



**Report for the period April to September 2008 (YEAR 5)
(Containing interim data and information for the period
1 April 2008 to 30 September 2008)**

Financial Year 2008/09

**(This narrative should be read in conjunction with
Annexures A – G)**

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1 Introduction

The Expanded Public Works Programme (EPWP) is a Nationwide Government Programme that covers all spheres of government and state-owned enterprises. The EPWP is a direct response to one of the agreements reached at the Growth and Development Summit (GDS) of 2003. The project is implemented under four sectors namely; Infrastructure, Economic, Environment and Culture and Social Sectors, each with a sector coordinating department (Department of Public Works, Department of Trade and Industry, Department of Environmental Affairs and Tourism and Department of Social Development respectively).

The immediate goal of the EPWP is to alleviate unemployment for a minimum of one million work opportunities within the first five years (broken down between sectors as follows: 750 000 infrastructure, 200 000 environment and culture, 150 000 social and 12 000 economic) of which at least 40% will be women, 30% youth and 2% people with disabilities. This EPWP was designed to equip participants with some training and work experience, which should enhance their ability to earn a living in future.

The EPWP achieved its 1 million target by March 2008 which is a year ahead of the cut-off date of March 2009. This report is compiled to report on the progress of the EPWP across the four Sectors for the period of April 2008 to September 2008. The core purpose of this report is to support programme management to ensure compliance with the programme's strategy and approach.

2 Overall EPWP progress towards the 5 year targets

Targets were set for the first five years of the implementation of the EPWP. Some of the most important targets is that at least 1 million work opportunities will be created, 650 000+ person-years of work to be created and 15,5 million training days to be achieved by 2009.

Below is a reflection of the progress made towards the EPWP 5 year targets from April 2004 – September 2008.

Indicators	Sectors	Targets	Achieved	%
Net work opportunities	Infrastructure	750,000	752,210	100%
	Economic	12,000	17,901	149%
	Environment and culture	200,000	424,829	212%
	Social	150,000	151,717	101%
	Overall	1,112,000	1,346,658	121%
Person Years of work (including	Infrastructure	250,000	238,330	95%
	Economic	18,000	4,059	23%
	Environment and culture	200,000	99,718	50%
	Social	200,000	95,471	48%
	Overall	650000+	437,578	67%
Person days of training	Infrastructure	9,000,000	2,642,256	29%
	Economic	39,000	48,676	125%
	Environment and culture	2,005,000	1,538,585	77%
	Social	4,535,000	1,753,422	39%
	Overall	15,579,000	5,982,939	38%

Table 1: Overall EPWP achievements vs 5 year target

The total cumulative net work-opportunities created under the programme since commencement in April 2004 up to the end of September 2008 is at least 1, 3 million, which is 121% of its 5 year target on work opportunities. The report shows that the infrastructure sector has contributed the highest number of work opportunities (56%) followed by environment and culture sector (32%). The social and the economic sectors contributed (11% and 1%) respectively. The

contribution of net work opportunities per province towards the 5 year achievements is detailed in Table 2 below.

Provinces	Net work opportunities	% Contributed
EC	198,682	15%
NC	52,694	4%
WC	158,223	12%
FS	81,710	6%
MP	89,160	7%
GP	186,056	14%
LP	104,854	8%
KN	408,193	30%
NW	67,087	5%

Table 2: Work opportunities achievements per province

Table 2 breaks the contribution of net work opportunities by province. It shows that Kwa-Zulu Natal has contributed the highest percentage of work opportunities (30%) followed by Eastern Cape (15%) and Gauteng (12%). Other provinces have contributed less than 10% with Northern Cape being the least contributor of work opportunities (4%).

The person-years of employment that were created is 437,578 which is 67% towards the 650 000 plus target. The infrastructure sector achieved the highest (95%) towards their person-years annual targets. Other sectors are lagging behind, with social and environment and culture sectors achieving 48% and 50% respectively whilst the economic sector achieving only 23% of person-years of work.

The overall number of person-days of training that has been provided since the commencement of the EPWP is at least 5,9 million training days. The project has achieved 38% towards its 15, 5 million person-days of training target. Due to the delays with funding training from the Department of Labour, the training days targets will not be met.

3 Summary of reported projects in quarter 2

The report includes all the data that could be used for the second quarter 2008/2009 (April 2008 to September 2008). For this reporting period, 6,519 projects were included in the report across the four sectors and spheres of government. Of the 6,519 projects included in the report; 2,326 were reported by the infrastructure sector, 234 by the economic sector, 854 by the environment and culture sector and 3,105 by the social sector. A total of 403 projects were excluded from the report for reasons of poor data quality. Below is the figure of excluded projects per sector and quarter to determine the trend in excluded projects.

