

**Report for the period April 2009 to March 2010 (YEAR 1)  
(Containing interim data and information for the period  
1 April 2009 to 31 March 2010)**

**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 unwork opportunities 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 March 2010. 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.

To date, 625,859 work opportunities were created by the EPWP programme. The target set for the 2009/10 financial year was 590,000 work opportunities. To date, the programme achieved 106% against the financial year target.

The infrastructure sector achieved 87% of their annual target whilst the environment and culture sector achieved 63% towards the annual target. The social sector has doubled the targets set for the 2009/10 financial year by achieving 258% to date. The non state sector has achieved 100% of their 60,000 2009/10 set targets.

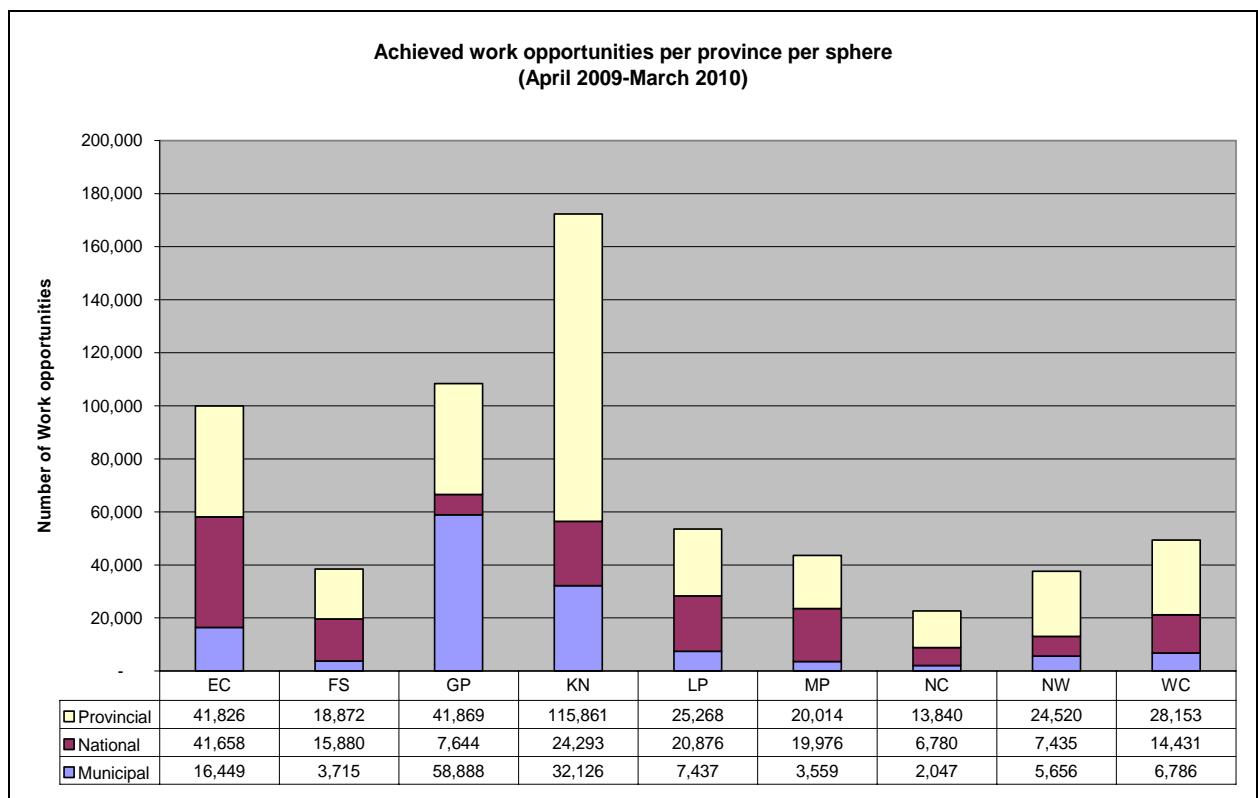


Figure 1: Overall Work Opportunities per province per sphere

The figure above shows the programme’s achievements by province per sphere. Overall, Kwa-zulu Natal created more work opportunities followed by Gauteng and then the Eastern Cape province. 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.

