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EMPLOYMENT
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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

Terms of Reference:

Social Employment Fund – Strategic Implementation Partners

Open Call for Proposals 2022

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1. Introduction

South Africa has had unemployment levels of over 25% for over 25 years with Stats SA Q2 of 2022 reporting unemployment at 33.9%. The devastating consequences of this are becoming cumulative, not only on the individuals directly affected but on households and communities as well.

Unemployment is recognised as the single biggest cause of poverty in South Africa, with all the negative implications this has for a multi-dimensional range of social challenges. These include lack of adequate nutrition, poor health outcomes, poor education outcomes, and lack of access to decent living conditions. Unemployment has negative non-income impacts also, in relation to access to networks, social exclusion and self-esteem issues that can contribute to depression and a range of anti-social behaviours that negatively affect the wider community.

In addition to this combination of negative social impacts, unemployment also acts as a brake on economic dynamism, eroding productivity and limiting the development of the capabilities that are built through participation in work. While long-term solutions to this lie in inclusive growth, high levels of unemployment in themselves constrain such growth, in a vicious cycle. These existing challenges have been exacerbated by the Covid-19 crisis.

In response to this context, the President launched the Economic Reconstruction and Recovery Plan in October 2020. As part of this plan, the Presidential Employment Stimulus supports a mix of public employment, livelihoods and job retention programmes, using direct public investment to mitigate the immediate effects of the crisis – while also contributing to catalysing economic recovery.

As part of the Presidential Employment Stimulus, the need for a ‘whole of society’ approach to creating ‘work for the common good’ was identified, to optimise capacities and partnerships across society in responding to the challenges and to augment the capacities of the public sector.

The first Call for Proposals was launched in November 2021 resulting in 28 Strategic Implementing Partners (SIPs) contracted to deliver on the creation of 50,000 temporary work opportunities. The new bid window is open to both existing SIPs and new applicants who meet the funding guidelines set out herein.

2. What is ‘Social Employment’?

At the core of the concept of ‘social employment’ is the recognition that there is no shortage of work to be done to address the many social, economic and environmental challenges we face as a society, and that in this context, it is a tragic irony that our society is characterised by a lack of opportunities to work. In a context in which markets are currently constrained in their ability to create employment on the scale society needs, there is a vital role for the state in closing this gap. This is the classic role of public employment programmes. But given the scale of our employment crisis, we need to marshal as wide a set of resources in this battle as possible. This includes recognition that a wide variety of role-players in the wider society currently also engage in work that contribute to ‘the common good’.

The concept of ‘social employment’ recognises and emphasises this reality, expanding the usual definition of public employment (or public works) programmes run by the state, to harness the

energies and capabilities of the wider society, to enable a ‘whole of society’ approach to creating work for the common good. The aim is to enter into partnerships, or ‘pacts of collaboration’ with diverse social employment players, to enhance public value creation – and to ‘build back better’ in the process. This recognises the considerable creativity, initiative and institutional capacities that exist in the wider society and aims to harness these – and strengthen them further - to create work on terms that respond to local priorities. It’s a call for a strengthened social compact in which we use our collective strengths to create work on the scale required, using labour to create social value and building a better society – and economy – in the process.

What is meant by ‘work for the common good’? What work is envisaged?

‘Work for the common good’ refers to work that contributes to the public good, rather than to private goods and services. It can be understood as work that supports the Sustainable Development Goals and/or that improves the quality of life in communities, with a focus on poor, marginalised and/or disadvantaged communities and groups. The following are indicative – and non-exhaustive – examples of typical theme areas:

- Placemaking
- Health and care
- Community safety and action against gender-based violence
- Greening and the environment
- Food security, nutrition
- Education support, early childhood development
- Youth support and recreation
- Support to digital inclusion
- Community and public art.
- Other social innovation

The concept of ‘work for the common good’ is intentionally wide, to encourage and enable innovation in the kinds of work conceptualised, across a spectrum of social, environmental and economic needs and to do so in new ways also - including the use of digital technologies.

3. Social Employment: part of building the Social Economy

According to the Social Economy Draft Green Paper, ‘the pursuit of social objectives for the benefit of its members of the community is, broadly, the mission of all social economy activity.’ Social employment fits directly into this vision, along with the emphasis on solidarity, social inclusion and self-organisation.

