proposed Knowledge Centre partners will have **Learning Management Systems** (LMS) anchored on their websites that provide sector- or industry-specific courses that can be taken on a self-paced basis.
- In the South African context, EPWPs present a multidimensional set of objectives that require multi-disciplinary planning, implementation and management, devolved across multi-government levels,

authorities and departments. It is important to have an **incumbent staff complement that is suitably qualified, professional and equipped with the requisite skills mix** to effectively undertake the responsibilities of overall EPWP coordination; monitoring and evaluation; creating and promoting sector relations and partner linkages; and creating suitable conditions for training and access to other agencies. Ongoing training, guidance and support are necessary to keep motivation levels high and ensure an environment conducive to optimal performance.

- **Mentorship and support** are critical for bolstering knowledge, building character and self-confidence, and providing guidance for PWP participant cohorts that are on learnerships, formal training and on-the-job skills training. Intermittent mentorship and coaching arms the candidates with the astuteness that fosters resilience and a propensity for further learning. This intervention can be undertaken through the expert repository entrenched within the designated Community of Practice/Knowledge Centre network.

5.5 Implementation Plan

The impact of an exit strategy for EPWP participants is only as good as the success or the quality of the project they are part of. It is important that programmes or projects are packaged with a clear implementation plan to meet the desired objectives. At an operational level, programme cycles are influenced by different factors and variables. Foremost is the calibre of permanent staff responsible for planning, leading, organising and controlling EPWP implementation. They must possess the requisite sector qualifications, and be adequately trained to lead programme implementation plans. The other variables are manageable if the programme implementers are of sound technical astuteness.

5.5.1 Empowered Project Leads

It is imperative to have an **incumbent staff complement that is suitably qualified, professional and equipped with the requisite skills mix** to effectively undertake the responsibilities of overall EPWP coordination. They must possess the necessary people management skills to be able to guide and channel a team effort towards meeting targets or goals. They must be technically sound and tech-savvy, with all-round soft skills. Ongoing training, guidance and support are necessary for continuous growth and to keep motivation levels high, and ensure an environment conducive to optimal performance.

Being a suitably qualified and empowered project leader is one thing; but not having adequate staff who are able to perform effectively will impede programme progress. An empowered leader is only as good as his full team!

Project planning and design should accommodate provisions for the scaling of projects. This must be in terms of capital and operational budgets, as well as human resources support.

Continuous peer learning and knowledge sharing between cities is essential. The South African Cities Network (SACN) is an important actor in this field, with the potential to convene Community of Practice activities for capacity building and creating opportunities for cities to identify synergies and partnership opportunities with various stakeholders.

5.5.2 Project Design Workshop

A robust project implementation plan follows intensive stakeholder engagements to garner project buy-in and support. This can be done by workshopping the project to the relevant communities and role players, to gauge sentiment and receive feedback and alignment that could assist in implementation. This could also be a platform to survey and assess potential participants or beneficiaries. Feedback could also inform contingency planning.

5.5.3 Project Timelines

Key indicators mark critical stages of a project. The achievement of these milestones is set against specific timeframes to measure progress, and in most cases marks remittance points for contractors or participants. Project timelines must be aligned with project objectives, such that if the objective is to provide basic computer and communication skills to enable participants to work at a call centre, for example, then the timeframe must be based on how long it would take to adequately equip participants to graduate into a call centre job.

The importance of this exercise sets the pace at which a project progresses, as well as the intervals at which to assess quality and standard of performance. It also allows for the re-engineering of plans to accommodate any contingencies or risks.

These milestones are normally set up as a scorecard or dashboard for stakeholders or participants to review.

5.5.4 Risk Register

No project is completely risk free. Risks are presented at every project stage. Some are immediately identifiable, but others may be unforeseen or not easily definable. It is important to record all risks present in a register and to set up mitigation mechanisms.

This exercise allows the planner to factor in the impact of the risk, should it occur, in the implementation plan. It also communicates the issue to all participants, creating awareness and eventually leading to the right interventions to mitigate the risk. An ecosystem approach allows for the joint management and sharing of risks by stakeholders. Figure 6 below shows a typical risk-management process.

