



REPUBLIC OF SOUTH AFRICA

SOCIO-ECONOMIC IMPACT ASSESSMENT SYSTEM (SEIAS)

REVISED (2020): FINAL IMPACT ASSESSMENT TEMPLATE –PHASE 2

NAME OF THE PROPOSAL:

1. Please DO NOT ALTER the template and questionnaire
2. Date must be clearly indicated
3. Draft SEIAS report should have a watermark word DRAFT indicating the version and should be accompanied by the supporting documents (draft proposal, M&E plan and pieces of research work)
4. FINAL report will be in PDF format and will be inclusive of the sign-off
5. FINAL report will have the approval stamp of the Presidency on the front cover and will include the signoff
6. Sign off forms are only valid for a period of six months.
7. Bills and Regulations that introduce permitting, licensing and registration system must be accompanied by a streamlined process map and indicate the proposed turnaround time for processing of such.

PART ONE: ANALYSIS FOR FINAL SEIAS REPORT

Please keep your answers as short as possible. Do not copy directly from any other document.

1. Conceptual Framework, Problem Statement, Aims and Theory of Change

1.1. What socio-economic problem does the proposal aim to resolve?

1.2. What are the main root causes of the problem identified above?

| What socio-economic problem does the proposal aim to resolve | What are the main roots or causes of the problem |
|--|--|
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1.3. Summarise the **aims** of the proposal and **how** it will address the problem in no more than five sentences.

1.4. How is this proposal contributing to the following national priorities?

| National Priority | Impact |
|--|--------|
| 1. Economic transformation and job creation | |
| 2. Education, skills and health | |
| 3. Consolidating the social wage through reliable and quality basic services | |
| 4. Spatial integration, human settlements and local government | |
| 5. Social cohesion and safe communities | |
| 6. Building a capable, ethical and developmental state | |
| 7. A better Africa and world. | |

1.5. Please describe how the problem identified could be addressed if this proposal is not adopted. At least one of the options should involve no legal or policy changes, but rather rely on changes in existing programmes or resource allocation.

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| Option 1. | |
| Option 2. | |

PART TWO: IMPACT ASSESSMENT

2. Policy/Legislative alignment with other departments, behaviours, consultations with stakeholders, social/economic groups affected, assessment of costs and benefits and monitoring and evaluation.

2.1. Are other government laws or regulations linked to this proposal? If so, who are the custodian departments? Add more rows if required.

| Government legislative prescripts | Custodian Department | Areas of Linkages | Areas of contradiction and how will the contradictions be resolved |
|-----------------------------------|----------------------|-------------------|--|
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2.2. Proposals inevitably seek to change behaviour in order to achieve a desired outcome. Describe (a) the behaviour that must be changed, and (b) the main mechanisms to bring about those changes. These mechanisms may include modifications in decision-making systems; changes in procedures; educational work; sanctions; and/or incentives.

a) What and whose behaviour does the proposal seek to change? How does the behaviour contribute to the socio-economic problem addressed?

b) How does the proposal aim to bring about the desired behavioural change?

2.3. Consultations

a) Who has been consulted inside of government and outside of it? Please identify major functional groups (e.g. business; labour; specific government departments or provinces; etc.); you can provide a list of individual entities and individuals as an annexure if you want.

Consulted Government Departments, Agencies and Other Organs of State

| Department's name | What do they see as main <u>benefits</u> , <u>Implementation/</u> <u>Compliance costs</u> and risks? | Do they <u>support</u> or <u>oppose</u> the proposal? | What <u>amendments</u> do they propose? | Have these amendments been <u>incorporated</u> in your proposal? If yes, under which section? |
|-------------------|--|---|---|---|
| | | | | |
| | | | | |

Consulted stakeholders outside government

| Name of Stakeholder | What do they see as main <u>benefits</u> , <u>Implementation/</u> <u>Compliance costs and risks</u> ? | Do they <u>support</u> or <u>oppose</u> the proposal? | What <u>amendments</u> do they propose? | Have these amendments been <u>incorporated</u> in your proposal? |
|---------------------|---|---|---|--|
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- b) Summarise and evaluate the main disagreements about the proposal arising out of discussions with stakeholders and experts inside and outside of government. Do not give details on each input, but rather group them into key points, indicating the main areas of contestation and the strength of support or opposition for each position

