

**Report for the period April 2009 to December 2009
(YEAR 1)
(Containing interim data and information for the period
1 April 2009 to 31 December 2009)**

Financial Year 2009/10

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

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1. Introduction

The EPWP specifically targets the creation of work opportunities for poor, unemployed people who are unskilled or poorly skilled. Through the creation of EPWP work opportunities the programme provides basic income for these people, albeit on a temporary basis.

The goal of the EPWP phase 2 is to create work opportunities equal to 2 million Full Time Equivalent (FTE's) - 4, 5 million short and ongoing work opportunities with an average duration of 100 days - for poor and unemployed people in South Africa so as to contribute to halving unemployment by 2014, through the delivery of public and community services. (This will scale up from 210 000 FTE's per year in 2009/10 to 680 000 FTE's in 2013/14)

In order to assist with the mobilization of provinces and municipalities and to assist with funding the additional wage costs of a scaled up EPWP, a wage incentive was introduced for the second phase of the programme. As this type of incentive, structured as a performance rather than a planning based allocation, is new in government, it was decided to phase it in and only focus on infrastructure sector programmes and the non-state sector in the first year and expanding into the social and environmental sectors in the second year. The wage incentive has been introduced to the infrastructure sector programmes in the 2009-10 financial year.

This report is compiled to report on the progress of the EPWP across the four sectors for the period of April 2009 to December 2009. The report includes the overall progress followed by sector specific progress report.

As targets were set for the first five years of the EPWP Phase 2 and definitions of agreed indicators are spelled out in the log frame document. Some of the important targets are that of 550, 000 work opportunities and 210,000 Full Time equivalents (FTE) to be achieved in the first year of the second phase.

The table below shows that to date, 482,742 work opportunities were created by the EPWP programme.

Sector	09/10 Target	Q3 09/10 (Including Q1&Q2)	% Achieved	December 2009 target	% Achieved
Infrastructure	300,000	217,527	73%	300,000	73%
Environment & Culture	150,000	66,040	44%	80,000	83%
Social	80,000	165,466	206%	60,000	286%
Non-State	60,000	33,709	56%	60,000	56%
Total	590,000	482,742	81%	500,000	97%

Table 1: Overall EPWP achievements against 2009/10 target and December 2009 target

The target set for the 2009/10 financial year was 590,000 work opportunities. To date, the programme achieved 81% towards the financial year target and 97% towards the 500,000 work opportunities targets set by the presidency in March 2009.

The infrastructure sector achieved 73% of their annual target whilst the environment and culture sector achieved 44% towards the annual target. The social sector has doubled the targets set for the 2009/10 financial year by achieving 206% to date. The non state sector has achieved 56% of their 60,000 2009/10 set targets. The social sector over achieved towards the 60,000 December target achieving 286% whilst all other sectors did not achieve their set December targets.

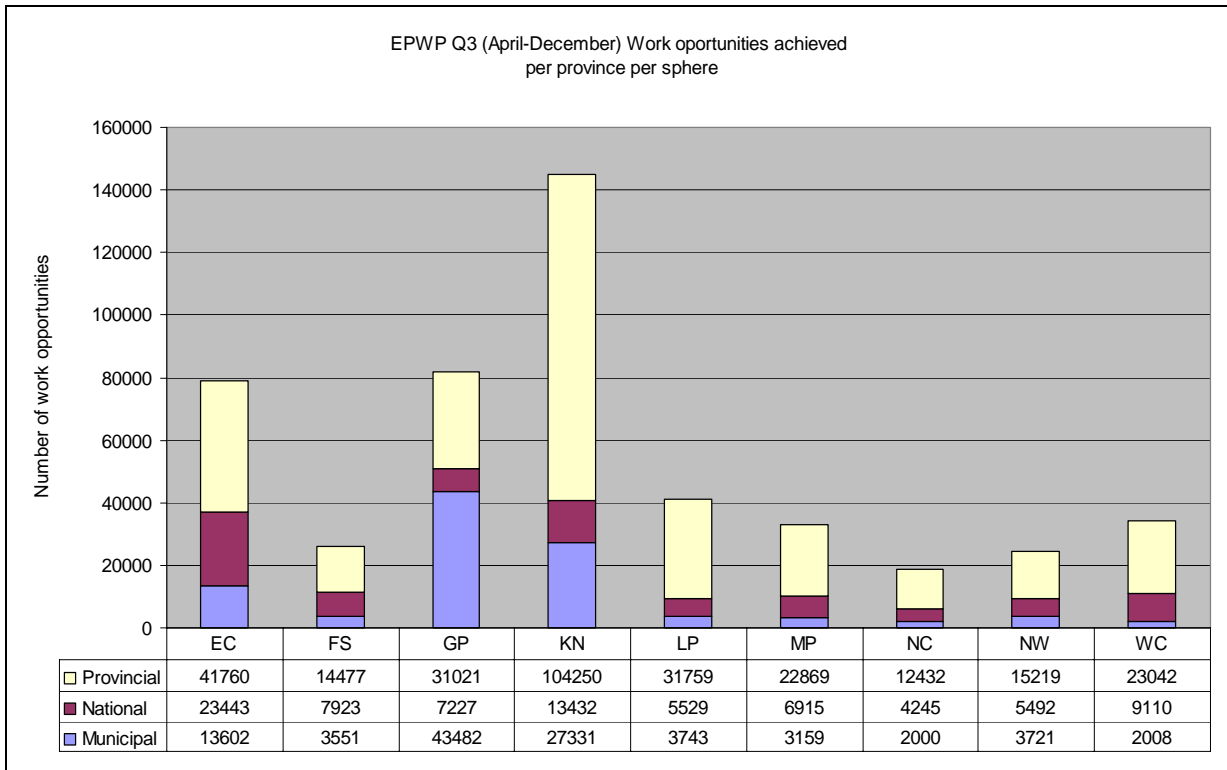


Figure 1: Overall Work Opportunities per province per sphere

The figure above shows the programme's achievements by province per sphere. The graph indicates that in all provinces except Gauteng Province, more work opportunities were created by the province compared to municipalities. It is also interesting to note that the national sphere is represented in all provinces with more work opportunities created in the Eastern Cape and Kwa-Zulu Natal provinces.

It is interesting to note that, in all provinces except Kwa-Zulu Natal, Gauteng provinces, the national sphere created more work opportunities than municipal sphere.

Province	Q1 09/10	Q2 09/10	Q2- Q1	% Increase	Q3 09/10	Q3-Q2	% Increase
EC	15,838	36,900	21,062	57%	78,805	41,905	53%
FS	4,208	11,420	7,212	63%	25,951	14,531	56%
GP	14,058	44,291	30,233	68%	81,730	37,439	46%
KN	34,867	70,231	35,364	50%	145,013	74,782	52%
LP	2,064	12,736	10,672	84%	41,031	28,295	69%
MP	2,812	11,355	8,543	75%	32,943	21,588	66%
NC	1,774	8,153	6,379	78%	18,677	10,524	56%
NW	2,666	9,211	6,545	71%	24,432	15,221	62%
WC	5,627	19,271	13,644	71%	34,160	14,889	44%
Total	83,914	223,568	139,654	62%	482,742	259,174	54%

Table 2: Quarterly Comparison of EPWP work opportunities achievements

Overall, there has been a 54% increase in reporting between Q2 and Q3. There are 482,742 work opportunities created in Q3 compared to 223,568 opportunities in Q1. The Limpopo province showed a highest increase in reporting between Q2 and Q3 achieving 69% increase followed by Mpumalanga province (66%). The least improved province was Western Cape province increasing by 44% only.