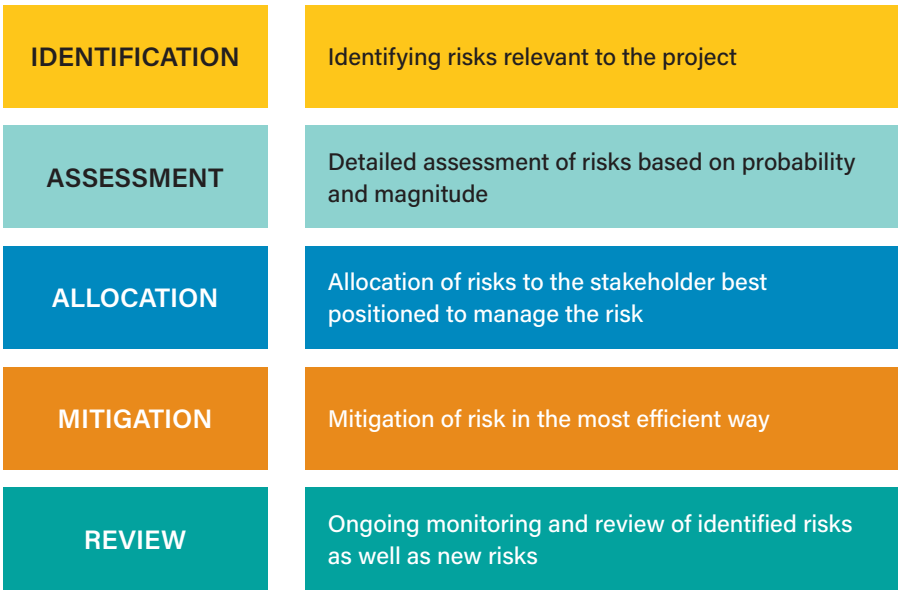


Figure 6: **Risk Management Process**

5.6 Conclusion

This exit strategy framework notes the conventional approach to exiting from the EPWP programme and recommends a gradual change to employment programmes that will potentially create long-term or permanent opportunities for participants to generate income. The strategy is anchored by an ecosystem approach that recognises that the EPWP alone does not possess adequate resources to enable participants to graduate into sustainable income-generating methods, and therefore needs to be co-created with potential employers of programme graduates, or with their needs in mind, as a minimum consideration. Finally, the strategy proposes five key principles to provide a flexible guideline for executing the implementation strategy.

Environmentally, the factors for consideration include an acute appreciation of the urban context within which Public Employment Programmes (PEPs) are developed. Tailored solutions are required for individuals in different contexts based on internal and external enablers for graduation. Similarly, implementation timeframes will vary according to project objectives and the local environment. It is crucial to integrate exit strategy implementation with existing city processes and policies, to enable the co-creation of projects with a wider variety of stakeholders.

Section
2

EPWP **EXIT STRATEGY** IMPLEMENTATION GUIDE

1. SYNOPSIS

The Global Benchmark Study Report on Public Employment Programme (PEP) Exit Strategies and the proposed Extended Public Works Programme (EPWP) Exit Strategy Framework provide an evidence-based comparative understanding of PEP (PWP) design elements and implementation approaches that enable the successful exit of participants from the programmes. These reports also highlight the different forms of PEPs, how they are constituted and what purpose they serve, in the broader scope of providing a means to alleviate the scourge of unemployment and un-employability of youth due to a lack of appropriate skills. More specifically, the reports then bring to the fore the functional design and execution of PEPs and how they may exit programme participants effectively.

What is central to PEPs (PWPs) is the alleviation of poverty associated with unemployment by providing productive work and skills training and improving the employability of participants. Therefore, their planning and design must be aligned with these objectives while being economically and socially efficient. There are four distinct types of PWPs:

i. programmes that provide short- to medium-term employment to both the youth and older citizens;
ii. labour-intensive programmes of government infrastructure spending;
iii. large-scale government employment programmes offering a degree of employment guarantee; and
iv. programmes offering skills training to improve employability.

While each type is fundamentally underpinned by the availability of employment and some form of social security, each denotes a different notion of such a programme, with different institutional implications. This means that the approach and interventions used must be diverse, to meet the targeted outcomes of optimising developmental impact, enhancing policy coherence, avoiding duplications and minimising undesirable consequences.