- 2.4. Describe the groups that will benefit from the proposal, and the groups that will face a cost. These groups could be described by their role in the economy or in society. Note: NO law or regulation will benefit everyone equally so do not claim that it will. Rather indicate which groups will be expected to bear some cost as well as which will benefit. Please be as precise as possible in identifying who will win and who will lose from your proposal. Think of the vulnerable groups (disabled, youth women, SMME), but not limited to other groups.

| List of beneficiaries (groups that will benefit) | How will they benefit? |
|--|------------------------|
| | |
| | |

| List of cost bearers (groups that will bear the cost) | How will they incur / bear the cost |
|---|-------------------------------------|
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2.5. Describe the costs and benefits of implementing the proposal to each of the groups identified above, using the following chart. Please do not leave out any of the groups mentioned, but you may add more groups if desirable. Quantify the costs and benefits as far as possible and appropriate. Add more lines to the chart if required.

Note: "Implementation costs" refer to the burden of setting up new systems or other actions to comply with new legal requirements, for instance new registration or reporting requirements or by initiating changed behaviour. "Compliance costs" refers to on-going costs that may arise thereafter, for instance providing annual reports or other administrative actions. The costs and benefits from achieving the desired outcomes relate to whether the particular group is expected to gain or lose from the solution of the problem.

For instance, when the UIF was extended to domestic workers:

- The implementation costs were that employers and the UIF had to set up new systems to register domestic workers.*
- The compliance costs were that employers had to pay regularly through the defined systems, and the UIF had to register the payments.*
- To understand the inherent costs requires understanding the problem being resolved. In the case of UIF for domestic workers, the main problem is that retrenchment by employers imposes costs on domestic workers and their families and on the state. The costs and benefits from the desired outcome are therefore: (a) domestic workers benefit from payments if they are retrenched, but pay part of the cost through levies; (b) employers pay for levies but benefit from greater social cohesion and reduced resistance to retrenchment since workers have a cushion; and (c) the state benefits because it does not have to pay itself for a safety net for retrenched workers and their families.*

| Group | Implementation costs | Compliance costs | Costs/benefits from achieving desired outcome | Comments |
|-------|----------------------|------------------|---|----------|
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2.6 Cost to government: Describe changes that the proposal will require and identify where the affected agencies will need additional resources

- a) Budgets, has it been included in the relevant Medium Term Expenditure Framework (MTEF) and
- b) Staffing and organisation in the government agencies that have to implement it (including the courts and police, where relevant). Has it been included in the relevant Human Resource Plan (HRP)

Note: You MUST provide some estimate of the immediate fiscal and personnel implications of the proposal, although you can note where it might be offset by reduced costs in other areas or absorbed by existing budgets. It is assumed that existing staff are fully employed and cannot simply absorb extra work without relinquishing other tasks.

2.7 Describe how the proposal minimises implementation and compliance costs for the affected groups both inside and outside of government.

For groups outside of government (add more lines if required)

| Group | Nature of cost (from question 2.6) | What has been done to minimise the cost? |
|-------|------------------------------------|--|
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For government agencies and institutions:

| Agency/institution | Nature of cost (from question 2.6) | What has been done to minimise the cost? |
|--------------------|------------------------------------|--|
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2.8 Managing Risk and Potential Dispute

- a) Describe the main risks to the achievement of the desired outcomes of the proposal and/or to national aims that could arise from implementation of the proposal. Add more lines if required.

Note: It is inevitable that change will always come with risks. Risks may arise from (a) unanticipated costs; (b) opposition from stakeholders; and/or (c) ineffective implementation co-ordination between state agencies. Please consider each area of risk to identify potential challenges.

- b) Describe measures taken to manage the identified risks. Add more rows if necessary.

Mitigation measures means interventions designed to reduce the likelihood that the risk actually takes place.

| Identified risk | Mitigation measures |
|-----------------|---------------------|
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| | |

- c) What kinds of dispute might arise in the course of implementing the proposal, whether (a) between government departments and government agencies/parastatals, (b) between government agencies/parastatals and non-state actors, or (c) between non-state actors? Please provide as complete a list as possible. What dispute-resolution mechanisms are expected to resolve the disputes? Please include all of the possible areas of dispute identified above. Add more lines if required.

Note: Disputes arising from regulations and legislation represent a risk to both government and non-state actors in terms of delays, capacity requirements and expenses. It is therefore important to anticipate the nature of disputes and, where possible, identify fast and low-cost mechanisms to address them.

| Nature of possible dispute (from sub-section above) | Stakeholders involved | Proposed Dispute-resolution mechanism |
|---|-----------------------|---------------------------------------|
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2.9 Monitoring and Evaluation

Note: Sound implementation of policy and legislation is due to seamless monitoring and evaluation integration during the policy development phase. Policies and legislation that are proficiently written yet unable to report on implementation outcomes are often a result of the absence of an M&E framework at the policy and legislative planning phase. It is therefore imperative to state what guides your policy or legislation implementation monitoring.