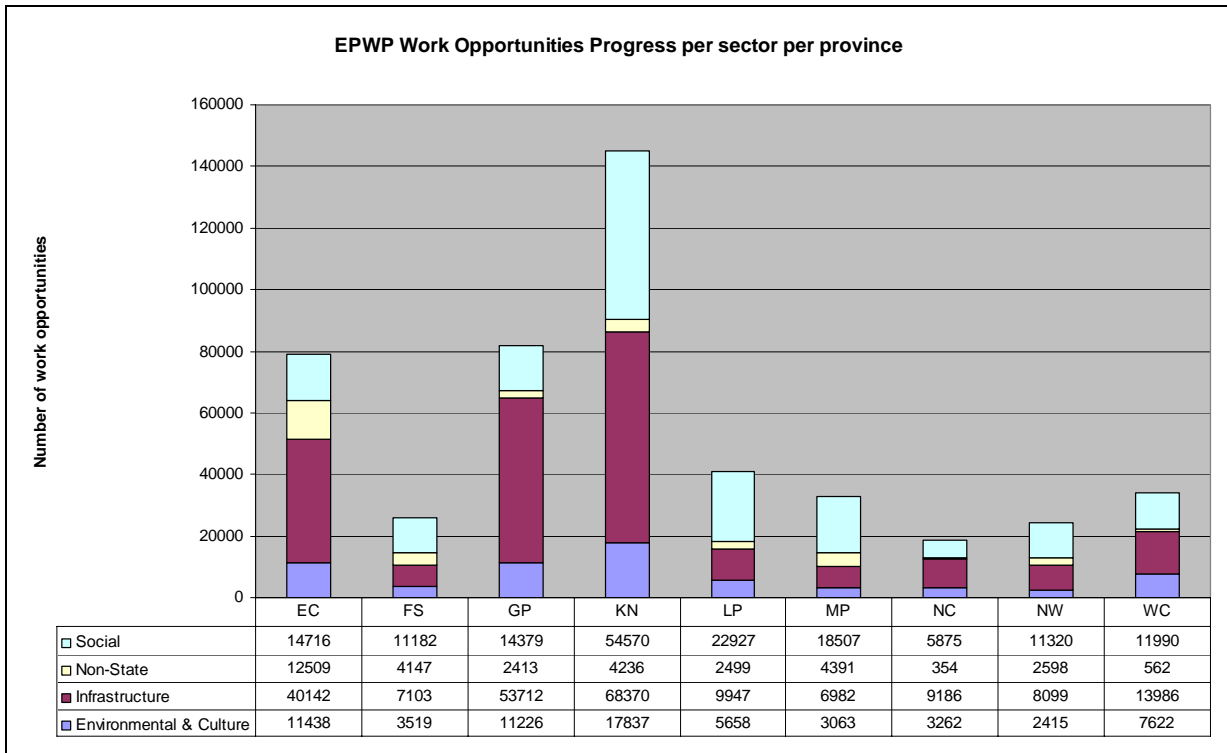


Figure 2: Overall Work Opportunities per province per sector

Looking at the work opportunities reported this quarter by sector and province, it showed that more work opportunities were created in Kwa-Zulu Natal province in the infrastructure sector reporting the highest with a total of 68,370 work opportunities. This was followed by Gauteng province for infrastructure, reporting 53,712. The province that created a few work opportunities was the Northern Cape province.

The graph also indicates that the infrastructure sector dominates in all provinces except the North West, Mpumalanga, Limpopo and Free State provinces where most work opportunities were created in the social sector. The highest numbers of environment and culture sector work opportunities were created in the KN followed by Gauteng and Eastern Cape provinces. The Eastern Cape province created most Non state sector work opportunities followed by the Free State province. The Northern Cape and Western Cape provinces created the least number of work opportunities in the sector.

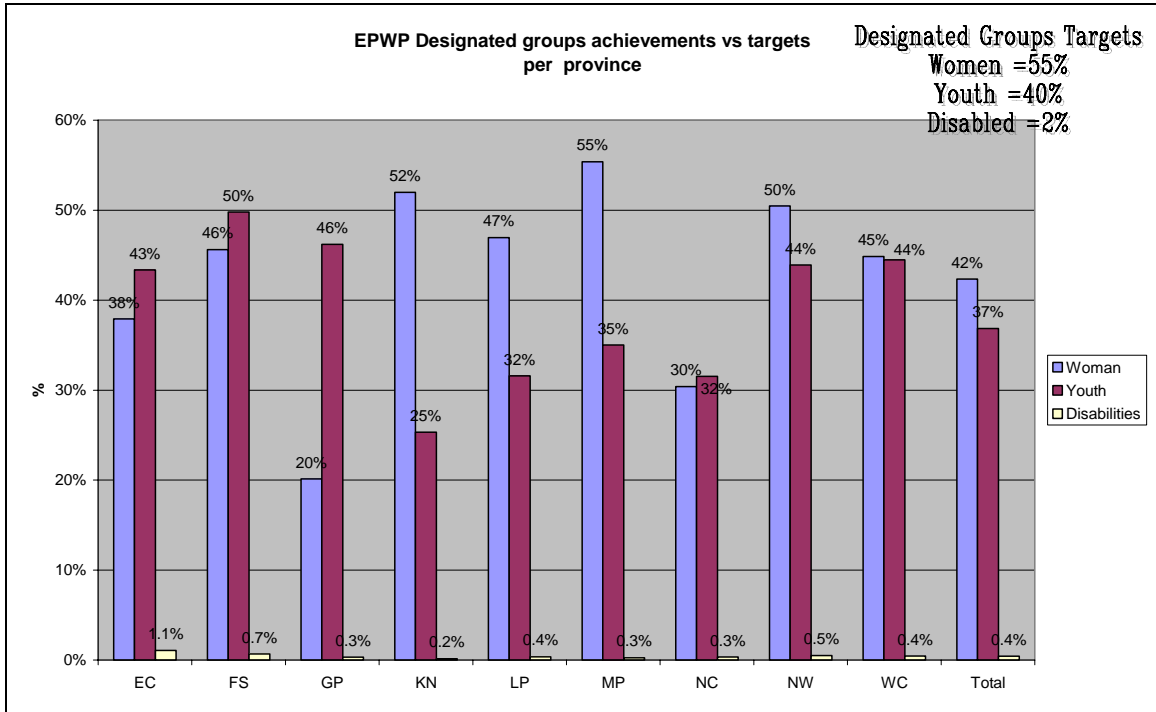


Figure 3: Achieved designated groups against targets per province

The figure above shows that of the 482 000 work opportunities created by the programme, 42% of beneficiaries were woman whilst 37% was youth and only 0.4% was people with disabilities. The programme has achieved less than the set targets of 55% woman, 40% youth and 2% people with disabilities.