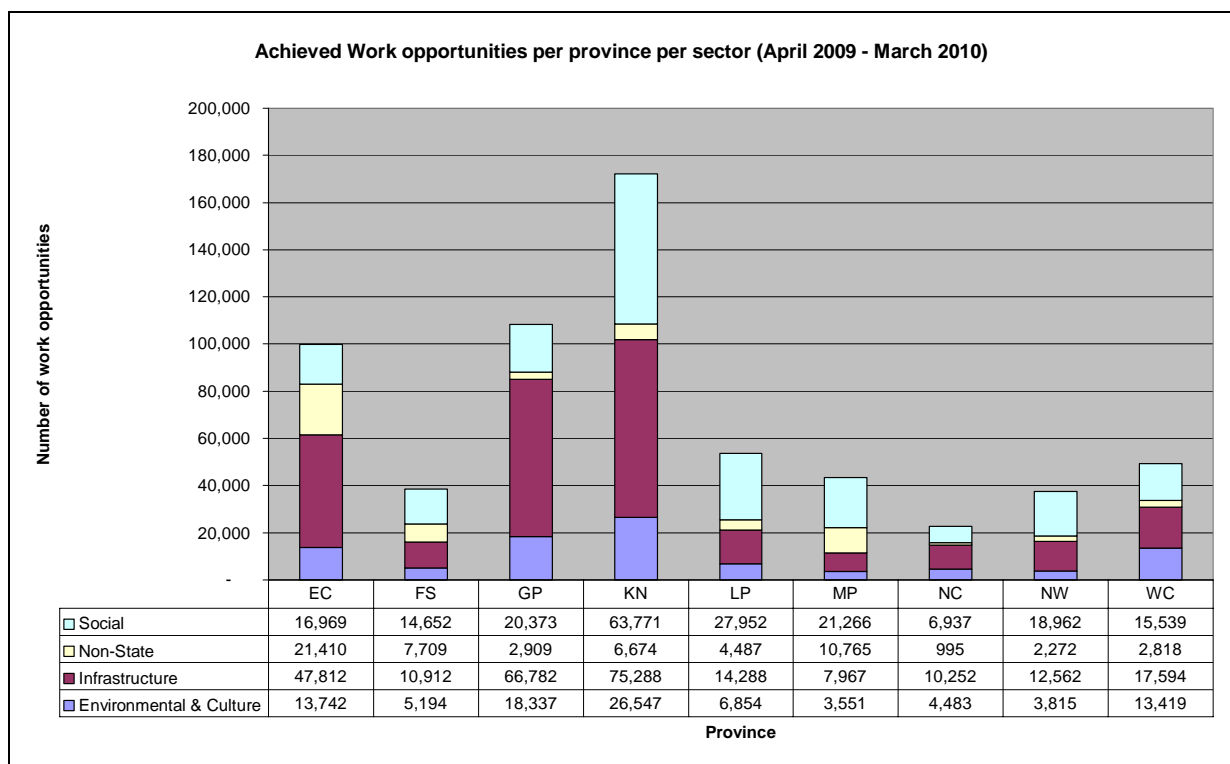


Figure 2: Overall Work Opportunities per province per sector

Looking at the work opportunities reported this financial year by sector and province, the graph shows that more work opportunities were created in Kwa-Zulu Natal province in the infrastructure sector reporting the highest with a total of 75,288 work opportunities. This was followed by Gauteng province for infrastructure, reporting 66,782 work opportunities. The province that created a few work opportunities was the Northern Cape province. Even though it reported

the least work opportunities, the provinces created more infrastructure and environment and culture work opportunities compared to Mpumalanga 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 Kwa-zulu Natal followed by Gauteng and Eastern Cape provinces. The Eastern Cape province created most Non state sector work opportunities followed by the Mpumalanga province.