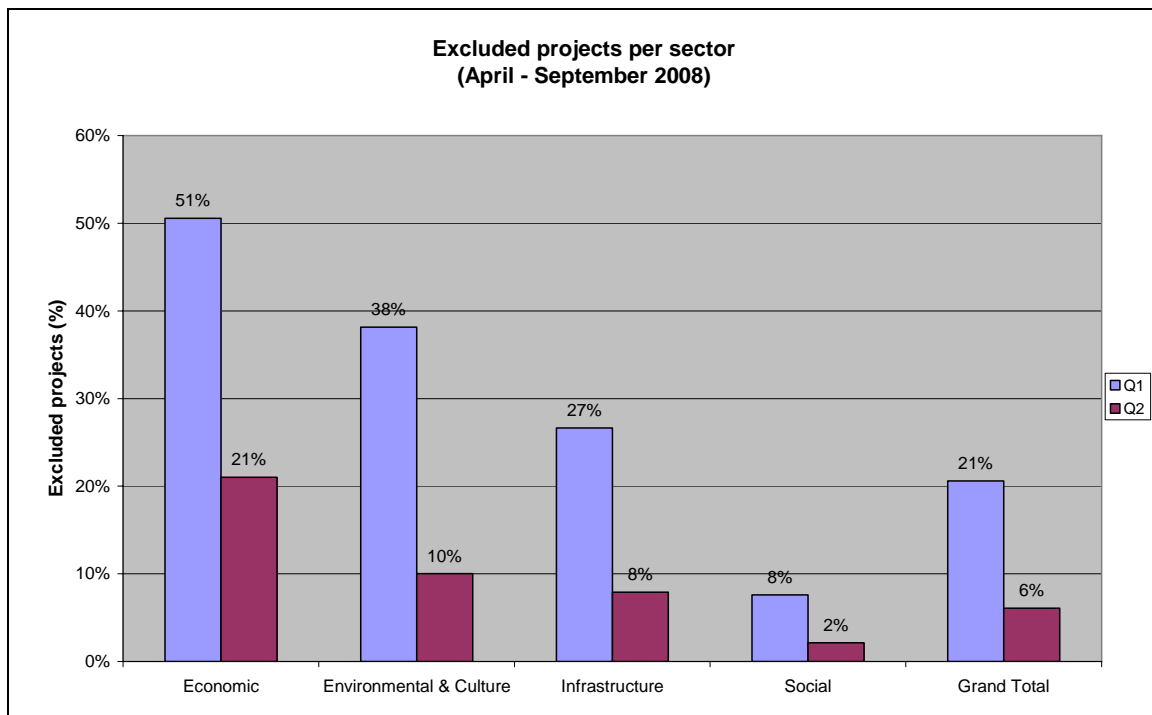


Figure 1: Excluded projects per sector

The figure indicates that the overall percentage of excluded projects has declined substantially in quarter 2 which shows an improvement in reporting. Breaking down per sector, the percentage of exclusions has dropped as compared to quarter 1 with Social sector having the least percentage of excluded projects and the highest is recorded in the economic sector.

3.1 Achievements of quarter 2, year 5 of the programme (April – September 2008)

Sector	Work opportunities	Person days of work	Person days of training
Economic	4,591	167,783	10,641
Environmental & Culture	57,096	2,230,925	105,609
Infrastructure	195,195	9,704,825	575,544
Social	42,332	3,369,173	235,173
Total	299,214	15,472,706	926,967

Table 3: Quarter 2 progress per sector

Table 1 above summarises the achievements of the programme in quarter 2 per sector. It shows that infrastructure has contributed the highest number in all the indicators of the programme followed by environment and culture sector and economic sector is the least. The break down of work opportunities created shows that 40% were youth, 50% were women and 0.87% people with disabilities.

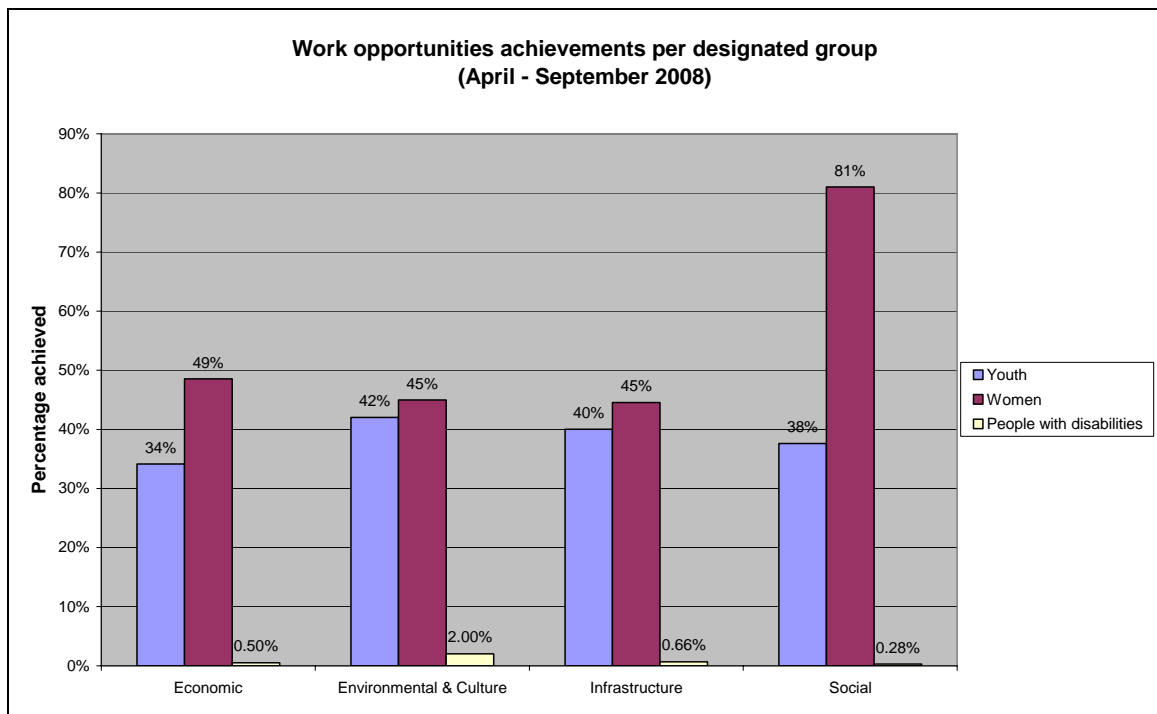


Figure 2: Work opportunities per designated groups

Figure 2 above indicates work opportunities achieved in quarter 2 by sector and designated groups. It shows that all sectors have achieved their targets of

employing 30% youth and 40% women. Environment and culture is the only sector that has achieved the target of employing people with disabilities (2% versus 2% target), whilst other sectors are struggling in achieving that target.