The Mpumalanga province is the only province that achieved that 55% target for woman whilst all provinces except Northern Cape, Mpumalanga, Limpopo, and Kwa-Zulu Natal provinces achieved the set 40% target of youth. None of the provinces has managed to achieve the 2% target for the people with disabilities.

Province	Municipal	National	Provincial	Total
EC	79	60	48	62
FS	67	40	52	51
GP	86	72	57	67
KN	83	56	53	57
LP	72	60	66	66
MP	62	59	70	69
NC	72	61	59	60
NW	82	52	37	40
WC	95	54	101	81
Total	79	58	58	60

Table 3: Overall EPWP minimum daily wages per province per sphere

On average, the minimum daily wage paid in the program is R60 per day. The average minimum daily wage paid by municipalities is R79 whilst provincial and the national sphere pays an average minimum wage of R58 per day.

The minimum wage that is being agreed in the EPWP is R50 across all sectors and spheres. The table above shows that all provinces and municipalities except Free State and Eastern Cape are paying more than the EPWP minimum daily wage of R50. The Free State municipal sphere is paying R40 whilst the Eastern Cape provincial sphere pays an average of R48 per day.

2. Progress per sector

2.1 Infrastructure sector

In the infrastructure sector the emphasis is on creating additional work opportunities through the introduction of labour-intensive construction methods. Labour intensive construction methods involve the use of an appropriate mix of labour and machines, with a preference for labour where technically and economically feasible, without compromising the quality of the product. The sector focuses on infrastructure amenable to the construction, rehabilitation and

maintenance by labour intensive methods provided by national departments, provinces and municipalities.

Province	Municipal	National	Provincial	Total
09/10 Target	176,820	1,768	121,412	300,000
Work opportunities	95,462	6,633	115,432	217,527
% Achieved	54%	375%	95%	73%

Table 4: Infrastructure sector work opportunities per province and sphere

The infrastructure sector has created 217,527 work opportunities from April to December 2009. In the sector, most projects reported were created by provinces reporting 115,432 work opportunities achieving 95% of the annual work opportunities target. Municipalities created 95,462 work opportunities, achieving 54% of the set target. The projects implemented by national departments created 6,633 work opportunities achieving 375% of the set annual target of 1,768 work opportunities.

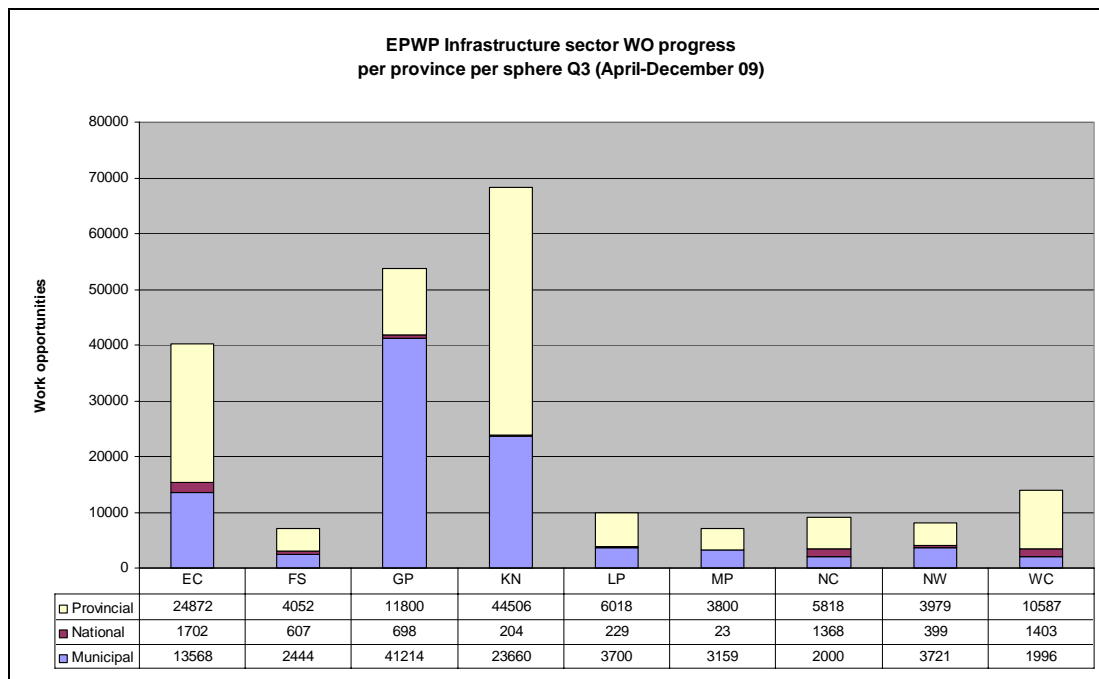


Figure 4: Overall infrastructure work opportunities per sphere per province

The Gauteng and Kwa-Zulu Natal municipalities reported the highest number of work opportunities, creating 26,078 and 18,766 respectively.

The Kwa-Zulu Natal and Eastern Cape provinces reported more provincial (12,834) compared to 1,432 work opportunities reported by Eastern Cape municipalities. In the Free State province, the nationally funded projects reported more work opportunities (403) compared to provincial projects.

The Eastern Cape, Free State, Kwa-Zulu Natal, North West, Mpumalanga and Western Cape provinces reported more provincially funded work opportunities than any other sphere of government. The Gauteng, Limpopo and Northern Cape provinces reported more municipal work opportunities than provincial and national.