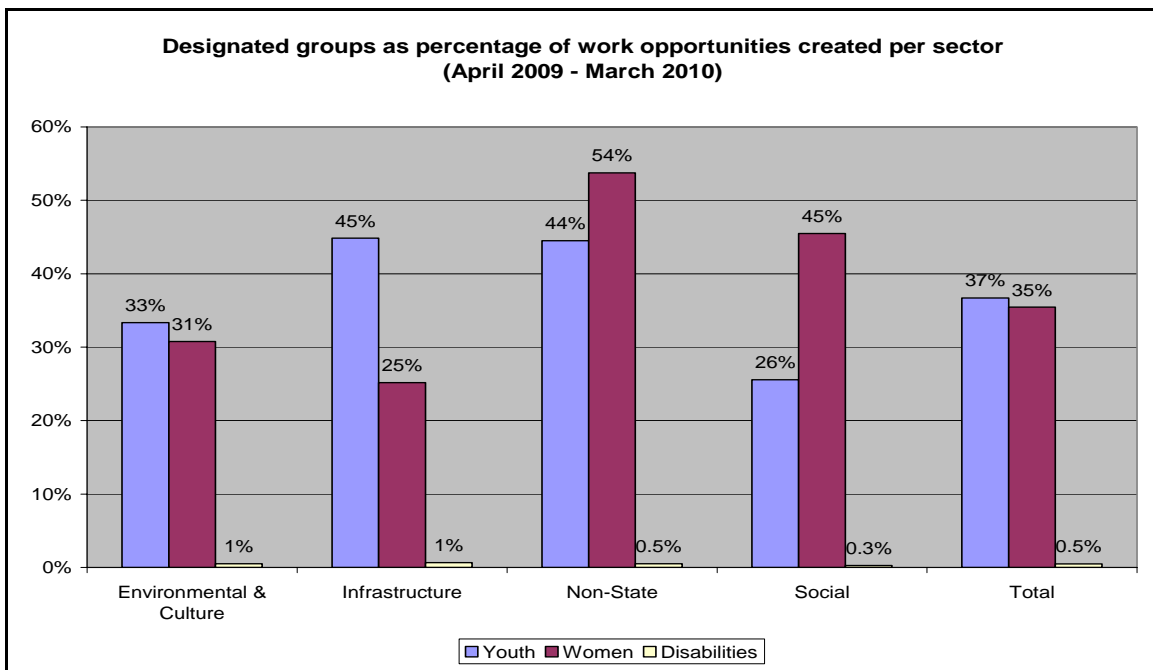


Figure 3: Achieved designated groups against targets per province

The figure above shows that of the 625,859 work opportunities created by the programme, 35% of beneficiaries were woman whilst 37% were youth and only 0.5% were people with disabilities. The programme has achieved less than the set targets of 55% woman, 40% youth and 2% people with disabilities.

The Infrastructure and Non state sector are the only sectors that achieved the 40% youth target and none of the sectors achieved the women and people with disabilities targets.

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
<b>Total</b>	<b>79</b>	<b>58</b>	<b>58</b>	<b>60</b>

Table 1: Overall EPWP minimum daily wages per province per sphere

The table above indicates the overall EPWP average minimum daily wages per province and sphere.

The table indicates that the average minimum wage that the programme pays is R60. The municipal sphere has a higher average daily wage compared to national and provincial sphere of government.

The Western Cape province pays a higher minimum daily wage (R81) compared to other provinces. The lowest reported daily wage is in the North West province reporting only R40 per day on average.

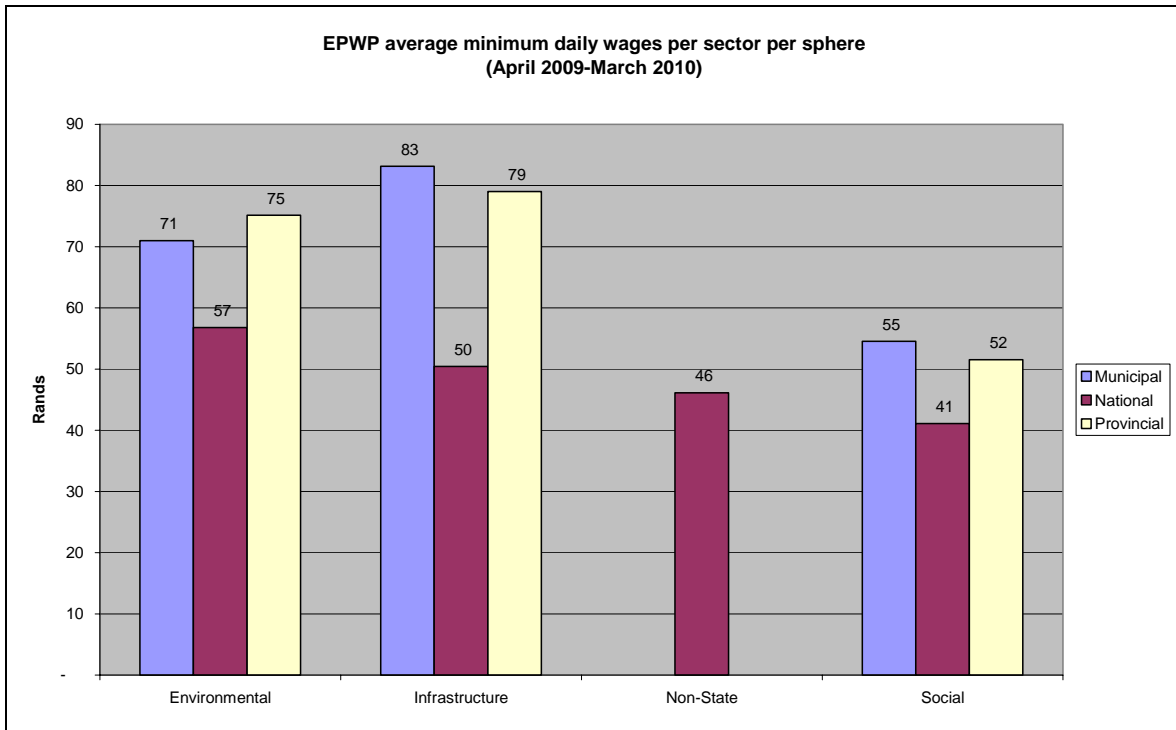


Figure 4: Overall EPWP average minimum daily wages per sector per sphere

The minimum daily wage that was agreed in the EPWP is R50 across all sectors and spheres. The table above shows that all sectors except the Non state sector are paying more than the EPWP minimum daily wage of R50. The Non state sector reported an average of R46 per day for the beneficiaries.