3.2 Work opportunities

The figure below indicates the annual work opportunities targets and achievements. It shows that the programme has already achieved its annual target by 101% in the second quarter of the financial year. All the sectors have achieved over 100% of their annual target set with economic sector being the highest in terms of percentages.

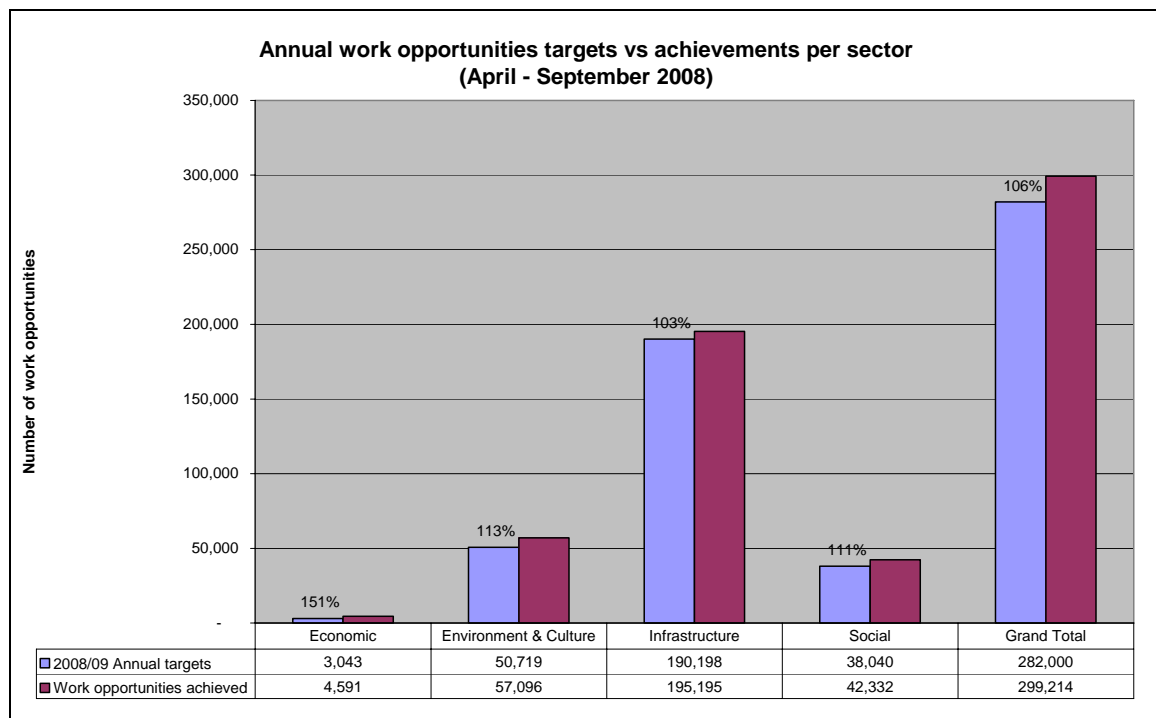


Figure 3: Work opportunities achievements per sector vs annual targets

3.3 Training

As stated in the objectives of the EPWP, training is critical for the successful implementation of the programme.

For the 2008/09 financial year, there were delays with budget allocations by the Department of Labour to provinces to commence training. The delay in releasing funds therefore delayed the training scheduled to fast-track training in provinces. The figure below gives the sector performance against annual training person-days targets.