This distinction in type also means that clear programme objectives and deliverables can be set, with clear pathways to achieving the desired outcomes against appropriate key indicators. It also ensures that key programme stakeholders or role players have a common understanding of programme ideals and goals. In addition, monitoring, reporting and evaluation easily become inherent to a programme.

In light of this background, the South African context proffers a different dimension. The Extended Public Works Programme (EPWP) appears to have adopted a crossbreed approach incorporating attributes of all four types of programme. This approach requires multi-agency or multidimensional coordination to succeed and poses many complex challenges, which has necessitated the study and proposed re-engineering of the graduation pathway for programme participants.

The inference that can be drawn from all the comparative knowledge and evidence is that for the EPWP to achieve its obligatory mandate effectively as designed, and to graduate participants into sustainable employment effectively, a more collaborative process is necessary. An **ecosystem approach** is an ideal fit, in that it takes into account that the EPWP implementing units cannot exist in isolation. They must be part of a broader network of organisations and institutions with a common purpose. This is an intentional practice

that harnesses and integrates various disciplines to address and assemble the enabling demographic, socio-economic, technological, political and environmental factors into an all-inclusive programme management tool with the sole aim of developing participants' capacity to improve employability and attain a sustainable means of income on graduation.

The ecosystem approach recognises the evident challenges and offers an aggregated and systematic methodology for the execution of EPWPs. It promotes a stakeholder participatory programme packing process and a collaborative implementation planning approach.

2. PURPOSE/CONTEXT FOR DEVELOPING IMPLEMENTATION PLAN/TOOL

The EPWP is by no means designed to address the structural nature of the unemployment challenges; it is designed to be an element of a broader government approach to reduce poverty through the alleviation and reduction of unemployment, as well as the training and upskilling of youth to participate effectively in the economy. The programme creates temporary work opportunities in the four different government sectors, through labour-intensive projects undertaken mainly with public-sector resources and public- and private-sector implementation capacity. The aim is to increase the potential of participants to earn a future income by providing work experience, targeted skills training, opportunities for further education, and the development of small, medium and micro enterprises (SMMEs).

The EPWP has had demonstrable successes over the years; however, it is evident that it has not been as impactful as the policy documents envisaged. There are myriad glaring inadequacies, especially in exiting and graduating participants into sustainable employment or income-generating opportunities. To effectively address these challenges requires rethinking and re-engineering the strategic approach that underlies the implementation of the EPWP. Achieving the objectives set calls for a redefinition of the programme planning, design and execution to its simplest, most refined form. This has necessitated the Global Benchmarking exercise, and the defining of an Exit Strategy for programme participants.