Social employment is a term for forms of employment that are not market-based and that are not predicated on producing a market-based return, focusing instead on creating social value. Such value cannot always be monetised – even if improved social cohesion and well-being create indirect opportunities for market-based activities.

The social economy includes all enterprise activity with *a deliberate and focused social or environmental outcome*, that combine social goals with market-based strategies. This includes, for example, ECD centres, recycling initiatives, social housing, disability employment and more. The social economy also includes non-profit activities, where there is no market-based cost-recovery

mechanism. Social employment fits mainly within the latter category. It does, however, have a potentially strong interface with forms of social enterprise, which combines social purpose with the aspiration of market-based sustainability. Support to social employment can augment the ability of such enterprises to reach their social purpose, in the process, providing support to the endeavour while the volumes of market-based sustainability are built. While it is not a form of wage subsidy to the market-based dimensions of social enterprises, it can support those dimensions of their activity focussed on the common good.

4. Guiding Principles

The social employment strategy is informed by the following guiding principles:

- The work undertaken is **meaningful** to participants and also to the wider community, in that it serves the common good i.e it creates public goods and services that create social value.
- **Poor, disadvantaged communities** are the main beneficiaries of the work opportunities created and also of the public goods and services delivered.
- The approach aims to enable **skills transfer and human capacity development**, building local capabilities and leadership to implement initiatives.
- **Partnerships** between public, private, civil society and community structures are promoted.
- **Local capacities**, resources and assets are leveraged.
- **Sustainability** is strengthened, including environmental, social and organisational sustainability.

5. Key Design Features

5.1 Work ‘for the common good’

The SEF will support employment creation that serves a ‘common good’ purpose, that creates public goods and services rather than private ones. This includes work in relation to the following themes:

- Placemaking
- Health and care
- Community safety and action against gender based violence
- Greening and the environment
- Food security, nutrition
- Education support, early childhood development
- Youth support and recreation
- Support to digital inclusion
- Community and public art.
- Area-based programmes that may include a cross-cutting mix of initiatives.
- Other social innovation

5.2 Target beneficiaries

The target participants are unemployed people and the target beneficiaries of the work undertaken are poor communities. Participation of marginalized groups is encouraged.

5.3 The work is part-time

The SEF will support an average of 16 hours of work per beneficiary per week; the allocation of this time is flexible depending on the needs of a given organisation. Seasonal work which is defined in Annexure 2 is not permissible

The rationale for this is that in the context of public employment opportunities, where the alternative may be a short-term episode of full-time employment, there are advantages to part-time employment of longer duration. This provides a minimum level of income security over a longer period, as well as the advantages of structure, networks, capabilities and inclusion associated with participation in work. At the same time however, it provides a platform supporting pathways into self-employment or entrepreneurial activity. As is well recognised, starting any form of income generating activity typically involves some level of initial outlay. Few businesses earn income in the start-up period and entail high risks of loss. For people living from hand to mouth, these factors put any such activity out of reach – leaving them dependent on highly-precarious forms of casual labour and intra-household transfers instead.

5.4 Decent work

The work is socially useful, ethical work that enhances the quality of life; it is also meaningful work with decent working conditions and fair rewards for work done. The minimum wage in the programme is at the National Minimum Wage and the work complies with regulated minimum labour standards. The SEF also contributes to Decent Work principles by epitomizing a human-centered approach to work, connecting people to each other, strengthening social cohesion and integration.

5.5 The work is implemented mainly by non-state social employment players

The aim of the social employment strategy is to enable a ‘whole of society’ approach to public employment, supporting non-state actors to create work for the common good. Partnerships with public bodies are however encouraged.

Non-state actors are encouraged to organise themselves in ways that ensure that while the contracting entity has the requisite capacities, there is a concerted strategy to partner with and build capacities in community-based organisations and smaller organisations that may lack these. This can include partnerships, consortia, and other mechanisms of collaboration.

5.6 The work is labour intensive

A minimum of 80% of the costs of approved contracts must go towards wage costs. The allocation of non-wage costs will vary by programme, and will be assessed per application, but should cover inter alia the programme management fees of the implementing agent, protective gear where required, tools and materials, and training and technical support costs. Applicants are to ensure that inclusion and provision for data costs and technology (i.e. mobile devices) that may be required to implement and comply with the SEF reporting requirements. Applicants are encouraged to make provision in the budget for alternative power sources to avoid delays in implementation.