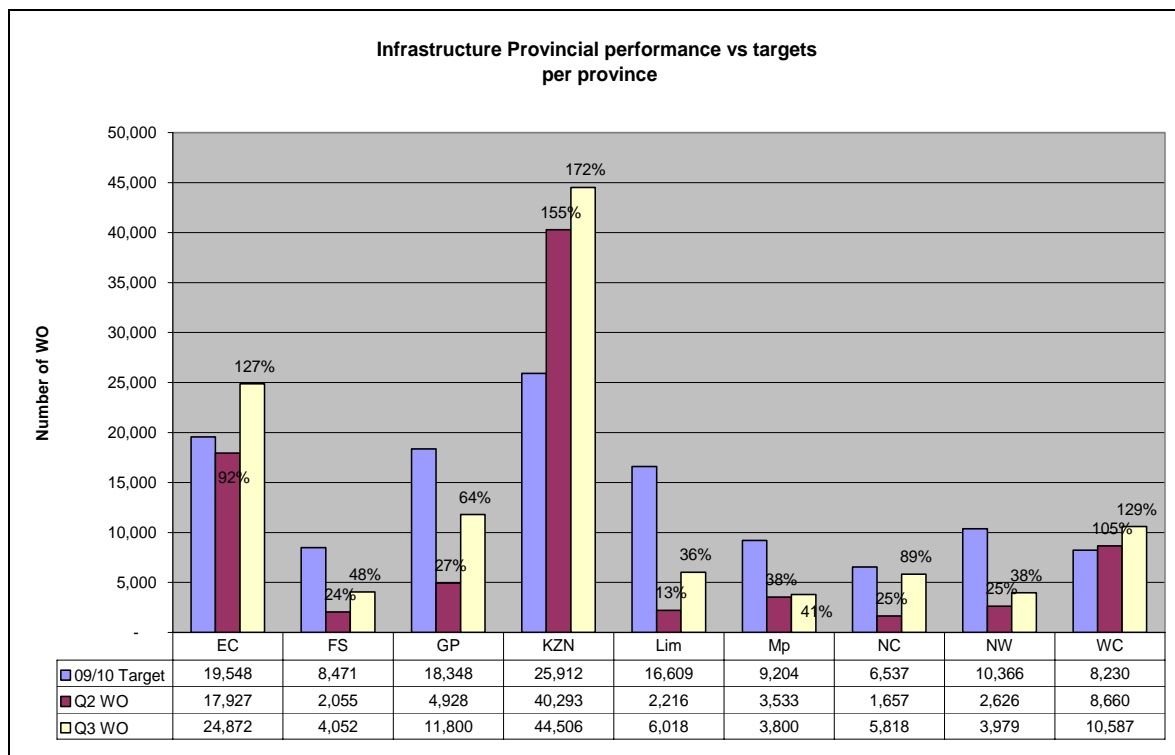


Figure 5: Infrastructure provincial work opportunities

The sector's work opportunities targets were set for all spheres for this financial year. The total target for the infrastructure sector for to be achieved in this financial year is 300, 063 work opportunities.

The figure above shows us that the sector has achieved 50% of its annual target creating 149,164 work opportunities by September 2009.

The Kwa-Zulu Natal province has achieved 92% of its target whilst the Eastern Cape, Gauteng and Western Cape provinces have achieved 54%, 52% and 50% respectively. The North West has achieved 21% whilst Northern Cape and Mpumalanga have achieved 39% and 25% respectively.

The Limpopo and Free State provinces are still lagging behind in achieving their annual targets achieving 11% and 18% respectively towards their annual target. More effort should be made for the provinces to achieve their annual targets.

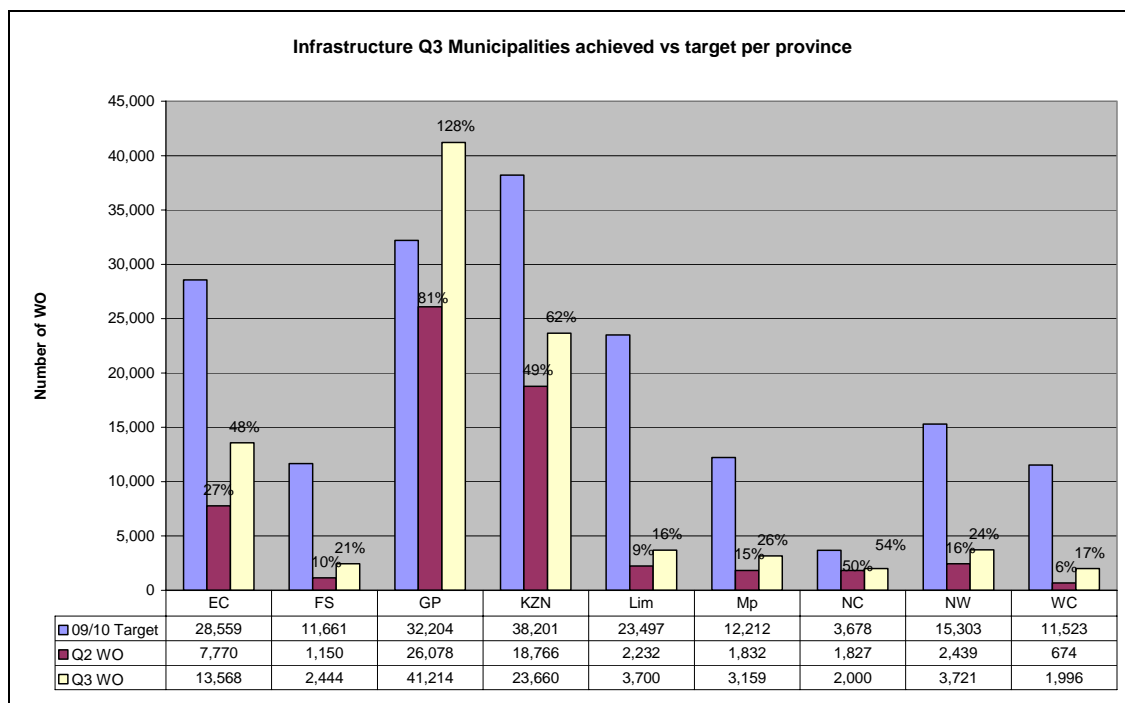


Figure 6: Infrastructure municipal work opportunities achievements

The graph above shows the contribution of the province and sphere towards the achieved in the reporting period. The graph clearly shows the highest contributor

as Kwa-Zulu Natal provincial contributing 27% towards the sector’s achievement followed by Gauteng municipalities contributing 17.5%. The Eastern Cape municipal contributed 12.6% followed by Eastern Cape provincial sphere (12%). The Free State, Limpopo, Northern Cape, Mpumalanga and North West contributed less than 2% across all spheres.

Province	Q2 achieved	Q3 Achieved	Q3-Q2	% Increase
EC	451	1,702	1,251	74%
FS	403	607	204	34%
GP	295	698	403	58%
KN		204	204	100%
LP		229	229	100%
MP		23	23	100%
NC	484	1,368	884	65%
NW	307	399	92	23%
WC	561	1,403	842	60%
Total	2,501	6,633	4,132	62%

Table 5: Infrastructure sector national sphere achievements per province and sphere

The table above depicts the national sphere contribution per province. It shows that in Q3, national departments implemented their projects in all provinces compared to 6 provinces in Q2. Overall the reporting has increased from 2,501 work opportunities in Q2 to 4,132 work opportunities in Q3 (62% increase between Q2 and Q3). Of those that were reported in Q2, the Eastern Cape shows the most improvement of 74% in Q3 followed by the Northern Cape with 65%. The least improved province is the North West increasing its reporting by only 23%.

2.2 Social Sector

The social sector’s focus was on the expansion of Home and Community Base Care (HCBC) and on Early Childhood Development (ECD) Programmes. The sector has expanded from the two main programmes and added other programmes such as Safety and Security (SS) and School Nutrition (SN). All of these programmes are highly labour-intensive and provide enormous

opportunities for the creation of work opportunities, given the large needs for these services.

Spheres	09/10 WO targets	Q2 Achieved	Q3 Achieved	Q3-Q2	% Increase
National	-	0	1,564	1,564	100%
Provincial	77,256	31,740	158,759	127,019	80%
Municipal	2,744	2,233	5,142	2,909	57%
Total	80,000	33,973	165,465	131,492	79%

Table 6: Social sector work opportunities per sphere

The annual sector targets were set for all spheres of governments except the national departments that do not have any targets. The provincial departments improved significantly achieving 205% of their annual target of 77,256 compared to Q2. The municipalities achieved 106% towards the 2,744 annual work opportunities target set. Even though there was no national target set in the social sector, the sector created 1,564 work opportunities.