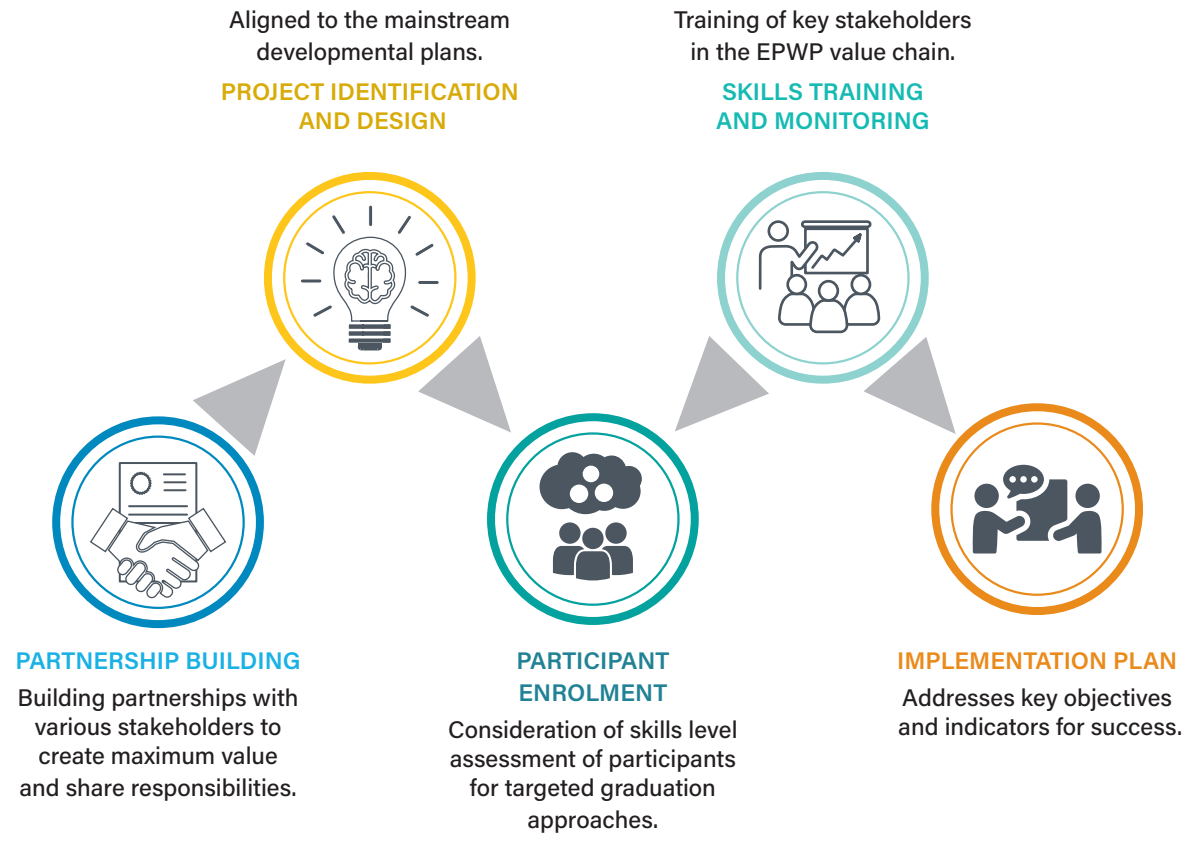


Figure 7: Exit Strategy Key Principles

As outlined in the Exit Strategy framework, there are five key principles for designing an effective strategy at city level, as shown in Figure 7 above: Partnership Building, Project Identification and Design, Participant Targeting and Enrolment, Skills Training and Mentorship, and an Implementation Plan.

This document serves as a resource for or implementation guide to the proposed EPWP Exit Strategy. It is a resource aimed at supporting the government departments and public administration sectors involved in discharging the mandate of the EPWP programme. The resource provides practical insights and guidance for the staff of government departments, agencies and other public sector bodies, and associated stakeholders tasked with planning, developing and implementing strategies and their action plans.

3. FORMULATING THE ACTION PLAN

The process of conceptualising actions that are change-oriented is complex; it requires a stakeholder-participatory and interactive approach to fully encapsulate the nature of presenting challenges and their causes. It also requires a strategic overview to provide a rationale for the prioritisation and sequencing of actions to be taken. So, each action should be directly linked to a given objective, and should be designed to impact the identified problems effectively. No action should be included in the action plan itself without a foundation, meaning the problem it seeks to address and the objective it serves to achieve.

Each action should be directly linked to a given objective, and should be designed to impact the identified problems effectively.

The action plan and its supplementary annexures outline the specific activities required and set a direction for their implementation. An ecosystem approach is required for the development of the action plan as a way to validate the direction being proposed and introduce additional (or even more innovative and/or user-centric) insights to finding solutions to problems than those originally considered. The action plan is usually prepared and presented in a tabular format that reflects the core policy elements of the strategy. It incorporates all the information needed for efficient implementation, monitoring, reporting and evaluation, in a manner that relates clearly to the objectives it is intended to support.

A typical action plan is made up of the following elements:

- the definition or brief description of each action;
- the deadline or timeframe;
- the responsible institution or unit tasked with the implementation, and any other institutions contributing to the implementation;
- the financial and human resources required for implementation, and the sources of funding;
- output or process-level indicators for each action.

4. CRAFTING INDICATORS

An indicator is the means by which an objective or action can be assessed as having been achieved or implemented. It is directly tied to objectives and actions within a strategy. It serves as a benchmark by which to measure the degree of success in achieving an objective, or to check whether an action has been implemented and what it has delivered. An indicator has a baseline value (its position at the outset) and a target value (the level it is expected to attain). Therefore, crafting an indicator and its baseline and target is a vital stage in the strategy development process. The indicator and its target should compel the taking of actions to achieve a milestone, or serve as a control to guide the taking of corrective actions.

It is important to emphasise that good indicators are set against particular standards:

- **Clarity** – indicators ought to be precise and clear in their illustration of the aspects that they are measuring, such as timelines or quality.
- **Relevance** – indicators must be directly connected to and suitable for the given objective of the strategy.