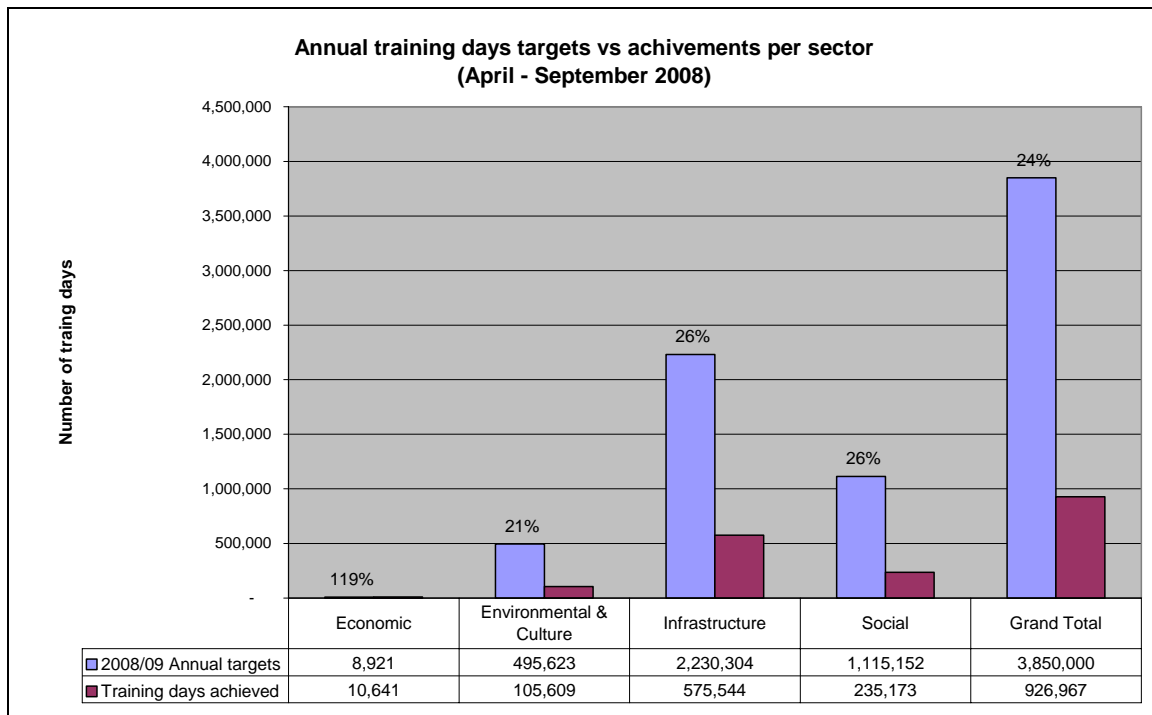


Figure 4: Training days achievements per sector vs annual targets

The overall number of person-days of training that the programme has achieved in this reporting period is 926,967 thus achieving 24% of 2008/2009 annual target. The economic sector is the only sector that has achieved its training target by 101% while other sectors are struggling by achieving less than 50% in the second quarter.

In the table below, training days achieved is quarter 2 by sector and sphere of government.

Sector	Municipal	Provincial	National	Grand Total
Economic	5,191	5,450		10,641
Environmental & Culture	3,750	10,456	91,403	105,609
Infrastructure	337,106	221,876	16,562	574,844
Social	150	235,023		235,173
Grand Total	346,197	445,620	107,965	926,967

Table 4: Training progress per sector per sphere of government

Table 3 indicates that municipalities in the infrastructure contributed most training days followed by the social sector at the provincial level. Overall, infrastructure contributed 62% towards the training days achieved in this reporting period.

3.4 Wages

The current average daily minimum wages paid by EPWP projects by sector is provided in the Table 4 below.

Sector	Average minimum daily wage (Rand)	Range of daily wages (min - max) (Rand)
Infrastructure	66.5	30 - 150
Economic	43.22	16 - 113
Environment and Culture	53.52	35 - 136
Social	35.26	9 - 300
Total	49	9 - 300

Table 5: EPWP wages

Overall, the average minimum daily wages amounts to R49 and ranges between R9 and R300. However, there is considerable variation of average minimum daily wages across the four sectors with the highest and lowest recorded in the infrastructure and social sector respectively. There is a large variation of average daily wages in the social sector as it ranges from R9 – R300. This variation is observed if data is analysed per province. The provincial disparity when it comes to minimum wages is significant.

3.5 Expenditure, person days of work and calculated wages

Expenditure and person days of work can be used to examine the job effectiveness of EPWP expenditure which is defined as the rand spent per person days of work generated. The concept of job effectiveness can also be seen in labour intensity (percentage of calculated wages on expenditure)

The table below summarises expenditure and person days of work per sector and sphere of government to gauge governmental variation within each sector bearing in mind that national governments only offer opportunities in infrastructure and environment and culture sector.

Sector by sphere of government	Actual expenditure (Rand)	Person days of work	Rand spent per person day of work
Economic			
Municipal	49,943,928	29,880	1,671
Provincial	98,190,969	137,903	712
Environmental & Culture			
Municipal	16,379,797	38,575	425
National	606,653,980	1,821,228	333
Provincial	54,305,772	371,122	146
Infrastructure			
Municipal	5,393,661,839	5,604,089	962
National	295,876,953	90,373	3,274
Provincial	3,715,712,085	4,010,363	927
Social			
Municipal	800,000	3,337	240
Provincial	231,520,385	3,365,836	69

Table 6: Expenditure and person days of work

Table 4 above indicates that social sector at provincial level is the most job effective in terms of its expenditure. That is, for every one day of work generated, R69 is spent. However, as it can be seen in Table 4, jobs are paid at relatively

low wages when compared to other sectors. Environment and culture sector operated by provincial government is the next best performed.

Infrastructure and economic sector are the least job effective. For infrastructure, it might be due to investment in materials that are required work in this sector and also the additional professional fees paid to contractors.