Province	Municipal	National	Provincial	Total
EC			14,716	14,716
FS	921	197	10,064	11,182
GP	550		13,829	14,379
KN	3,671		50,899	54,570
LP			22,927	22,927
MP			18,507	18,507
NC			5,875	5,875
NW		1,367	9,953	11,320
WC			11,990	11,990
Total	5,142	1,564	158,760	165,466

Table 7: Social sector work opportunities per province and sphere

In Table 7, work opportunities are broken down by sphere and province to see the performance of the provinces per sphere. It is clear that the sector is mainly implemented by provincial departments compared to municipalities.

The Kwa-Zulu Natal province reported the highest number of work opportunities (50,899) followed by the Limpopo province (22,927). The province that reported the least number of work opportunities created was Mpumalanga reporting 18,507 work opportunities.

The municipalities that have reported are in the Free State, Gauteng and Kwa-Zulu Natal provinces reporting 921; 550 and 3,671 work opportunities respectively.

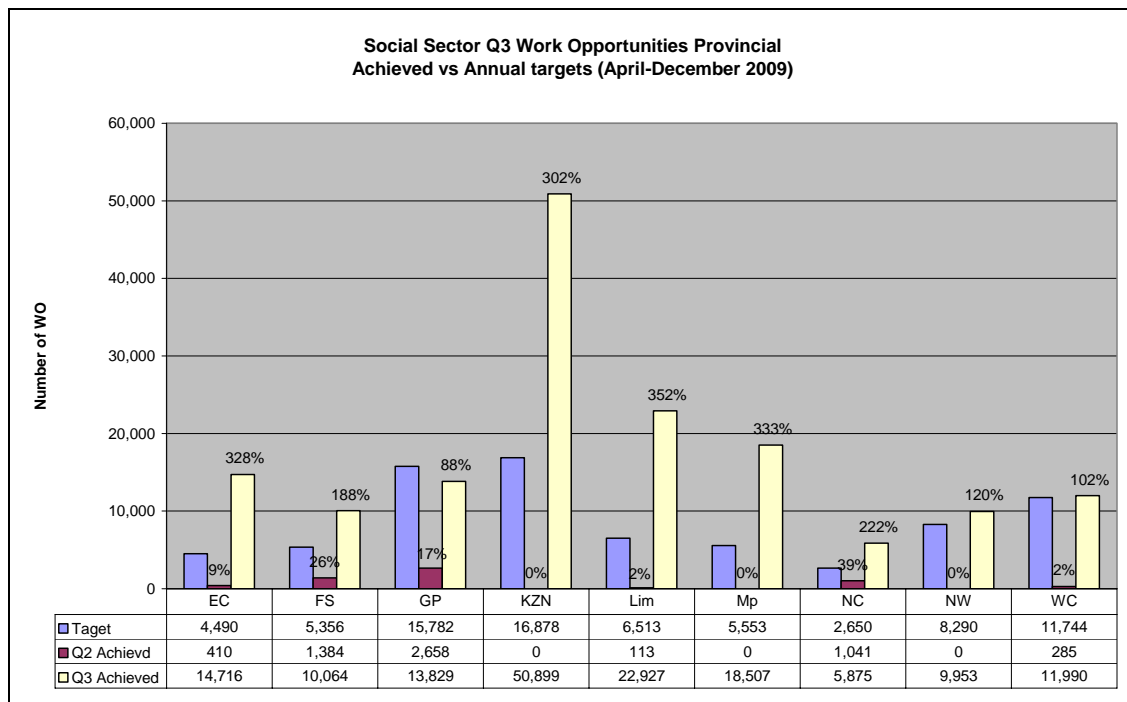


Figure 7: Social sector work opportunities targets vs. achieved per province

Provincial annual targets were set for the sector. The table above shows the progress towards the set annual targets. All provinces except Gauteng province have exceeded their provincial targets. The Kwa-Zulu Natal, Mpumalanga and North West have exceeded their targets in Q3 from a 0% achievement in Q2.

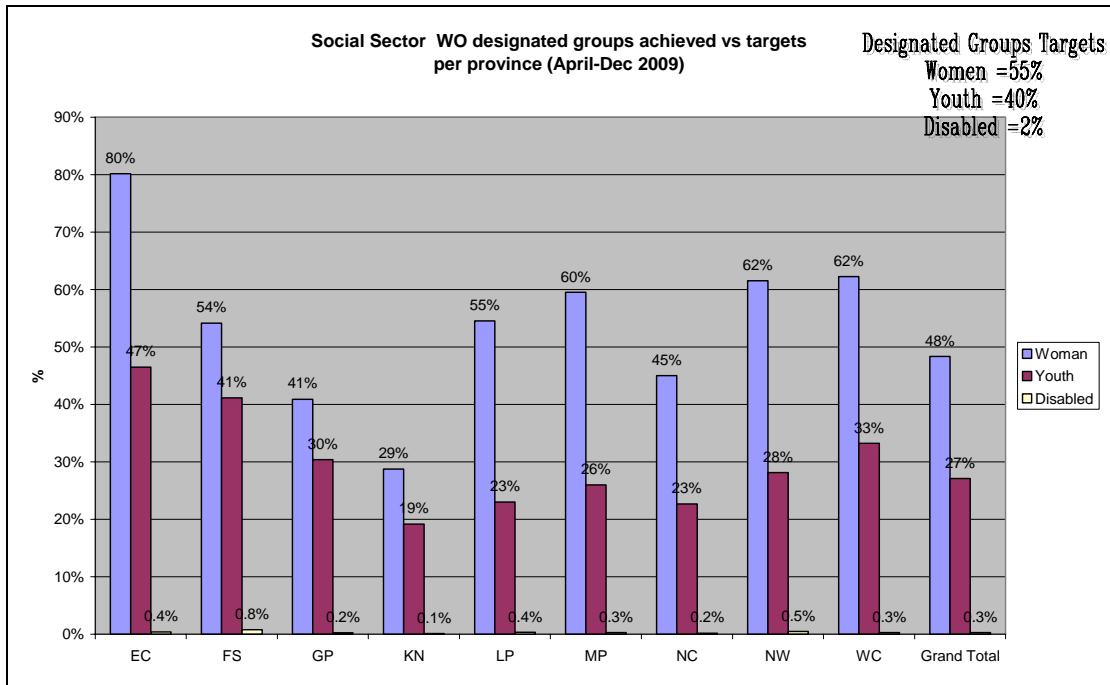


Figure 8: Social sector achieved designated work opportunities vs. targets per province

The targets for the designated groups were set at 55% for women, 40% for the youth and 2% for people with disabilities. Overall, the sector achieved the youth target by employing 40% youth. The majority of the work opportunities in the sector are women (74%) and only 0.3% is people with disabilities.

All provinces except Free State (40%) and Gauteng (49%) provinces have not achieved the 55% women target. The youth target was achieved and exceeded by Eastern Cape, Gauteng, Kwa-Zulu Natal and Western Cape targets whilst the rest of the provinces did not achieve the 40% target. The Mpumalanga and Northern Cape achieved the least in creating work opportunities for the youth by reporting 27% and 28% respectively.

None of the provinces have achieved the 2% target set for people with disabilities.