- **Economical** – the cost of acquiring data to develop an indicator should be reasonable in terms of the budget and human resources required.
- **Actionability** – indicators and their target should lead to actions that will achieve the desired outcomes. Conversely, should there be diversions from the action plan, indicators should direct corrective actions.
- **Monitorability** – it should be easy to monitor the effects of indicators, and they should be responsive to independent validation.
- **Participatory** – indicator development and application must be an inclusive process.
- **Interpretability and communicability** – indicators need to be explained or interpreted for different stakeholders. The context and consequences of an indicator's output or outcomes must be explainable.
- **Disaggregated** – It should be possible for indicators to be broken down for different groups along gender or income lines.

Finally, a crucial element in the setting of indicators is the definition of institutional responsibilities. The responsibilities for data collection, regular monitoring, reporting and analysis must be clearly defined in the strategy or corresponding planning documents.

All of the above underpins the development of an effective action plan. This is a specific set of actions that are to be implemented or executed in order to achieve the defined objectives and set targets. In this context, an action is a tangible activity or set of activities and processes directly linked to the use of resources or inputs (whether human, financial or material) to produce particular pre-defined deliverables or to reach specific policy goals. It is important to note that the responsibility for the execution of an action must be clearly defined and set out; and because actions are linked to resources, they should be specific or targeted in order to concentrate efforts for greater impact.

Actions or interventions must be change-oriented, fresh and innovative, as an effective way to address the challenges that have been identified for an EPWP Exit Approach. They should trigger significant reform of or improvement to existing practices or systems. The choice of suitable actions to implement revolves around the consideration of the various policy instruments applicable to addressing identified challenges or problems as a framework for the optimal utilisation of resources. This also determines their combination and the sequencing of the action execution process.

Ideally the action plan should be prepared and adopted together with the strategy, in order to align the financial resources available for the execution of the strategy with realistic and feasible milestones or targets for the desired impact.

In this context, an action is a tangible activity or set of activities and processes directly linked to the use of resources or inputs (whether human, financial or material) to produce particular pre-defined deliverables or to reach specific policy goals.

5. THE ACTION PLAN

Principle 1: Project Selection and Design

Objective: Outline overall project approach and the execution required to deliver project successfully				
Actions	**Responsible/Resources**	**Outputs**	**Indicators**	**Outcomes / Impact**
Identify projects at a suitable scale (location, EPWP participants)	EPWP champion with line department	Detailed EPWP project plan	Approved city project on the IDP	Targeted EPWP interventions
Establish City Project team	HOD EPWP and Sector Department Champions	Project contact list	MOA between EPWP Office & relevant city departments	Departments measured against scorecards
Stakeholder Mapping	EPWP Champion	Stakeholder plan and engagement process	Approved roles and activities for project stakeholders	Clear role for external partners
Design Workshop	HOD/EPWP Champion	Design workshop programme outline	Minutes of design workshop	Clear project outcomes, agreed to with partners

Principle 2: Partnership Building

Objective: Ensure the City facilitates an environment conducive for other stakeholders to contribute to employment creation				
Actions	**Responsible/Resources**	**Outputs**	**Indicators**	**Outcomes / Impact**
Identify relevant partner organisations	HOD EPWP and Sector Department Champions	Stakeholder network, Community of Practice	Number of approved diversified stakeholders in a database	Knowledge Centre / Community of Practice
Participatory situational analysis and programme scoping		Programme outline needs and scale	Approved gap analysis report and programme scope	Project plans
Workshop overall programme objectives		Setting programme targets	Programme deliverables and timelines	Programme resource plans
Workshop programme training objectives		Setting EPWP training targets and models	Training framework	Identifiable project skills to be developed
Identify roles and responsibilities and Funding arrangements		Institutional arrangement for EPWP and training	Organogram	Clearly defined roles
Identify common objectives/ mandates with stakeholders	EPWP Champions at City and National Level	Partnership MOAs	Participants employed through joint stakeholder partnerships	Shared efforts/resources for participant employment/training
Develop central public platform of current and potential projects	National EPWP Office	Live online partnership platform	Number of partnerships formed through platform	Foster partnerships through a central public platform of current and potential projects that allows stakeholders to log projects for potential partnerships
Develop digital Learning Management System (LMS)	Stakeholder Network/ Community of Practice	Online Learning Portal with accredited sector courses/ modules	Number of participants accessing the portal; number of courses successfully taken	Self-paced learning and wider reach for courses