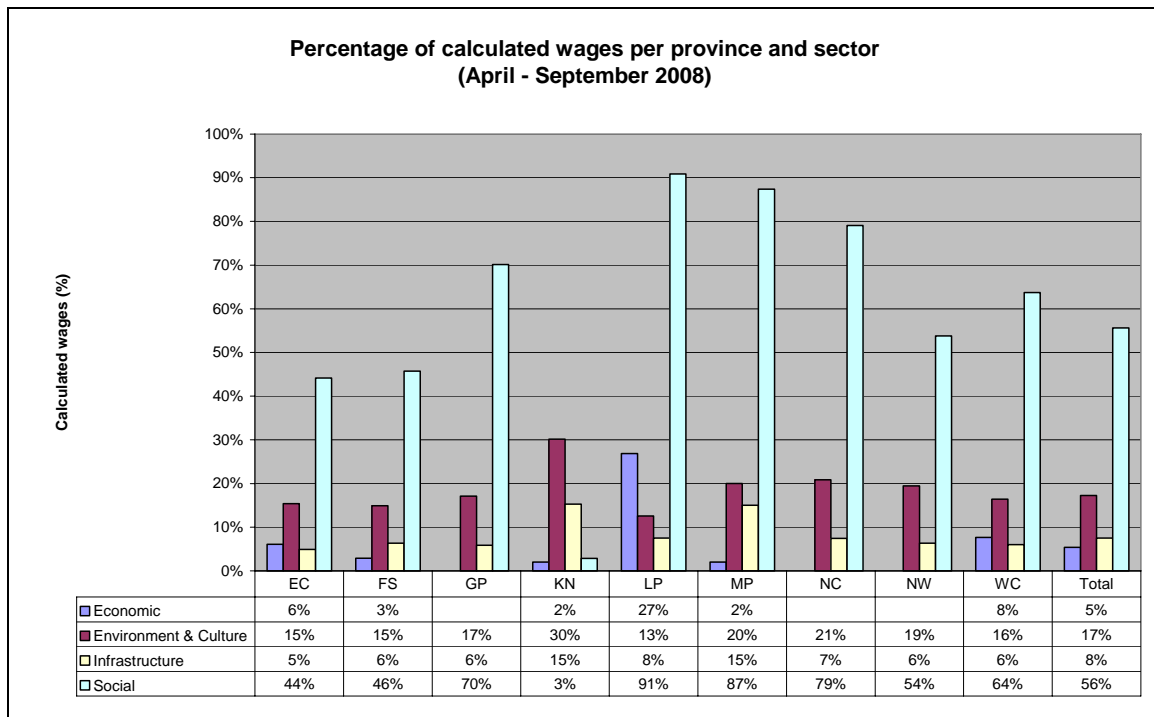


Figure 5: Percentage of calculated wages on expenditure

Figure 4 above indicates the percentage of expenditure spent on wages in the second quarter of the 2008/09 financial year. On average, social sector has the highest percentage of calculated wages on expenditure (56%) and the least was reported by the economic sector (5%). Between provinces, the social sector’s calculated wages on expenditure ranges from 3% to 91%, followed by the environment and culture sector, from 13% to 30% whilst the infrastructure sector ranges from 5% to 15%. The economic sector reported the least expenditure on wages (2% to 27%) compared to other sectors.

4 Progress per sector

4.1 Infrastructure sector

The infrastructure sector was identified as the largest employment generator in the EPWP with a target of at least 750 000 work opportunities over the first five years. The programme is implemented by all sphere of government; National, Provincial departments and Municipalities.

The results below refer to the cumulative performance of the sector per province in the second quarter of 2008/09 financial year.

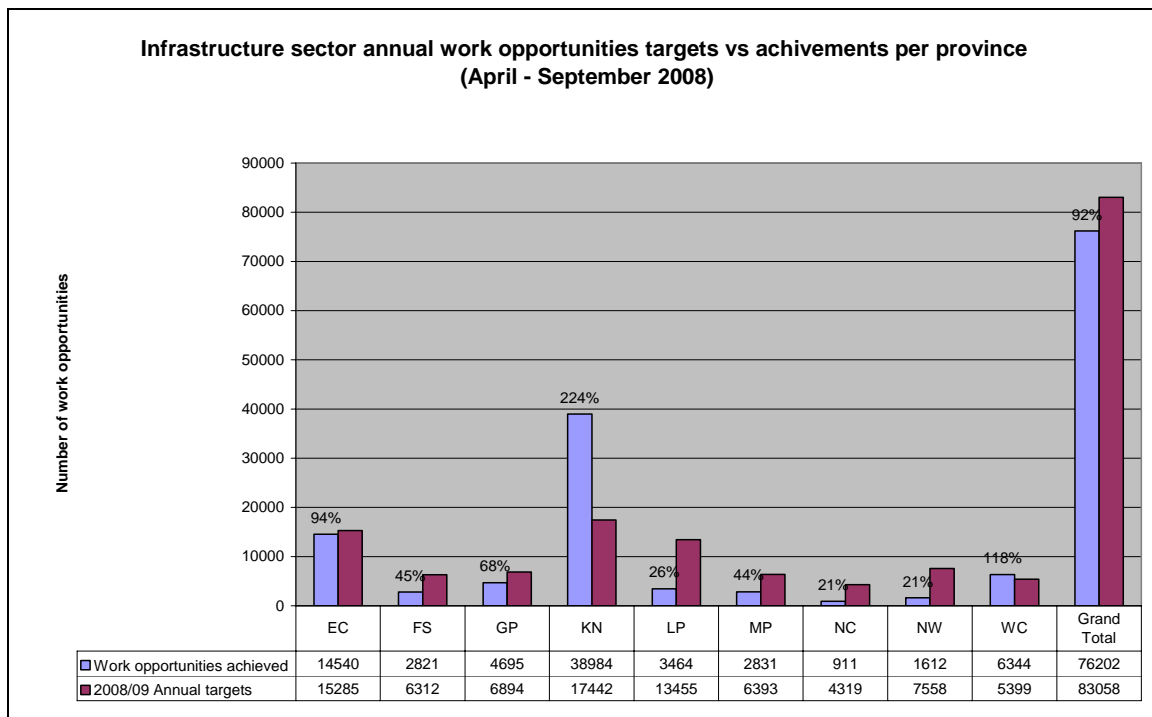


Figure 6: Infrastructure sector provincial work opportunities achievements

Overall, the infrastructure sector has achieved 92% of its annual provincial targets. Broken down per province, it shows that Kwa-Zulu Natal and the Western Cape have over achieved their targets by 224% and 118% respectively. While other provinces except for Eastern Cape and Gauteng achieving only less than 50% of their target in the second quarter.