5.7 The strategy is designed for scale

A critical challenge in South Africa is the inability to take development interventions to scale. In order to achieve the scale of impacts intended, the approach will focus on support to initiatives able to deliver a minimum level of scale of 1,000 participants.

5.8 A portfolio approach

Given the relatively limited scale at which social employment is currently funded, the SEF will take a *portfolio approach* that aims to support initiatives in a range of spatial contexts (eg rural, small-town, urban) as well as in a spread of thematic focal areas, to offer 'proofs of concept' for the approach in these different contexts, without an expectation that coverage can be provided in all parts of the country or necessarily for all thematic areas specified.

6. Eligibility Criteria

The SEF has pre-determined eligibility criteria to ensure that outputs are maximised and that the goals and objectives of the Fund are met. Successful applications should meet the following *overarching criteria* at a minimum:

- a. Align with the Guiding Principles (Point 4) and Key Design Features (Point 5) above
- b. Be managed by experienced implementers with a track record of at least two years.
- c. Demonstrate capacity to employ at least 1,000 eligible participants at an average of 80 days per ordinary participant for up to 10-months. Applicants will have up to 3-months to ramp-up their participant numbers to the maximum intended. Seasonal work is specifically excluded. These days may be adjusted or extended depending on the availability of funds.
- d. Be able to on-board participants to a digital system ensuring they have a valid bank account and identification documents. Applicants will need to monitor participants time-in-attendance and their activities. (Refer to the Payment & Reporting Solution workflow and design in the Annexure 1.)
- e. Either already have a well-established monitoring and evaluation framework or demonstrate the ability to establish one
 - Applicants must include in their proposed budgets, an allocation for monitoring and evaluation resources, and will be expected to report against the standard indicators for the programme which are presented in Section 7.2 below.
 - Where necessary, applicants are expected to propose additional Specific, Measurable, Achievable, Attributable, Relevant and Time-bound (SMAART) indicators for all anticipated project outcomes and impact.
- f. Must demonstrate efficiency and value for money with respect to programme administration costs.

- g. Existing SIPs who have received funding must be in good standing with the IDC. This involves meeting acceptable employment targets; reporting to the IDC timeously and accurately and having no adverse findings.
- h. Subject to the criteria being met, the allocation will give priority to provinces and localities worst affected by unemployment, based on unemployment levels and population size.

Further to the above overarching criteria, applicants must meet the following Institutional and Funding criteria.

6.1 Institutional Criteria

Lead applicants must adhere to the following minimum criteria:

- a. Must have audited Annual Financial Statements covering at least 2 years
- b. Be financially solvent and liquid
- c. Meet KYC requirements (FICA, Tax Compliance, etc. Refer to the FICA checklist)
- d. Demonstrate capacity and robust financial systems to accurately account for SEF allocations
- e. Demonstrate capacity and robust operating systems to manage the payment authorization workflows as per Annexure 1
- f. Must have a verifiable track record of more than 2 years of technical experience of working within the field intended. Please include references from a minimum of two institutions that will confirm successful implementation of previous programmes.
- g. Have a functional Board which meets regularly as per the applicant's constitution
- h. Demonstrate a track record of community engagement and/or consultation
- i. Will be expected to adhere to relevant labour regulations viz., Basic Conditions of Employment Act; the Labour Relations Act.

6.2 Funding Criteria

A standard funding budget must be completed as part of the application pack. Key components of the budget include:

- a. 80% of the total proposal budget must be for wages.
 - 90% of participants are paid the National Minimum Wage.
 - 10% of participants are paid up to a maximum average of 175% of the National Minimum Wage, to allow for more skilled, supervisory and/or admin staff. The budget must make clear how this component is allocated i.e., to what skills categories. Rates over and above this must be agreed in advance with the IDC SEF Team.
 - Participants are expected to work an average of up to 80 days over the Programme period
 - UIF and COIDA allowance of 2% covering employer's contributions is included in the direct cost of wages.
 - SDL to be provided for where necessary

- b. The balance of 20% of the total budget must cover all non-Wage costs. Your proposal will motivate the breakdown of these costs against the following categories:
- Inventory
 - i. Tools (implements required for the Programme such as spades, brushes, etc.)
 - ii. Materials (consumables required for the Programme such as paint, seeds, etc.)
 - iii. PPE (protective gear for the participants)
 - Services
 - i. Technical
 - ii. Training
 - Programme Management (Monitoring of sites and participants, IT costs, mobile devices, energy solutions and data costs, sundry overheads)
 - Other (non-wage costs not categorised above which are necessary in order to deliver on the programme objectives)
 - Monitoring and evaluation costs to meet the reporting and evaluation requirements
These will be reviewed for reasonableness.