2.9.1 Develop a detailed Monitoring and Evaluation Plan, in collaboration with your departmental M&E unit which should include among others the following:

2.9.1.1 Provide clear and measurable policy or legislative objectives

2.9.1.2 Provide a Theory of Change clearly describing the following components:

- Impact: the organisational, community, social and systemic changes that result from the policy or legislation;
- Outcomes: the specific changes in participants (i.e. beneficiaries) behaviour, knowledge, skills, status and capacity;
- Outputs: the amount, type of degree of service(s) the policy or legislation provides to its beneficiaries;
- Activities: the identified actions to be implemented
- Input: departmental resources used in order to achieve policy or legislative goals i.e. personnel, time, funds, etc.
- External conditions: the current environment in which there's an aspiration to achieve impact. This includes the factors beyond control of the policy or legislation (economic, political, social, cultural, etc.) that will influence results and outcomes.
- Assumptions: the facts, state of affairs and situations that are assumed and will be necessary considerations in achieving success

2.9.1.3 Provide a comprehensive Logical Framework (LogFrame) aligned to the policy or legislative objectives and the Theory of Change. The LogFrame should contain the following components:

- Results (Impact, Outcomes and Output)
- Activities and Input
- Indicators (A measure designed to assess the performance of an intervention. It is a quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor)

- Baseline (the situation before the policy or legislation is implemented)
- Targets (a specified objective that indicates the number, timing and location of that which is to be realised)

2.9.1.4 Provide an overview of the planned Evaluation, briefly describing the following:

- Timeframe: when it the evaluation be conducted
- Type: What type of evaluation is planned (formative, implementation or summative) – the selection of evaluation type is informed by the policy owners objective (what it is you want to know about your policy or legislation).

2.9.1.5 Provide a straightforward Communication Plan (Note: a common assumption is that the target group will be aware of, and understand how to comply with a policy or legislation come implementation. However, increases in the complexity and volume of new or amendment policy or legislation render this assumption false. Hence, the need for a communication plan to guide information and awareness campaigns to ensure that all stakeholders (including beneficiaries) are informed.

2.10 Please identify areas where additional research would improve understanding of then costs, benefit and/or of the legislation.

PART THREE: SUMMARY AND CONCLUSIONS

1. Briefly summarise the proposal in terms of (a) the problem being addressed and its main causes and (b) the measures proposed to resolve the problem.
2. Identify the social groups that would benefit and those that would bear a cost, and describe how they would be affected. Add rows if required.

| Groups | How they would be affected |
|----------------------|----------------------------|
| Beneficiaries | |
| 1. | |
| 2. | |
| 3. | |
| Cost bearers | |
| 1. | |
| 2. | |
| 3. | |

3. What are the main risks from the proposal in terms of (a) undesired costs, (b) opposition by specified social groups, and (b) inadequate coordination between state agencies?
4. Summarise the cost to government in terms of (a) budgetary outlays and (b) institutional capacity.
5. Given the assessment of the costs, benefits and risks in the proposal, why should it be adopted?
6. Please provide two other options for resolving the problems identified if this proposal were not adopted.

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| Option 1. | |
| Option 2. | |

7. What measures are proposed to reduce the costs, maximise the benefits, and mitigate the risks associated with the legislation?

8. Is the proposal (mark one; answer all questions)

| | Yes | No |
|--|-----|----|
| a. Constitutional? | | |
| b. Necessary to achieve the priorities of the state? | | |
| c. As cost-effective as possible? | | |
| d. Agreed and supported by the affected departments? | | |

9. What is the impact of the Proposal to the following National Priorities?

| National Priority | Impact |
|--|--------|
| 1. Economic transformation and job creation | |
| 2. Education, skills and health | |
| 3. Consolidating the social wage through reliable and quality basic services | |
| 4. Spatial integration, human settlements and local government | |
| 5. Social cohesion and safe communities | |
| 6. Building a capable, ethical and developmental state | |
| 7. A better Africa and world. | |

For the purpose of building a SEIAS body of knowledge please complete the following:

| | |
|----------------------------------|--|
| <i>Name of Official/s</i> | |
| <i>Designation</i> | |
| <i>Unit</i> | |
| <i>Contact Details</i> | |
| <i>Email address</i> | |