4.1.1.1 Technical support

The NDPW has embarked on an initiative to work closely with 137 key municipalities including 3 provincial departments for the financial year 2008/09, by providing them with technical support. The aim of the support is to ensure that the projects are implemented in accordance with the EPWP Guidelines and report as such on the outcomes of these projects. Of the 137 key municipalities, the technical support has managed to support 80 municipalities in this reporting period. The table below summarises the performance of top municipalities per province.

Province	Municipality	Number of projects	Person-days of work	Gross job opportunities	Training days	% of Calculated wages on expenditure
EC	9	193	375,174	9,423	4,338	1% - 31%
FS	4	39	373,650	5,109	370	8% - 17%
GP	7	210	2,091,988	36,586	161,017	3% - 17%
KN	9	145	1,588,065	37,854	77,377	5% - 41%
LP	8	134	366,563	10,578	4,894	2% - 9%
MP	7	157	193,268	3,564	2,266	4% - 16%
NC	6	91	457,567	7,183	46,220	13% - 21%
NW	7	89	234,186	6,217	4,839	3% - 13%
WC	3	321	350,139	9,589	45,113	5% - 11%
Total	60	1379	6,030,600	126,103	346,434	1% - 41%

Table 7: Top municipalities progress per province

The table above shows that, of the 80 municipalities that are being supported, 60 municipalities have reported on 1,379 municipal projects in this quarter. The municipalities have managed to create 126,103 work opportunities thus contributing 65% towards the total work opportunities created by the infrastructure sector. Training days in total provided by the key municipalities is 346,434 which is 60% contribution towards the sector. The percentage of expenditure spent on wages ranges between 1% and 41% and the lowest is recorded in Limpopo.

4.1.2 National Youth Services (NYS)

Province	Projects	Work opportunities	Person days of work	Training days
GP	19	509	27636	5042
KN	28	690	5180	25560
MP	15	425	26422	26707
NW	8	460	24060	25425
Grand Total	70	2084	83298	82734

Table 8: NYS provincial progress

Table 9 above indicates the NYS progress on projects that were implemented by provinces. Overall, NYS reported 104 projects in total which includes 34 national projects and 70 provincial projects. All provinces reported national projects in the second quarter except for Eastern Cape, while only four reported provincial projects. NYS provincial projects contributed 2,084 (54%) towards the total work opportunities created. Due to the delay in funding from the Department of Labour, the projects reported only 97,494 training days which comprises of 82,734 and 14,760 training days contributed by provincial and national respectively. NYS contributed 2% towards the infrastructure work opportunities created in this quarter.

4.2 Environment and Culture sector

The environment and culture sector involves the employment of people on projects to improve their local environments, under programmes initiated by the Department of Environmental affairs (which leads the sector), Department of Agriculture, Department of Arts and Culture, Department of Water Affairs and Forestry and the Department of Science and Technology.

The national departments reported the most number of projects (687) compared to the provinces (88 projects) and municipalities (79 projects). Annual targets were set for the implementing departments for the first five years of the EPWP.

For this reporting period, the environment and culture sector has created at least 57,096 (19% of the total work-opportunities created) work-opportunities. Of the work-opportunities created, the national programmes created at least 50,121 (88%) work-opportunities, whilst the provincial departments and the municipalities have created 1476 (3%) and at least 5,499 (10%) work-opportunities respectively.

Below is the progress made by the environment and culture sector’s national programmes towards the annual work-opportunities targets.