Principle 3: Participant Targeting and Selection

Objective: Ensure EPWP participants targeted for exit and graduation from identified programmes are able to do so				
Actions	**Responsible/Resources**	**Outputs**	**Indicators**	**Outcomes / Impact**
Participant Outreach	EPWP Champions at City and National Level, Training Partners; a Community of Practice Network	Programmes awareness targeted audience	Number of respondents	Interest in participating in the programme
Eligibility Screening Surveys		Basic eligibility requirements being met	Demographic profiles of eligible candidates	Assessment for further basic life skills development
Interviews with community leaders to verify applicant eligibility		Verification of candidature	Socio-economic status of candidates	
Participant skills-level assessments	Training Partners	Assessment report of participant skills/competence; General participants skills development analytics/statistics	Levels of literacy and competence; Required number of candidates	An understanding of the skills and competencies of participants, potential to graduate and resources required for graduation

Principle 4: Skills Training and Mentorship

Objective: Design of a suitable package of interventions to support EPWP participants with resources for their development Design of a suitable package for continuous training support for programme officials and Champions				
Actions	**Responsible/Resources**	**Outputs**	**Indicators**	**Outcomes / Impact**
Identification of resources required to enable graduation Skills gap analysis for officials and Champions	EPWP Champions and City and National Level Community of Practice Network/Knowledge Centres Training Partners	Accredited level qualifications/ certificates Technical/Technological Competence	**Skills Acquisition** Enrolment rate Educational attainment Literacy levels Cognitive skills levels Participation in work-training & apprenticeships **Skills Requirements** Job-task measure of skills use Job requirements by training Desire for/incidence of self-employment **Matching** Skills gap Proportion of qualified/ unqualified youth Changes in unemployment rate Earning power by qualification/ occupation Hard-to-fill vacancies	Employability Job productivity Sustainable jobs and income Job quality Emerging SMMEs

Principle 5: Project Implementation and Participant Graduation

Objective: Adherence to a project structure and pathways aligned to graduate needs				
Actions	**Responsible/Resources**	**Outputs**	**Indicators**	**Outcomes / Impact**
Approved project implementation plan	EPWP Champion and HOD	Signed Implementation Plan	Council decision	Enhanced accountability
Certification of participants	Training Institutions	Programme graduates with formal recognised certification	Number of participants with training certificates	Participants capable of competing in jobs market Improved employability of programme graduates
Flagging participant as a graduate	HOD and EPWP Champions	List of participants ineligible for EPWP activities	Online system with ID numbers of graduated participants	Improved circulation of EPWP opportunities in cities

Principle 6: Monitoring, Reporting and Evaluation

Objective: Effective controls and review mechanisms for project response to conditions				
Actions	**Responsible/Resources**	**Outputs**	**Indicators**	**Outcomes / Impact**
Online Management System	EPWP Office	Online system to manage entry and exit of participants	Quarterly update on participant movement	Improved management of project progress
Performance Management	HOD, City Management	Signed city scorecard	% attainment of project targets	Rotation of EPWP recipients Greater accountability of city departments
Quarterly Reporting	EPWP Champion	Quarterly performance report	% implementation progress on projects	Improved reporting on exit and graduation

6. MONITORING AND REPORTING

When the strategy has been approved and the action plan adopted and implemented, progress must be constantly monitored and evaluated to check if the objectives are being delivered on as expected. This process is done in two phases: monitoring and reporting, and evaluation. These may be resource-intensive and capacity-demanding processes, but they are critical to strategy development. The mechanism to perform this function is developed in parallel with the approval of the strategy; it details the various roles and responsibilities for data provision, data collection, writing of reports, regularity of reporting, the format of various reports and key features of evaluation, among other aspects.

* So, the central purpose of the monitoring and reporting function is to detect challenges and make recommendations to overcome them during the course of the implementation of the strategy.
* The collating and presentation of information must be in a manner that improves decision making around strategy improvement. This requires that process reporting must be timely, so as to be in line with the overall strategy-related decision-making calendar.