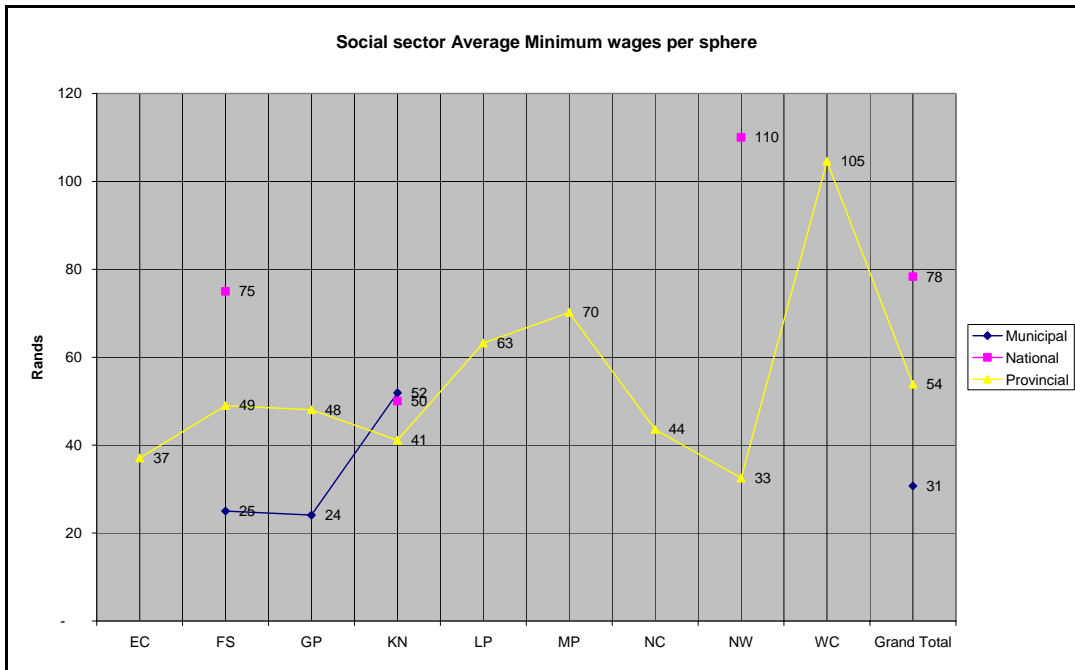


Table 8: Social sector average minimum wage per province and sphere

In the social sector, the average minimum daily wage reported is R54. Comparing the spheres of government, the provincial sphere pays an average of R55 a day whilst the municipality pays an average of R32 per day. This is below the R50 set minimum for the EPWP programme.

Comparing provinces, the Eastern Cape reported a minimum daily wage of R39 whilst Mpumalanga and North West province reported R40 and R32 respectively. The Western Cape province reported paying more than all provinces, paying an average minimum wage of R96 per day. Interestingly, Kwa-Zulu Natal municipalities pay R76 per day compared to the provincial projects which pays R45 per day.

2.3 Environment and Culture

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

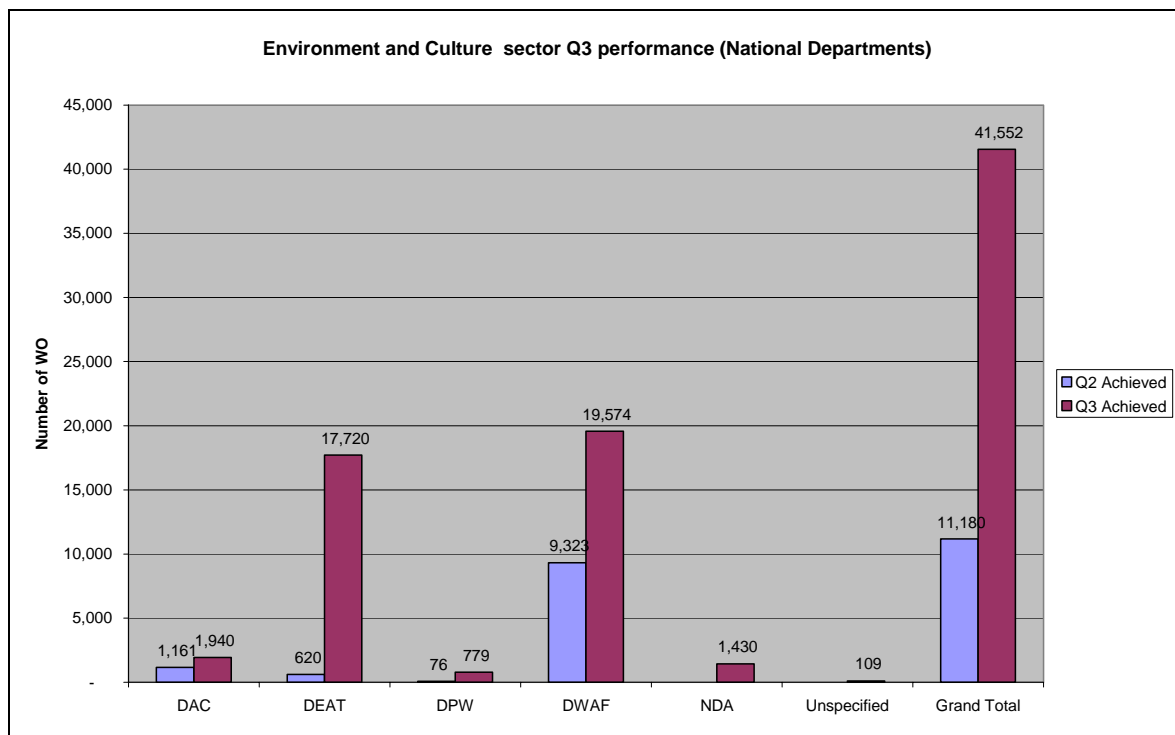


Figure 9: Environment and Culture national departments work opportunities

In this reporting period, the national departments achieved 20,379 (21%) work opportunities towards the annual target of 98,300. DWAF reported more work opportunities reporting 11,787 compared to 1,489 by DAC and 6,673 work opportunities by DEAT. The national department of public works reported 20 work opportunities in the sector.

The table below summarises work opportunities per province and sphere of government to see the distribution of work opportunities within the sector.

Sphere	Targets	Q2 Achieved	Q3 Achieved	Q3-Q2	% Increase
National	98,300	20,379	41,552	21,173	51%
Provincial	48,657	7,307	22,495	15,188	68%
Municipal	3,043	1,639	1,993	354	18%
Total	150,000	29,325	66,040	36,715	56%

Table 9: Environment and culture quarterly work opportunities comparison per sphere

The above table shows that, this sector is mostly dominated by work opportunities created by national departments compared to other spheres of government. Overall, the sector achieved 44% towards the annual target by creating 66,040 work opportunities from April to December 2009. The achievement shows an increase of 56% from the 29,325 work opportunities created last quarter.

The national sphere achieved 42% of their annual targets whilst the provincial achieved 46%. Municipal sphere achieved 53% of their annual targets. The table shows us that the provincial sphere improved by 68% from Q2 whilst national improved by 51%.