6.3 Competitive Features

Preference will be given to applications which exhibit some or all of the following features:

- a. Partnerships have been/will be formed between public, private, civil society and/or community structures resulting in a network of partners that give effect to maximized spatial equity and increased number of participants
- b. Where smaller / grassroots organisations are involved/included/partnered with, thus gaining experience to design and implement future projects of social value.
- c. Innovation: Applicants who demonstrate innovative ways to further unlock labour intensive and socially useful work thus enabling employment of participants to undertake a development intervention at scale will be looked at favourably. This innovation should create social value, income generation, and environmental sustainability opportunities and/or the use of technology to unlock labour intensive work opportunities whilst creating public value.
- d. Value-for-money. The initiative must show how costs will be kept reasonable whilst quality outcomes and outputs are maximised. This can be further exhibited where programme benefits reach the most remote and vulnerable parts of the country/ population through an expanded geographical footprint and range of special contexts (e.g., rural, small-town, townships, etc)
- e. Co-funding.: Where work programmes have the potential to attract other funding and/or in-kind support to support the intended outputs and outcomes.
- f. Sustainability is exhibited where work programmes have the potential to endure beyond the period of implementation. Sustainability is further exhibited where there is consideration and maximisation of pathways for participants, beyond the work programme, into livelihood income generating activities or absorption into employment using skills acquired.

7. Reporting Requirements

Successful Strategic Implementing Partners (SIPs) are expected to have robust financial systems to account for the day-to-day accounting of the SEF budget. In addition, SIPs will be expected to adhere to the following reporting requirements.

7.1 Monthly / Quarterly reports

- a. Actual Expenditure per budget category to date
- b. Forecast expenditure per budget category
- c. Progress against Programme outcomes
- d. Narrative Progress against programme implementation plan
- e. Risks and Mitigants
- f. Lessons learnt from implementation

7.2 Impact reporting

- a. **Impact Indicator 1:** Number of people employed, against key demographic and financial data. This will be generated automatically by the reporting platform, based on the participant's information uploaded.

SIPs will be expected to support and enable a digital entry, mid-term and exit survey of participants that will be developed and administered by the IDC, as part of measuring psycho-social impacts of the programme.

- b. **Impact Indicator 2:** How has the work undertaken contributed to the common good?

As part of the proposal, SIPs are required to propose 3-5 indicators for this that are relevant to the context and content of their proposal, with a brief summary of how these indicators will be measured, including consideration for the baseline to be utilized.

- c. **Impact indicator 3:** How has the Social Employment programme strengthened organisational and institutional capacities for implementation of Social Employment in relation to SIP partners and in the communities served?

The indicators for this are not required as part of the proposal, but will be an output required as part of project inception, to allow SIPs to consult with their partners and local organisations on appropriate indicators for this once contracts are confirmed.

- d. **Impact indicator 4:** How has participation in the programme built the capacities and capabilities of participants? The indicators for these will also be by agreement in the inception phase.

8. Application Process

Allocations from the SEF are made using a competitive review process. Applicants must visit www.idc.co.za/SEF and download the following forms:

- a. SEF Application Form (word document)
- b. SEF Budget Proposal and SEF Equity Split (excel document)

The fully completed forms together with necessary supporting information must be submitted to SEFapplications@idc.co.za

Applicants are urged to keep responses focused and concise, submit only necessary information and submit a single pack of information.

All applications should be received by close of business on Monday, 16 January 2023.

The IDC reserves the right to re-open this window in the event the broader objectives of the SEF are not being met from the applications received. The IDC also reserves the right to amend and adjust terms within reason and as guided by the SEF's Project Steering Committee.