- Reporting must be focused on the most important aspects, such as objectives, targets and activities; as well as on progress regarding the attainment of the agreed deliverables. The reports must relate to only the relevant and strategic information. Ultimately the reporting must be user-friendly, meaning that information should be presented using a simple format, concise text and visual information, and in simple language.
- Monitoring and reporting is a routine exercise, the frequency of which will differ depending on the type of performance information being reported. The preparation of monitoring reports is a labour-intensive activity, and should be undertaken in such a way that the report is proportionate in terms of the time spent on its development and its benefits. A good strategy-monitoring report must therefore exhibit the following:
  - Creative presentation of data and information through the use of graphs, pictures, tables and other innovative visualisation tools.
  - Short and well structured, capturing the most pertinent information about activity implementation and consisting of informative and catchy headings, a few bullet points and a number of graphs and tables.
  - Results focused, on the most important aspects of what has changed in a particular strategy area; how far the planned commitments have been achieved at the time of reporting; what has not worked well and why; and recommendations for corrective measures or action.
  - The statements within the report should be based on facts, verified information and valid evidence.
  - Analytical, in that reports must be written in a way that assists the reader to reach conclusions. They must tell a story about both the achievements and the challenges, and their underlying causes.

> Monitoring and reporting, and evaluation may be resource-intensive and capacity-demanding processes, but they are critical to strategy development.

7. EVALUATION

This is a more elaborate process that analyses the effectiveness of strategy implementation. **It identifies what went right and examines the reasons behind what went wrong, and is used to refocus the strategic direction accordingly**. The design and execution of the evaluation phase is usually independent of the regular monitoring and reporting framework. This entails developing evaluation questions; collecting and analysing data to answer those questions; and then collating evidence to formulate conclusions and recommendations. The goal of evaluation is to improve strategy implementation or its design, as well as being a critical accountability tool for strengthening an institution.

- Evaluation requires a specific set of skills, including methodological skills to structure the evaluation framework; analytical skills, to be able to handle data collation and analysis; the ability to translate technical information into practical recommendations; and the ability to network and present and communicate, so that the data collected can reach the many stakeholders in a comprehensible manner.

- The evaluation design process goes hand in hand with the design of the monitoring, reporting and evaluation framework in conjunction with the adoption of the strategy. Strategy evaluation can be undertaken during the course of strategy implementation (interim), or carried out after the strategy has been implemented (ex-post). Similarly, the types of evaluation approach are also differentiated, as follows:
  - **Programme evaluation**: focuses on efficiency, implementation, internal mechanisms, and implementation/delivery of outputs. It utilises workflow analysis, comparison of performed vs. planned activities and outputs as methods of analysis that answer the question of whether the implementation has gone according to plan, and if the results look attainable.
  - **Impact evaluation**: examines effectiveness, contribution and the achievement of outcomes. It employs processes of comparative analysis, cost-effectiveness/benefit analysis and benchmarking. It asks of the action plan whether the strategy has been effective in achieving its stated objectives.
  - **Process evaluation**: focuses on the cause-and-effect, attribution and achievement of impact. Counterfactual analysis, comparison groups, statistical analysis and randomisation are some of the methods used. They answer such questions as: what would have happened in the absence of the strategy?

All in all, an effective evaluation must lead to decisions, prompting and encouraging institutions or departments to:

- start, stop or continue a new or existing strategy
- revise policy/strategy (objectives, actions, activities, or indicators and their targets)
- re-adjust budgets and resources
- modify implementation processes (timeframes, responsibilities)
- learn about what went right or wrong and why.

8. CONCLUSION

Implementation of the Exit and Graduation Strategies will be context specific. The Exit Strategy Framework and Implementation serves as a guide for cities. It is not intended as a rigid process; rather, it is seen as a malleable and adaptive process, to be tailored to each city's dynamics. Implementation also needs to be measured, with a pilot approach developed in an adequately sized project, from which lessons can be drawn and implemented in future projects.

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NOTES

NOTES

EPWP EXIT STRATEGY

South African CitiesNetwork

Joburg Metro Building
16th Floor, 158 Civic Boulevard
Braamfontein
2017

PO Box 32160,
Braamfontein, 2017

Tel +27 11 407 6471
Fax +27 11 403 5230

www.sacities.net