The national social sector reported an average daily wage of R41 which is below the minimum of R50 per day for EPWP beneficiaries.

## 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.

<b>Province</b>	<b>Municipal</b>	<b>National</b>	<b>Provincial</b>	<b>Total</b>
09/10 Target	176,820	1,768	121,412	300,000
Work opportunities	127,222	7,042	129,193	263,457
<b>% Achieved</b>	<b>71%</b>	<b>398%</b>	<b>106%</b>	<b>87%</b>

Table 2: Infrastructure sector work opportunities per province and sphere

The infrastructure sector has created 263,457 work opportunities from April to March 2010. In the sector, most projects reported were created by the provincial sphere reporting 129,193 work opportunities achieving 106% of the annual work opportunities target. Municipalities created 127,222 work opportunities, achieving 71% of the set target. The projects implemented by national departments created 7,042 work opportunities achieving 398% of the set annual target of 1,768 work opportunities.

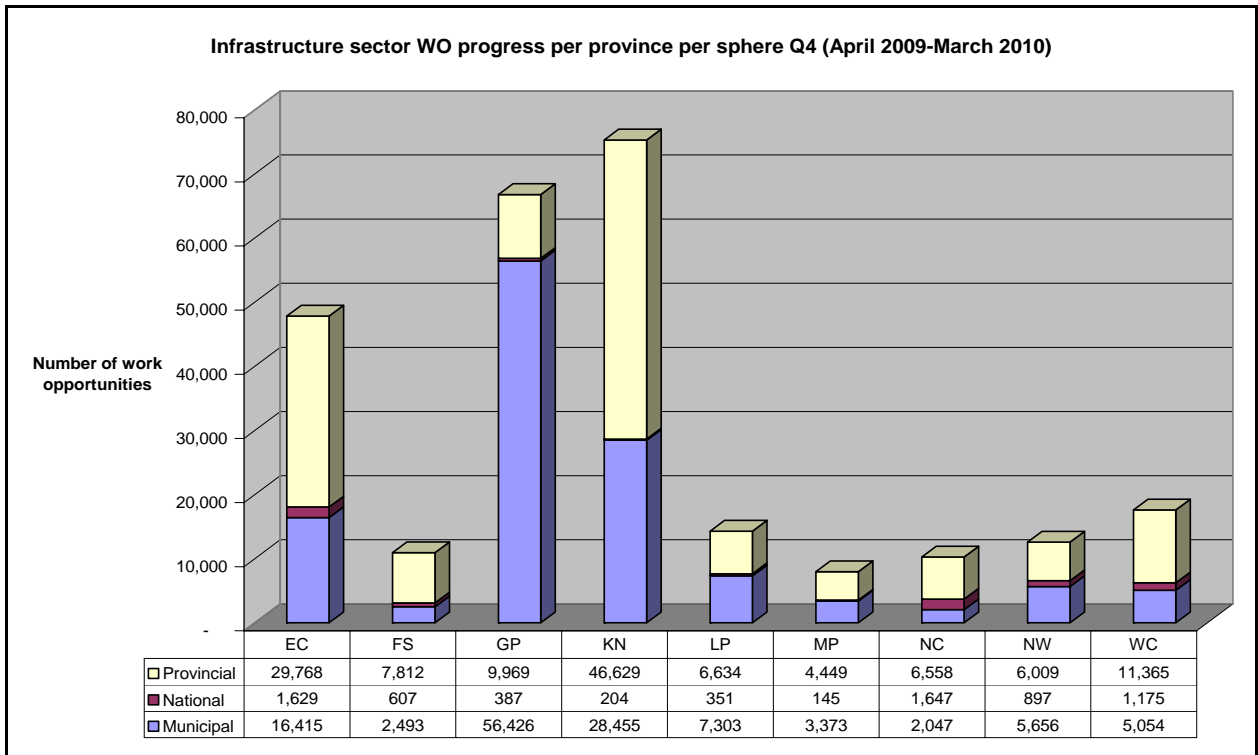


Figure 5: Overall infrastructure work opportunities per sphere per province

The graph above shows the overall infrastructure achievement per province and sphere. The Gauteng and Kwa-Zulu Natal municipalities reported the highest number of work opportunities, creating 56,426 and 28,455 respectively. The Kwa-Zulu Natal and Eastern Cape provinces reported more provincially funded work opportunities compared to other provinces.