9. Additional Information

- For the initial implementation the Fund will make advance payment to SIPs to cover the non-wage costs as well as costs of UIF and SDL, based on the agreed budget and activity plan. Subsequent payments for these costs will be made in agreed upon intervals, based on performance, sample verification of reported expenditure and projections for the coming period, with a percent of the total budget withheld in the last quarter until submission of a close-out report on approved activities and expenditures.
- Ring-fenced bank account: non-wage payments will only be made into a designated ring-fenced project bank account from where all project-related expenditure will be funded.
- Other government funding: Applicants are expected to declare any existing contracts with other public employment interventions, training programmes, etc. Failure to declare will be deemed a breach of trust and will result in immediate termination of the application and in the instance where contracting has been concluded, termination of the contract.

ANNEXURE 1: DESCRIPTION OF PAYMENT & REPORTING SOLUTION

A Payment tool is currently used to manage on-boarding, recording of participants attendance and hours worked, payment of wages as well as reporting of outputs. This tool is provided to all successful SIPs at no cost. The following is a high-level description of the tool:

- It has a desktop and mobile component.
- Participants must be on-boarded onto the Payment App. This involves obtaining participant data (ID, banking details, residential data, etc.) and uploading this data correctly. Supporting documentation must be kept on file.
- Participants are segmented into wage categories with defined wage rates and working hours.
- tracks hours worked and attendance using biometrics. Designated timekeepers with mobile devices and the payment app installed must monitor the attendance of workers as well as their output.
- Weekly and monthly data integrity checks must be performed by SIPs.
- A final consolidated payment file will then be shared with the IDC for release to the individual workers
- Failed payments because of incorrect bank details and so forth will not hold up these payments but will have a separate workflow

ANNEXURE 2: DEFINITIONS

1. Participant: Participants need to be job-seeking South African citizens or have confirmed refugee status entitling them to work. Participants cannot be concurrently enrolled on any other public employment programme, such as the Expanded Public Works Programme, the Community Work Programme or Youth Service. The participation of currently unpaid volunteers who are already undertaking meaningful community work is encouraged.

All working age adults (18 – 60 years) can participate. Participants above this age limit can only be included on an exception basis and if express permission is received. The inclusion of marginalised groups such as women, youth, and people with disabilities is encouraged, but there are no quota targets set per project.

Individuals receiving the Child Support Grant can participate. However, people receiving the Social Relief of Distress Grant ('the R350') are eligible to apply but would become ineligible for that SRD grant for the duration of their employment. People receiving the NSFAS are also ineligible.

2. On-boarding: Finding participants who meet the above definition and capturing their full details including name, ID or Passport number, correct banking information, address, education level and other personal information that the IDC may require from time to time.
3. Social employment: The concept of 'social employment' recognises and emphasises this reality, expanding the usual definition of public employment (or public works) programmes run by the state, to harness the energies and capabilities of the wider society, to enable a 'whole of society' approach to creating work for the common good. The aim is to enter into partnerships, or 'pacts of collaboration' with diverse social actors, to enhance public value creation – and to 'build back better' in the process. This recognises the considerable creativity, initiative and institutional capacities that exist in the wider society and aims to harness these – and strengthen them further - to create work on terms that respond to local priorities. It's a call for a strengthened social compact in which we use our collective strengths to create work on the scale required, using labour to create social value and building a better society – and economy – in the process.
4. Decent work: The work is socially useful, ethical work that enhances the quality of life; it is also meaningful work with decent working conditions and fair rewards for work done. The work complies with minimum labour standards. The SEF also contributes to Decent Work principles by epitomizing a human-centred approach to work, connecting people to each other, strengthening social cohesion and integration.
5. Seasonal work is work that occurs predominantly for a specific season / consecutive period in a year and largely predicated on producing market based and private return rather than public good and social value as intended by SEF.

ANNEXURE 3: ILLUSTRATIVE EXAMPLE

The following example of a work programme is intended to assist applicants in conceptualizing work programmes for submission to the SEF. It describes a scenario where established NGOs work with grassroots organisation and the private sector to deliver social value. This is meant to be used for illustrative purposes only. Applicants should apply their own experience, creativity and innovation in their individual submissions.