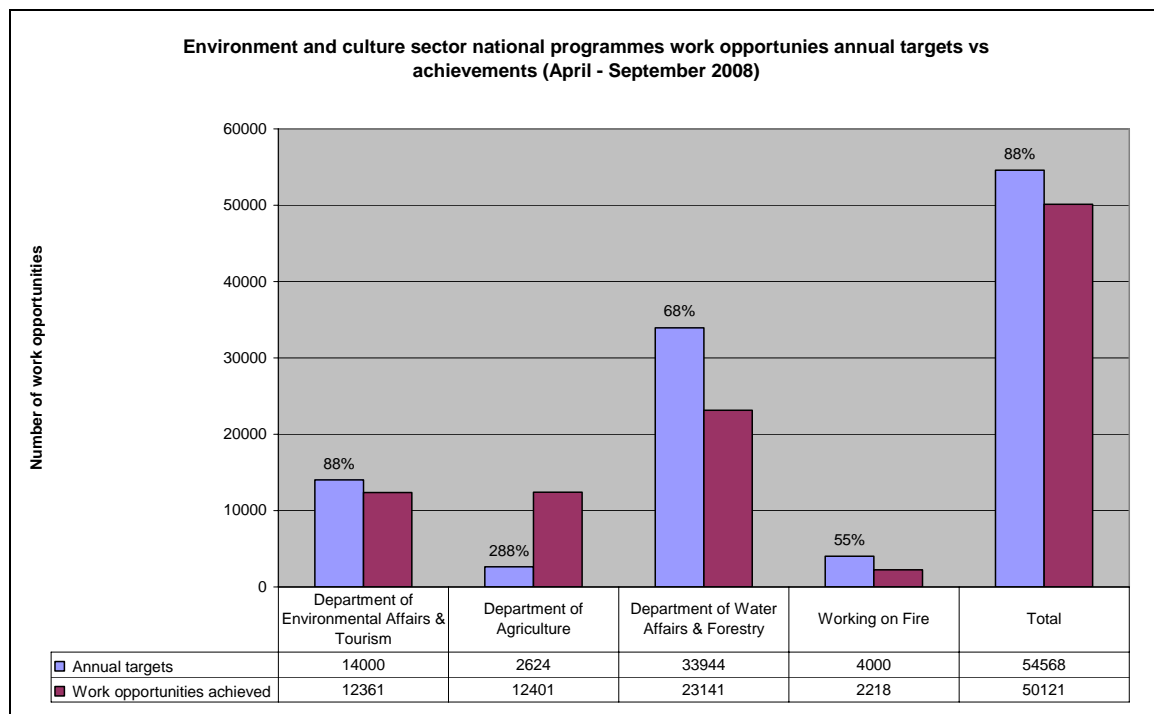


Figure 7: Environment and Culture National programmes work opportunities

Overall, the national programmes have created 50,121 work opportunities in this reporting period which is 88% achievements towards the annual targets. Department of Agriculture has exceeded its target by 288% followed by the Department of Environmental Affairs and Tourism with 88%. Department of Water Affairs and Forestry has contributed most work opportunities (23,141) followed by Department of Agriculture (12,401). There were no national projects reported from Department of Arts and Culture.

4.3 Social Sector

The social sector consists of the department of Social Welfare (which is a lead department), department of Education and the Department of Health. The focus of the Sector is on the expansion of Home and Community Based Care (HCBC) programmes in the health/ social areas and on Early Childhood Development (ECD) programmes in the social/education areas.

For the second quarter of financial year 2008/09, the social sector created 42,332 (14%) out of the total work-opportunities created. Below is a social sector provincial progress on work opportunities achievements towards their provincial annual targets.

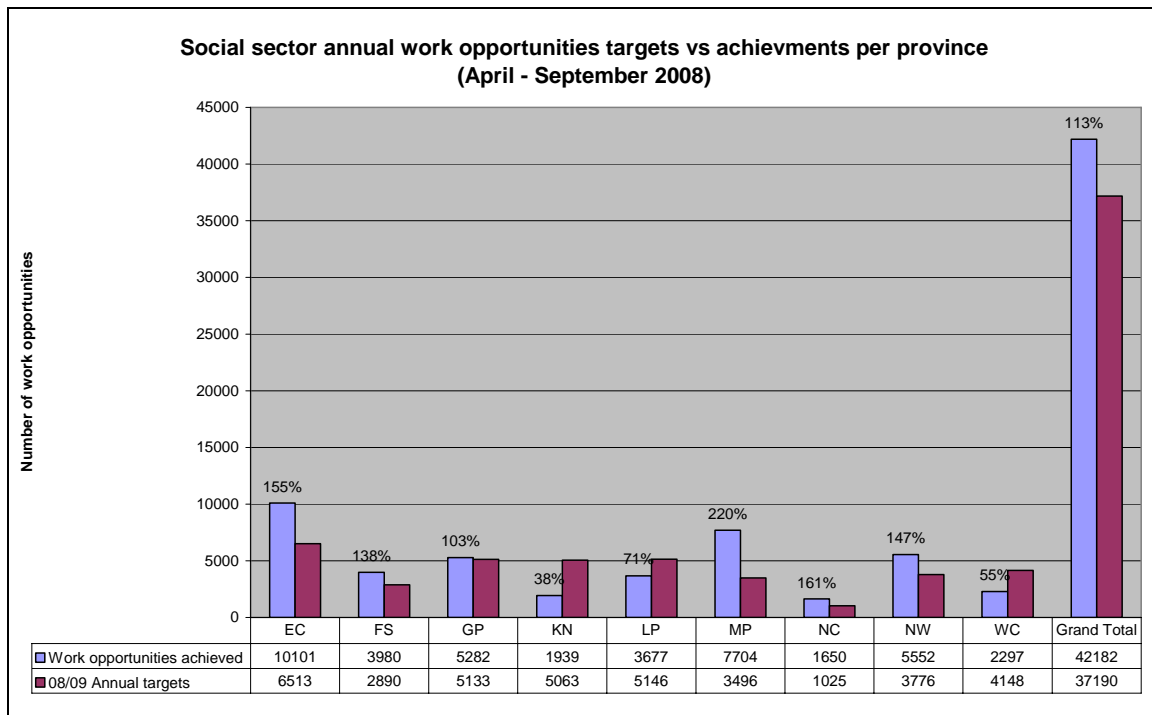


Figure 8: Social sector provincial work opportunities achievements vs annual targets

The figure above shows that the sector has already achieved its provincial work opportunities annual target by 113%. Most provinces have exceeded their annual targets except for Kwa-Zulu Natal, Limpopo and Western Cape. Eastern Cape

(10,101) has created most work opportunities followed by Mpumalanga (7,704) and Kwa- Zulu Natal created the least.