All except the Gauteng and Limpopo provinces reported more provincially funded work opportunities than any other sphere of government.

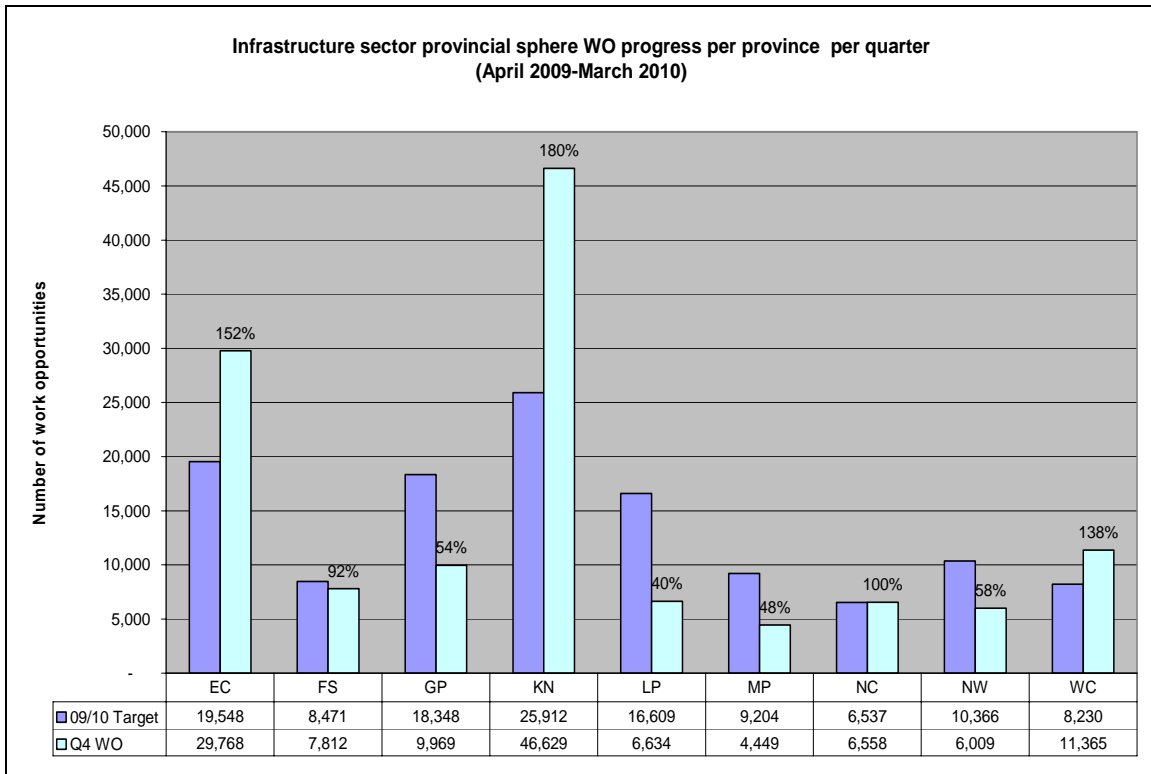


Figure 6: Infrastructure provincial work opportunities

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 that only four provinces (EC, KN, NC and WC).

The Kwa-Zulu Natal province has achieved 180% of its target whilst the Eastern Cape, Northern Cape and Western Cape provinces have achieved 152%, 100% and 138% respectively.

The Limpopo and Mpumalanga achieved the least compared to all provinces achieving 40% and 48% respectively towards their annual target. More effort should be made for the provinces to ensure that their set annual targets are met.