Hope For All NPO

Hope For All ('Hope') are a registered NPO and PBO who have been actively involved in multi-disciplinary community work for 12 years in the urban and peri-urban areas of Durban, KwaZulu-Natal. The main activities of Hope are in the Audio-visual space. Hope have seen a shortage of suitable sight and hearing services. This has affected communities in obtaining hearing aids and spectacles. These tools are necessary for students to function well at school as well as workers to perform their duties at work. Hope have developed a low-cost and easy to use hearing-testing program. Over 2 days, Hope can train a worker to register an individual for testing and perform a simple hearing test. This simple hearing-test informs whether an audiologist visit is then required or not. The training course is in-line with local and international best practices.

Hope have a Board consisting of independent and non-independent members which meets on a quarterly basis to review performance. Hope has over several years, developed a permanent fund which is invested in a low-risk manner to generate funding for operational needs; this permanent fund cannot be accessed for non-operational needs. Hope's finance team of 6 is headed by a registered Chartered Accountant. This finance team manages their permanent and contract team of 300 individuals.

Sharper Hearing – Private Partner

Hope partner with Sharper Hearing ('Sharper') a national chain of audiology services. This partnership has been developed over a number of years. Sharper as part of their social responsibility, allocate 2 technicians to Hope once a month to perform audiology screenings. As part of this partnership, Sharper will allocate 10 hearing devices at cost-price per month to any needy individual.

Sharper sees this partnership as beneficial in a number of ways. Case-workers who are able to perform registration and basic testing are in short supply; this work with Hope provides Sharper with a database of willing workers. Sharper are also involved in the testing of new technologies and devices; the work performed with Hope allows them to do so at scale.

Injabulo – Community Based Organisation

Injabulo is an informal community based organisation (CBO) based in rural KwaZulu-Natal. Injabulo is run by the local school principal and other community members. They get together to discuss community issues and organize as a way to engage with the district municipality. One year ago,

Hope decided to expand their services to the more rural parts of KwaZulu-Natal. Hope identified Injabulo as a valuable CBO that was trusted by their local community. Injabulo gather together community members for testing and screening by Hope.

Injabulo are starting to register with the relevant departments as an NPO. They currently do not have a finance team or permanent paid members. Hope are working with Injabulo on this formalization.

Proposal to the Social Employment Fund

Hope have seen a need for audiology services on a national basis. They require workers to run hearing camps in all provinces and therefore apply to the SEF. Hope also require funding for technical training, the purchase of basic audiology devices and logistical expenditure.

Hope applies to the SEF for a total of R20mn split between wages (R16mn) and non-wages (R4mn). As part of this proposal, Sharper have committed to providing 1000 hearing devices for free to any needy recipient.

The Payment System

The Payment System is a contracted payroll service provided by the IDC to all successful SIPs. SIPs are required to onboard and upload participant data onto the system. This data includes name, demographic data, ID, banking details and an image. SIPs must then monitor the working hours and outputs of participants using the system. On a daily basis participants must be ‘clocked’ in and out onto the system – using biometric data. During the month a payroll file is generated which includes payment and time data for all participants. This file must be tested and checked by the SIP. At the end of the month, the SIP submits this file to the IDC. The IDC verifies the data and releases payment to each participant directly. The SIP then invoices the IDC for the wages along with statutory deductions (UIF, SDL, COIDA). The payment of the statutory deductions remains the responsibility of the SIP but is funded by the SEF. The IDC pays over these amounts to the SIP for onward transmission.

Entity	Designation	Role
Hope For All	Lead SIP	<ul style="list-style-type: none"> • Will apply to the SEF • Will contract and employ 1,000 participants for the 10-month SEF period • Will manage all non-wage costs including buying of devices, training of participants • Will invoice the IDC for wage and non-wage costs • Will manage all staff related matters

		<ul style="list-style-type: none"> • Will transmit statutory deductions to the relevant authority • Provides regular Monitoring and Evaluation feedback and reporting
Sharper Hearing	Partner	<ul style="list-style-type: none"> • Enters into MOA with Hope • Provides services and devices
Injabulo	Partner	<ul style="list-style-type: none"> • Enters into an MOA with Hope • Injabulo must organize willing participants from local communities and facilitate an introduction to Hope • Hope must work Injabulo to formalize and register with the relevant bodies
IDC	Fund Manager	<ul style="list-style-type: none"> • Acts as pay agent • Contracts with Hope • Pays wages to participants • Pay non-wage costs to Hope

ANNEXURE 4: FREQUENTLY ASKED QUESTIONS

What is the duration of the period for contracts between IDC and Strategic Implementing Partners (SIPs)?