Province	Municipal		National		Provincial	
	Q2	Q3	Q2	Q3	Q2	Q3
EC		34	4,463	9,232	766	2,172
FS	93	186	1,477	2,972	102	361
GP	1,503	1,718	1,215	4,116	1,823	5,392
KN			4,326	8,991	2,234	8,846
LP	43	43	959	2,801	1,396	2,814
MP			1,178	2,501	64	562
NC			539	2,523	335	739
NW			1,079	1,271	570	1,144
WC		12	5,143	7,145	17	465
Total	1,639	1,993	20,379	41,552	7,307	22,495

Table 10: Environment and culture work opportunities per province per sphere per quarter

The table above shows that most work opportunities reported in the sector were created by the national departments compared to other spheres of government.

Overall, the report shows that all provinces implement the sector projects. The municipalities creating work opportunities in the sector have increased from three in Q2 to five in Q3. No new work opportunities were created in Limpopo municipalities between the two quarters.

When comparing the national sphere and provincial sphere, more work opportunities were created by the national sphere. The Gauteng province is the only province that created a significantly higher number of work opportunities in the provincial sphere compared to national sphere.

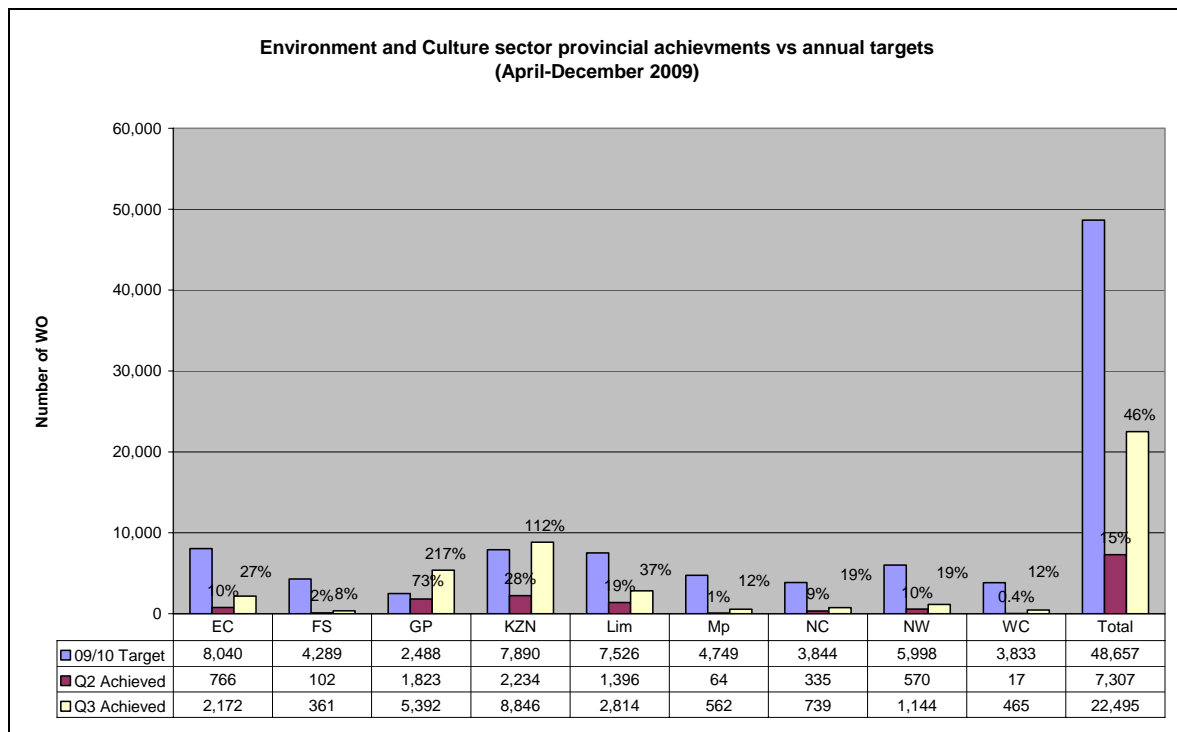


Figure 10: Environment and Culture provincial work opportunities targets vs. achieved

Provincial annual targets were set for all provinces in the sector. The provinces achieved 46% of their annual target compared to 15% in Q2. Overall, the provinces are not doing well in achieving their annual targets with most of them achieving below 20% in Q3. The graph indicates that the Gauteng and Kwa-Zulu

Natal provinces are the only provinces that have achieved its work opportunities targets achieving 217% and 112% respectively. These are followed by the Limpopo province achieving 37%. The province that achieved the least of their annual targets is the Free State province achieving only 8%.

The Kwa-Zulu Natal province showed a significant increase in reporting work opportunities created from 28% in Q2 to 112% in Q3. The Free State province did not show any significant increase moving from 2% in Q2 to 8% in Q3.

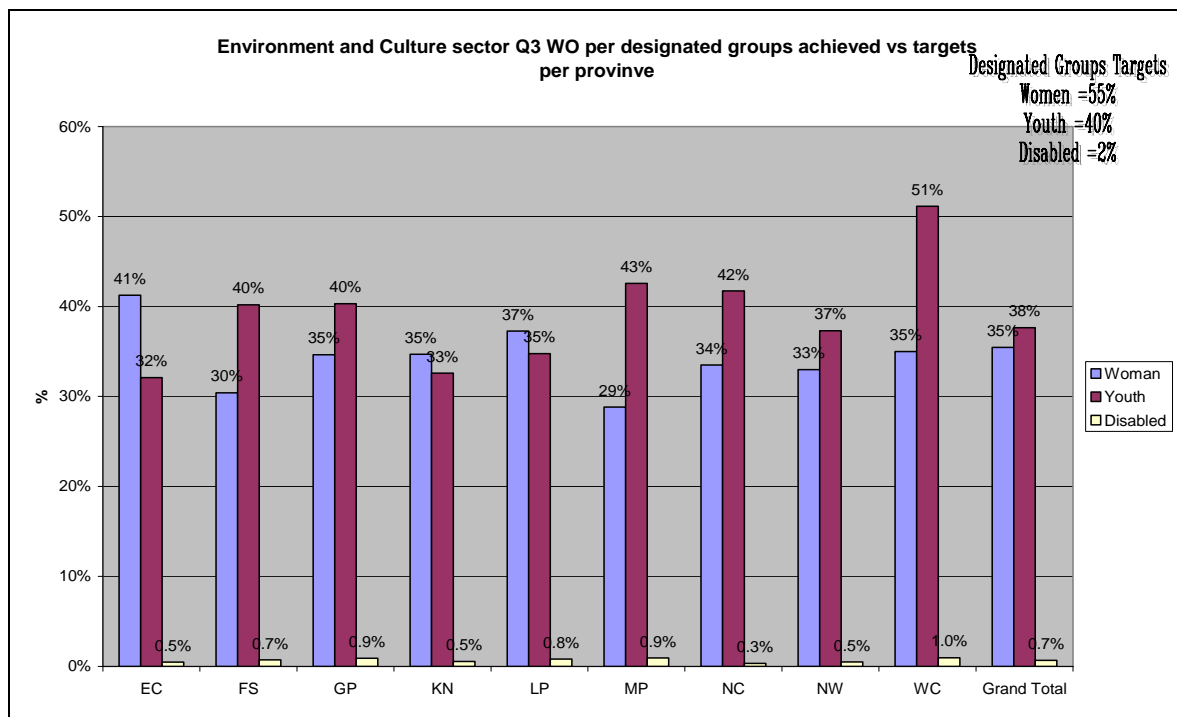


Figure 11: Environment and Culture WO per designated groups

The performance of the sector towards against the set target for designated groups shows that the sector did not achieve any of the targets. Overall, the sector achieved 38% for youth, 35% for women and 0.7% for people with disabilities.