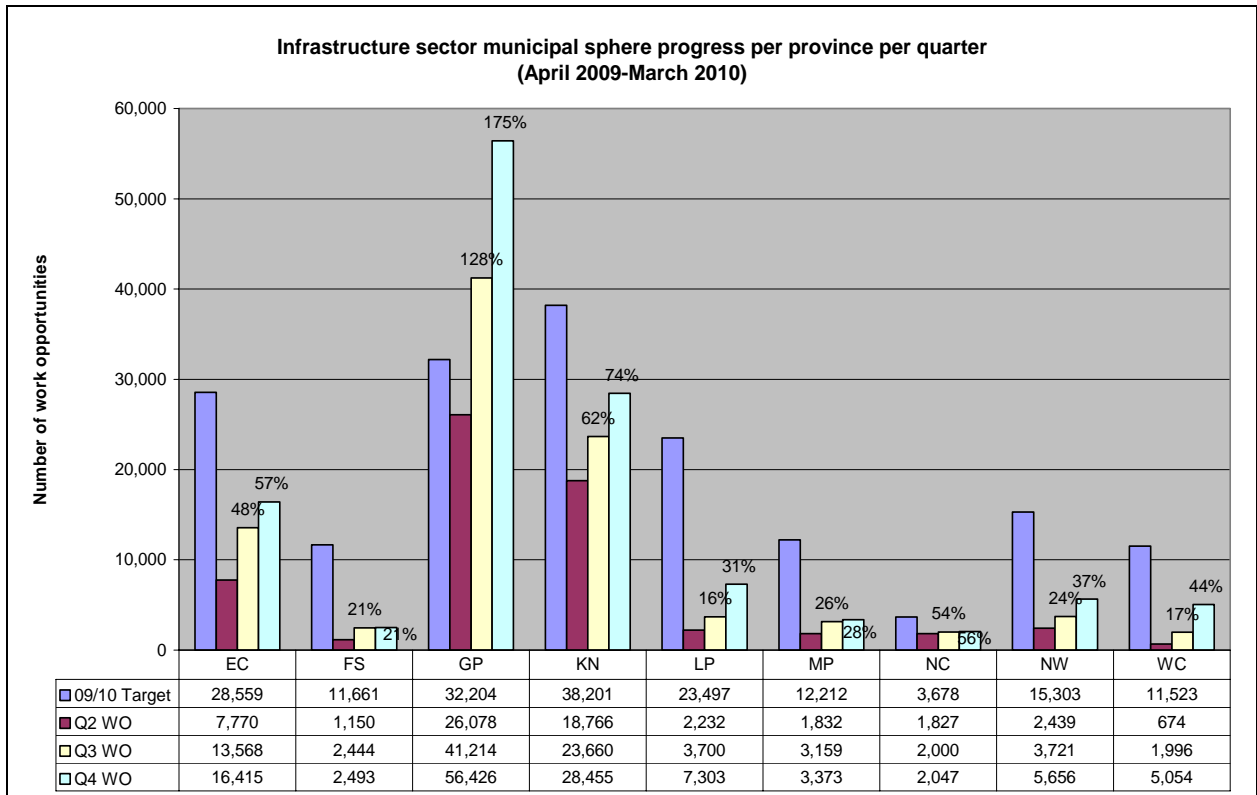


Figure 7: Infrastructure municipal work opportunities achievements

The graph above shows the achievements of the municipal sphere by province towards the set targets in the reporting period. The graph clearly shows the highest contributor for the financial year was the Gauteng municipalities. The Gauteng municipalities achieved 175% of their annual target and it is the only province that managed to achieve its municipal target.

The least performed in this sphere is the Free State municipalities. The Free State municipalities achieved only 21% of their set annual target