At present, the funding allocation for the Social Employment Fund (SEF) allows for a 10-month engagement where participants are able to accumulate 80 days of meaningful work. This duration may increase based on the further availability of funding.

What is the difference between SIPs and Participants?

SIPs are applicants to the Social Employment Fund who wish to implement a Project in the social economy that creates social value and generates employment. Participants are workers hired by SIPs as part of these Projects.

What is a Worksite

A worksite is any location at which participants are undertaking work.

Who is eligible to be a Strategic Implementing Partner (SIPs)?

Any non-state organisation with a legally recognised form of registration is eligible. This includes for-profit companies, but they will face a higher level of scrutiny to ensure that the work undertaken serves the common good and that no part of the funding accrues to profits. The SIPs do not have to be non-profit organisations or civil society organisations - social enterprises registered as co-ops are also welcome to apply.

Who is an eligible Participant in the programme, what are the criteria?

Refer to definition within the Terms of Reference.

How many participants can be employed by a SIP per bid?

A bid needs to be for a minimum of 1000 participants, with the proposed participation target reached within the first quarter of implementation. This can be implemented by a number of organisations who come together in one bid, but a Strategic Implementing Partner is needed for contracting purposes. There is no set maximum participants per bid, but take into account that the SEF budget allows for a total of 50,000 job opportunities nationally, and while there is no regional quota, The SEF will aim to ensure coverage in different regional contexts.

Can people who receive SASSA or other state grants participate?

People receiving the Child Support Grant can participate. However, people receiving the Social Relief of Distress Grant ('the R350') would become ineligible for that grant for the duration of their employment. People receiving the Old Age Pension or NSFAS are also ineligible.

Why is the work part-time, and not full time?

Part-time work enables more people to participate on the programme within the same budget. Studies also show that a longer duration of part-time work has certain benefits relative to a short-term period of full-time work, when that is the choice. This is explained further in the Terms of Reference.

What is the wage rate?

Each participant will be paid at the hourly rate of the National Minimum Wage. Allowances are made for hourly rates above the National Minimum Wage for technical and supervisory staff.

SEF provides an average of 2 days of work per week, can other days be cross-funded / co-financed by other organizations and companies to create a full week of work?

Yes, where this comes from donors or private companies. Unfortunately, the balance of days cannot be made up with another public employment programme like EPWP or CWP. This is specifically excluded as part of the terms of SEF funding.

Is it possible to work a few hours per day across the week, instead of 2 full days a week?

Preference is for 2 full days or four half days per week per month which is repetitive. Where there is a strong argument for the work to be scheduled in an alternate fashion to best serve the needs of the community, this will be considered. Work must however average to 16 hours a week across the month.

Who is the employer of participants?

The SIP is the employer of participants. This will be by agreement within the parties to the bid. The employer will recruit, hire and - if necessary - fire participants, within the normal framework of labour legislation.

Who will pay UIF, SDL and COIDA (if applicable)?

The employer will be responsible to register and pay UIF, SDL and COIDA. An allowance will be allocated from the SEF for this payment and SIPs must include the estimated amount on their application.

What about participants who are not banked?

The SIPs will need to assist unbanked participants to become banked. All payments will be through bank accounts. No cash payments are to be made.

How often are wages paid?

Wages are paid monthly. The IDC will pay the participants directly. SIPs are responsible for ensuring that time and attendance, wage rates and payroll data is accurate.

Can participants be paid while they are on training?

Yes, where the training is relevant to the work to be performed.

Who determines the type of work done by SEF participants?

The Strategic Implementing Partner (SIPs) will specify the work to be undertaken in their proposal. It must be 'work for the common good' as explained in the Terms of Reference.

Must the work be in one of the listed sectors?

The listed sectors are intended as a guideline to stimulate ideas. They are not intended to limit the options as long as the work is 'for the common good'. The work undertaken can also be multi-sectoral. For example, in a given community, it might include food gardens, community kitchens and Early Childhood Development as part of an integrated strategy on child nutrition. Alternatively, the focus may be on one sector. The proposal might be to support victims of gender-based violence in small towns nationally.

Can organisations form partnerships or consortia?