None of the provinces achieved the 55% women target and the 2% people with disabilities target. Most provinces (Western Cape, Free State, Gauteng, Mpumalanga, and Northern Cape) achieved the 40% youth target whilst Kwa-

Zulu Natal, Limpopo, North West and Eastern Cape did not achieve the 40% target.

Province	Municipal	National	Provincial	Total
EC	60	63	37	61
FS	50	49	55	50
GP	87	74	90	80
KN		57	58	57
LP	65	59	65	61
MP		60	82	65
NC		62	68	63
NW		52	63	53
WC	80	52	82	56
Total	80	60	70	63

Table 11: Environment and culture average minimum wages per province and sphere

The reported average minimum daily wage for the sector is R63. Comparing different spheres of government, the municipal projects reported an average minimum wage of R80 whilst the provinces reported R70. National projects reported an average of R60 minimum daily wage.

Comparing different provinces and spheres, the Eastern Cape was the only province that reported an average minimum daily wage below R50, reporting R37 per day. The highest was reported by Gauteng province reporting an average of R90 whilst the Gauteng municipalities reported R87. It is clear from the table above that there is no standard wage rate for the sector and the minimum wages vary by sphere of government and province.

2.4 Non State Sector

The second phase of the EPWP includes two sets of programmes implemented by; non-state organisations such as Non Governmental Organisations (NGOs), Community Based Organisations (CBOs) and local communities through the Community Works Programme. This will increase the scale of the programme to the size as proposed in the Draft Anti Poverty Strategy.

The first set is the *Institutional based programmes* where non-state actors, typically not-for-profit organisations, faith based organisations and community based organisations (CBOs), develop programmes that creates income for large numbers of individuals through socially constructive activities. The type of initiative is determined by the non-state actor with the state providing wage costs.

The second set is the *Area based programmes* involving local organisations so as to support initiatives that create work opportunities, in ways that build public or community level goods and services.

Province	Q2 Achieved	Q3 Achieved	Q3-Q2	% Increase
EC	3,200	12,509	9,309	74%
FS	1,470	4,147	2,677	65%
GP	2,331	2,413	82	3%
KN	784	4,236	3,452	81%
LP	1,042	2,499	1,457	58%
MP	1,711	4,391	2,680	61%
NC		354	354	100%
NW	568	2,598	2,030	78%
WC		562	562	100%
Total	11,106	33,709	22,603	67%

Table 12: Non state sector progress

The non state sector has a target of 20,000 work opportunities for this financial year. To date, the sector has achieved 33,709 work opportunities in Q3 compared to 11,106 work opportunities achieved in Q2. The sector increased the work opportunities created by 67% in Q3.

Province	Q2 Achieved	Q3 Achieved	Q3-Q2	% Increase
EC	182	503	321	64%
FS	70	268	198	74%
GP	70	84	14	17%
KN	50	284	234	82%
LP	73	153	80	52%
MP	108	252	144	57%
NC		53	53	100%
NW	28	286	258	90%
WC		140	140	100%
Total	581	2,023	1,442	71%

Table 13: Non state sector progress

The table above shows that the sector has improved by 71% from between Q2 and Q3. Comparing provinces, the Eastern Cape and Mpumalanga provinces created more work opportunities whilst creating 12,509 and 4,391 work opportunities respectively. The Western Cape and Northern Cape provinces created the least work opportunities creating 562 and 354 work opportunities respectively.

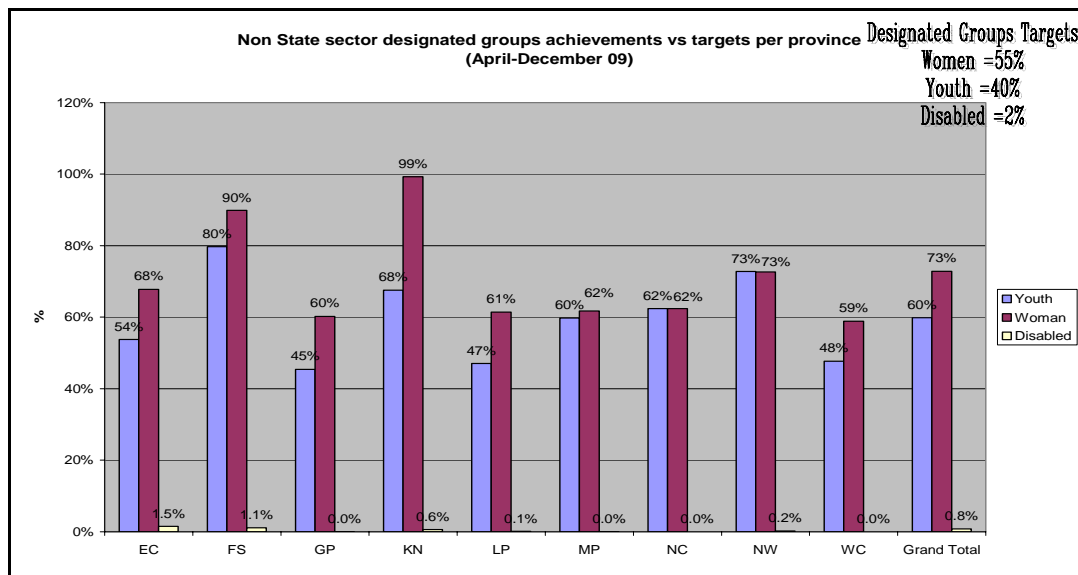


Figure 12: Non state sector WO per designated groups per province

The sector achieved 60% of the 40%% set youth target and exceeded the 55% women target achieving 75%. The sector did not achieve the set 2% of people with disabilities achieve 0.8%.

Comparing different provinces, it shows that all provinces have achieved the 40% youth target and the 55% of the woman target. None of the provinces achieved the 2% target for people with disabilities. The Eastern Cape province achieved 1.5% of the people with disabilities.

3. Recommendations and Conclusions

Overall, based on the data received, the EPWP is on course to meet its work opportunities 2009/10 financial year targets. The EPWP has over achieved 81% of its annual target of 550 000 work-opportunities for the unskilled and unemployed. The EPWP has not reached its targets for youth, women but did not reach targets for the people with disabilities. The programme needs to work more to mobilise the public bodies to ensure that they achieve the targets for the designated groups.

More support and strategic Interventions should be set to ensure that all public bodies achieve their set targets. These will ensure that the programme achieve its objectives across all spheres of government.

Reporting in all sectors and spheres of government has improved significantly especially since the introduction of data capturers that were appointed to assist public bodies.