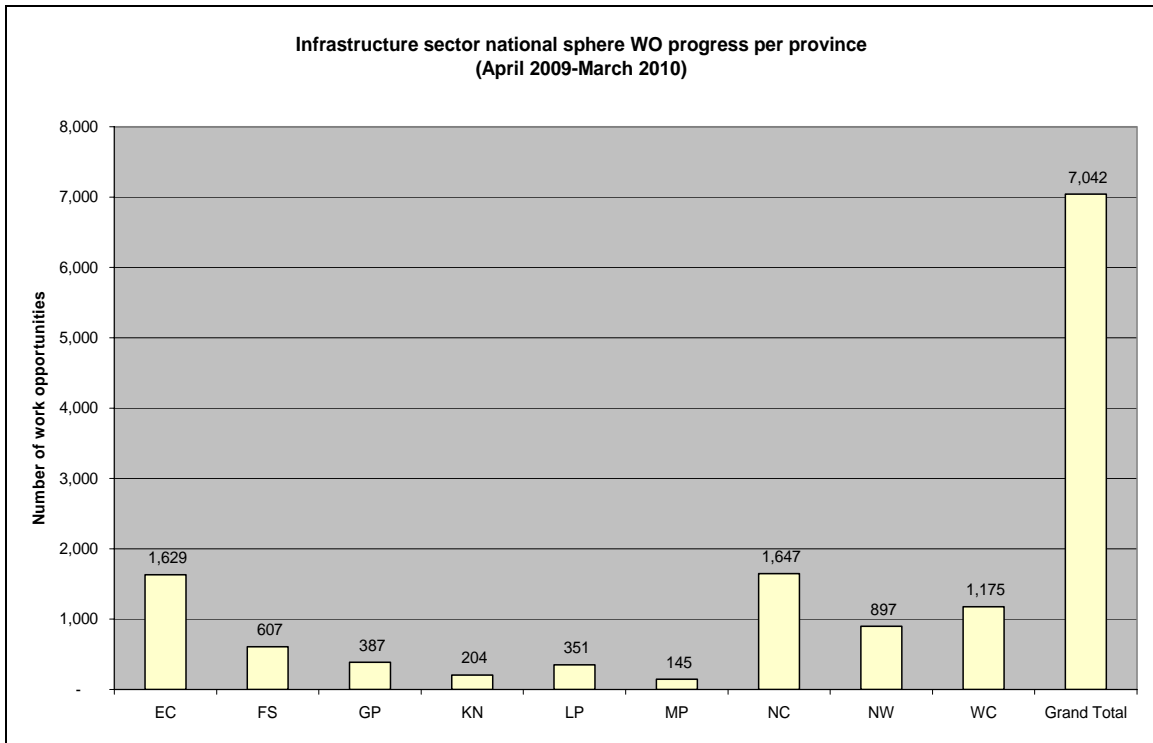


Figure 8: Infrastructure sector national sphere achievements per province and sphere

The table above depicts the national sphere contribution per province. It shows that the national departments implemented their projects in all provinces. Overall the national sphere created 7,042 work opportunities and they have contributed only 2% towards the infrastructure sector's achievements.

More work opportunities were reported by the Northern Cape province followed by the Eastern Cape province. The least work opportunities created by the national sphere were reported by the Mpumalanga province.

## 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	Q4 Achieved	% Achieved
National	-	39,688	-
Provincial	77,256	161,346	208%
Municipal	2,744	5,387	196%
<b>Total</b>	<b>80,000</b>	<b>206,421</b>	<b>258%</b>

Table 3: 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 overachieved towards their annual target achieving 208% of their annual target of 77,256. The municipalities achieved 196% towards the 2,744 annual work opportunities target set. Even though there was no national target set in the social sector, the sector created 39,688 work opportunities implemented by national departments.

Province	Municipal	National	Provincial	Total
EC		8,373	8,596	16,969
FS	943	3,429	10,280	14,652
GP	498		19,875	20,373
KN	3,671	5,447	54,653	63,771
LP		12,361	15,591	27,952
MP		6,399	14,867	21,266
NC		880	6,057	6,937
NW		2,065	16,897	18,962
WC	275	734	14,530	15,539
Total	5,387	39,688	161,346	206,421

Table 4: Social sector work opportunities per province and sphere

In Table 6, 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 and national departments.

The Kwa-Zulu Natal province reported the highest number of work opportunities (63,771) followed by the Limpopo province (27,952). The province that reported the least number of work opportunities created is the Northern Cape reporting 6,937 work opportunities.

The municipalities that have reported are in the Free State, Gauteng and Kwa-Zulu Natal and the Western Cape provinces reporting 943; 498 and 3,671 and 275 work opportunities respectively.