Partnerships and consortia are encouraged. These might be within sectors or local areas. This can allow for the participation of organisations that would not be able to meet the compliance requirements on their own. These might be at local level, but a national consortium with regional and local partners could also submit a national application. These partnerships must be governed by appropriate SLAs and MOUs.

How can the 20% non-wage budget be spent by SIPs?

Within reason, the spending of the 20% budget is at the discretion of the programme needs and organizations responsible for implementation, with this motivated as part of the application. This budget is categorised as follows:

- Inventory comprising Tools (implements required to complete the programme such as spades), Materials (consumables such as seedlings, paint) and PPE (protective material)
- Services comprising Technical services and Training
- Programme Management
- Other being spend not easily allocated into the above categories. This could include spend on a digital application which contributes directly to the programme. Details will need to be provided where the SIP includes amounts budgeted as "Other"

How will this 20% non-wage budget be monitored by the IDC?

SIPs will be required to account for the 20% non-wage budget using the following workflow:

- SIPs are expected to maintain their own financial records as well as have a robust accounting system in place.
- SIPs must upload balances of actual spend per the above non-wage allocation on the Payment and Reporting Solution on a monthly basis at minimum

What is included in 'programme management'?

These are the costs of managing the programme. They typically include inter alia costs of transport, IT costs and a contribution to overheads. In the bid process, applicants should specify what programme management costs will cover. It is a condition of funding that applicants are 'going concerns' as organisations and while the SEF expects to contribute to overhead costs that might arise as a result of the programme, it does not expect to cover the full overhead costs of organisations.

What if the SIPs applicant is also implementing a programme like CWP?

If there is a clear distinction between the programmes and no overlap of participants or funding, then this is allowable. It would be important to flag this in the application process, however, for transparency purposes and to enable agreement on the 'rules of the game' in such an instance.

Can one SIPs applicant apply for multiple programmes at the same time within the Presidential Employment Stimulus Package?

Yes, however, there cannot be duplication in implementation. If for example an organisation submitted bids to Youth Service and to SEF for the same programme, and was successful in each, the organisation would have to choose. The programmes within the Presidential Employment Stimulus will ensure no 'double-dipping' in this regard.

What measures are in place for preventing fraud and corruption within implementation, monitoring and evaluation?

The first line of defence in this regard is within the SIPs, which is expected to have systems in place that ensure effective reporting and accountability for the funding allocated and to ensure that processes of recruitment are fair and transparent, without nepotism or patronage. The SEF Payment & Reporting Solution will also ensure accountability and verification of claims submitted. The central payments mechanism limits the risks of diversion of the funding for wages.

How much of the budget can be used by SIPs for training?

SIPs need to build the costs of training into the 20% of the budget that is for non-wage costs. This does not easily allow for extensive, formal training. The focus in the programme is on ensuring that participants are capacitated to undertake the work at hand - and that the work itself provides meaningful work experience. This capacitation can include formal training, but it can also include on the job training. Partly, this is the rationale for including more skilled workers in the budget, because work teams that include more skilled workers can enable skills transfer. The budget for

technical services can also be used to support capacitation. For example, an organisation might employ an agriculturalist whose role is to provide in-house capacitation and training.

How will Impact be measured?

Impact indicators are included in the TORs. As part of an application, SIPs need to consider how they will collect relevant data and report against these indicators. In addition, the IDC will be initiating impact-evaluation research to address various dimensions of impact, designed in consultation with SIPs and with an expectation of collaboration and support to such research, including access to participants and/or work-sites. The costs of such research will be carried by the IDC. SIPs will be expected to support and enable a digital entry, mid-term and exit survey of participants that will be developed and administered by the IDC, as part of measuring psycho-social impacts of the programme.

What are the reporting expectations of the SIPs?

- Uploading and verifying participant performance information
- Reporting on main work outputs undertaken, per worksite, against the project plan
- Reporting of expenditure of non-wage components of the budget against the agreed budget categories

What is the adjudication process?

An account manager within the IDC will be responsible for reviewing applications and interrogating the application against the SEF TOR guidelines. If further information is required, this account manager will contact the applicant directly. Once satisfied with the compliance of an applicant, the account manager will submit the application pack to an IDC Adjudication Panel for discussion and approval. Successful SIPs will be provided with legal contracts to close.

Must the SIPs have audited financials?

SIPs are required to submit audited financials.