The table below indicates work opportunities created by the sector programmes and provinces.

Province	Early Childhood Development	Home Community Based Care	Other	Grand Total
EC	800	5755	3546	10101
FS	267	3091	622	3980
GP		5276	6	5282
KN	20	1919		1939
LP	250	3282	145	3677
MP		4063	3641	7704
NC	204	1402	44	1650
NW	871	3919	762	5552
WC	408	139	1900	2447
Grand Total	2820	28846	10666	42332

Table 4: Social sector work opportunities per programme

Of the total number of work opportunities created by the social sector, 68% was contributed by the HCBC programme whilst the ECD contributed only 7%. Gauteng and Mpumalanga provinces have not reported on ECD in their provinces whilst all provinces reported on HCBC. The social sector has implemented other programmes in different provinces and the other programmes contributed 25%. The other programmes includes, advocacy programme, EPWP provincial, community safety, child and youth care, DEAT poverty alleviation, integrated sustainability, labour based construction, Mitchellsplein URP, multipurpose centre, school nutrition programme and step down care programmes. All provinces except Kwa-Zulu Natal have reported on other programmes.

4.3.1 Economic Sector

Based on the usable project level data received, at least 4,591 work opportunities were created by the economic sector for the period April – September 2008. Only

North West, Northern Cape and Gauteng did not report on economic sector projects. The total of at least 775.8 person years of work was created and 46 person years of training were completed by economic sector participants. The figure below represents work opportunities created by the sector per province.

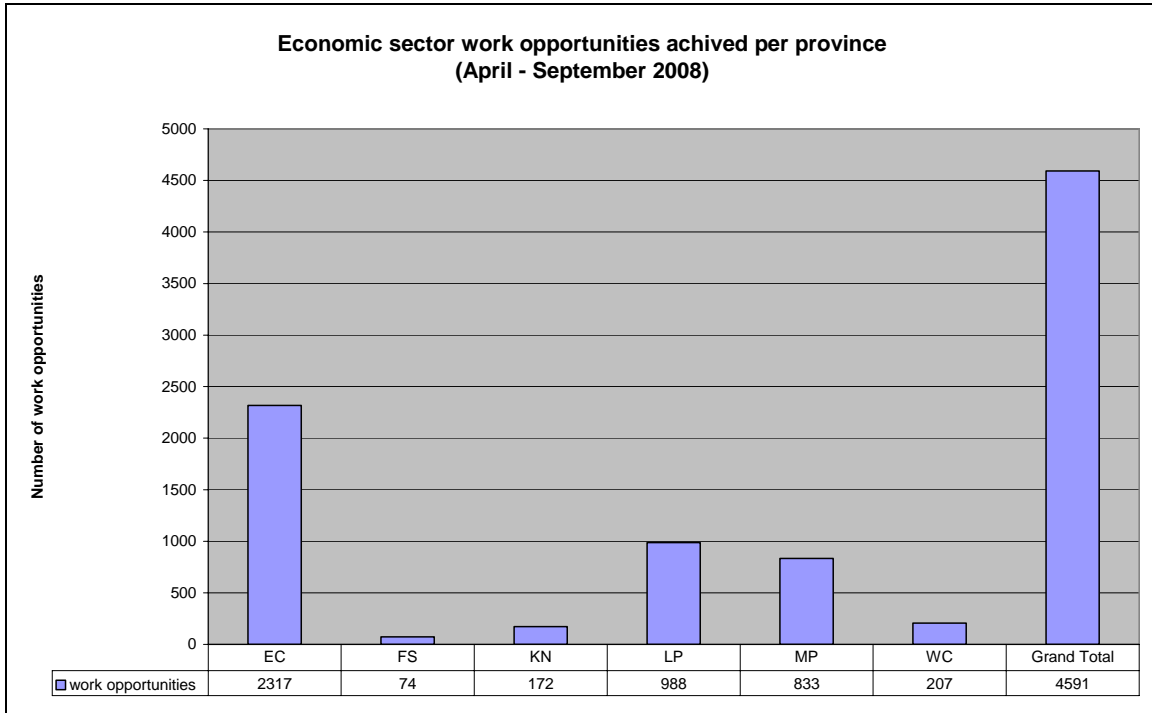


Figure 9: Economic sector work opportunities achieved per province

Figure 8 shows that Eastern Cape created most work opportunities followed by Limpopo with the least created by Free State. There were no learnerships reported in this quarter.

Besides the creation of work opportunities, the EPWP also facilitates enterprise development. Enterprise development occurs across all sectors of the EPWP, namely the infrastructure, social, environment and culture and economic sectors.

5 Conclusion

Overall, the EPWP has over achieved its target of achieving their objective of creating 1 million plus work-opportunities for the unskilled and unemployed. However, the challenge remains in the employment of people with disabilities where the target has not been met. The programme will not meet their person years of training targets due to the delays in training funding from the Department of Labour. In some cases training may thus be taking place, but because of poor data quality, it may be excluded from the report. In other cases implementing bodies might be struggling with operational issues with regard to training.

Reporting has improved across all sectors over the past four years; the quality of data has also improved comparatively. Improvement in reporting from municipalities is encouraging, but should still get much more serious attention.

There are disparities when it comes to the reported minimum daily wages when compared by sector.