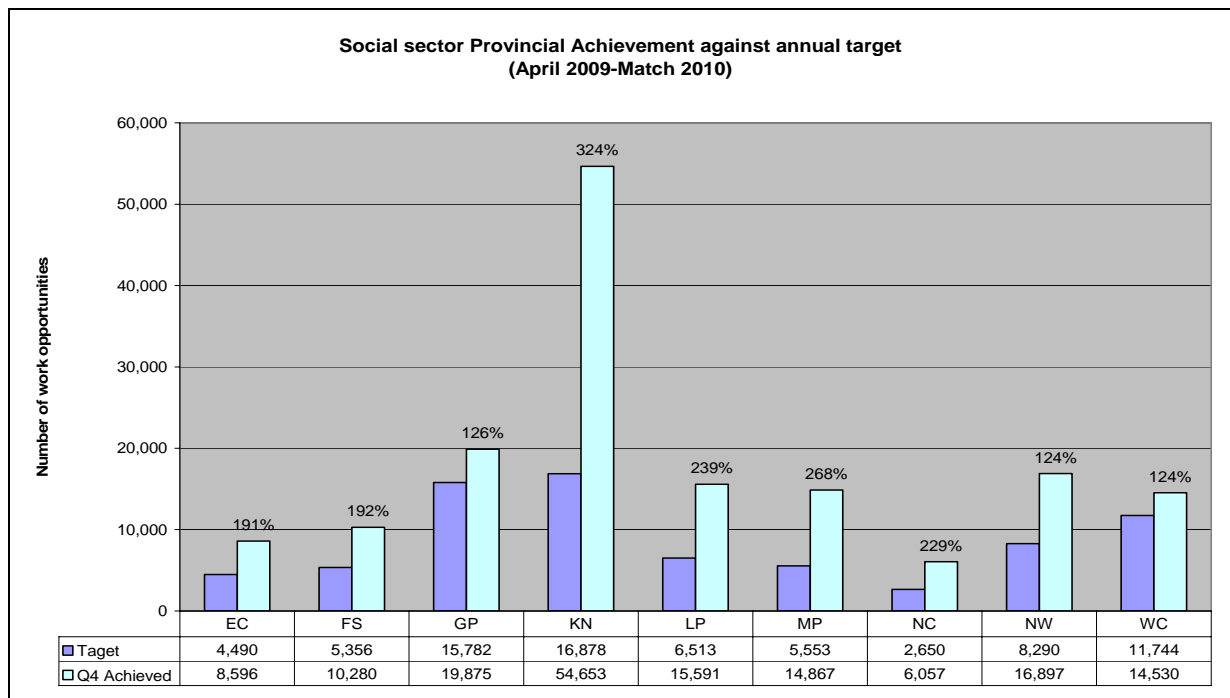


Figure 9: Social sector work opportunities targets vs. achieved per province

Provincial annual targets were set for the sector. The figure above shows the progress towards the set annual targets. The provincial sphere achieved 161,346 work opportunities and has contributed 78% towards the sector's achievements for the year.

All provinces have exceeded their provincial targets. The highest achiever is the Kwa-Zulu Natal province followed by the Mpumalanga province.

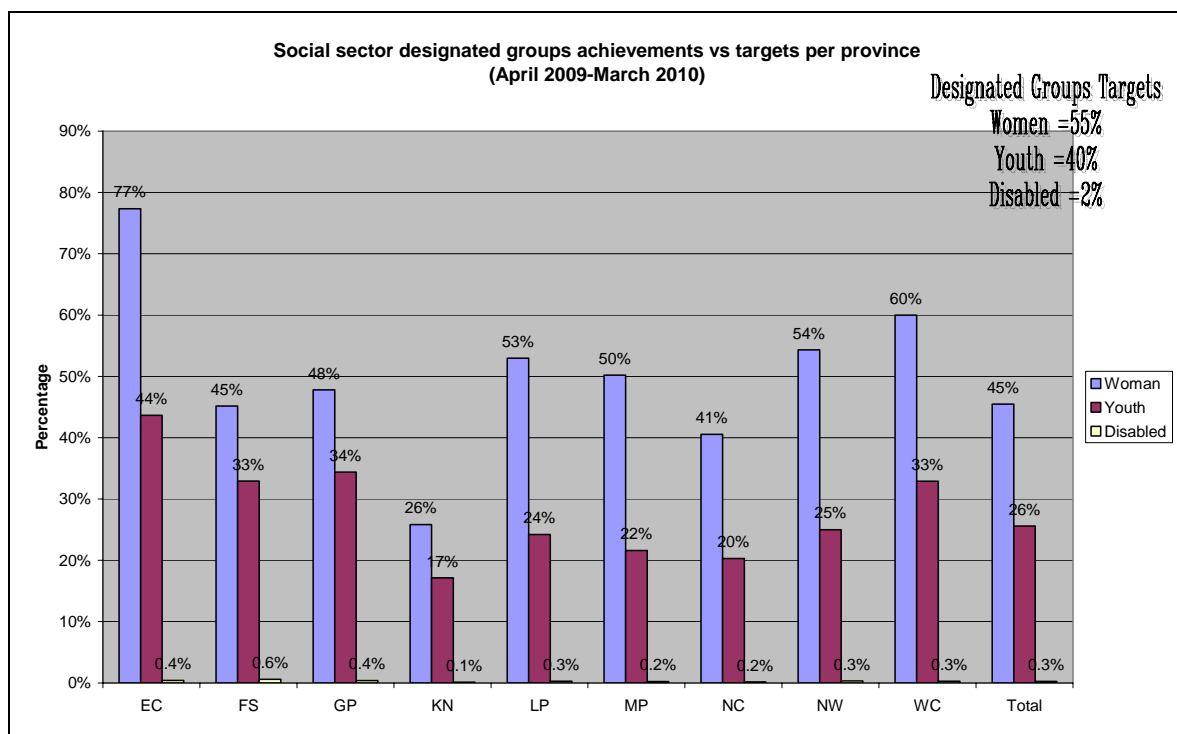


Figure 10: Social sector achieved designated work opportunities vs. targets per province

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 did not achieve any of the set targets for youth, women and people with disabilities. There is a decrease in the woman target comparing Q3 and Q4. The sector achieved 74% target for women in Q3 and the performance dropped to 45% in Q4.

All provinces except the Eastern Cape (77%) and the Western Cape (60%) provinces have not achieved the 55% women target. The youth target was



achieved and exceeded by the Eastern Cape province only whilst the rest of the provinces did not achieve the 40% target

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

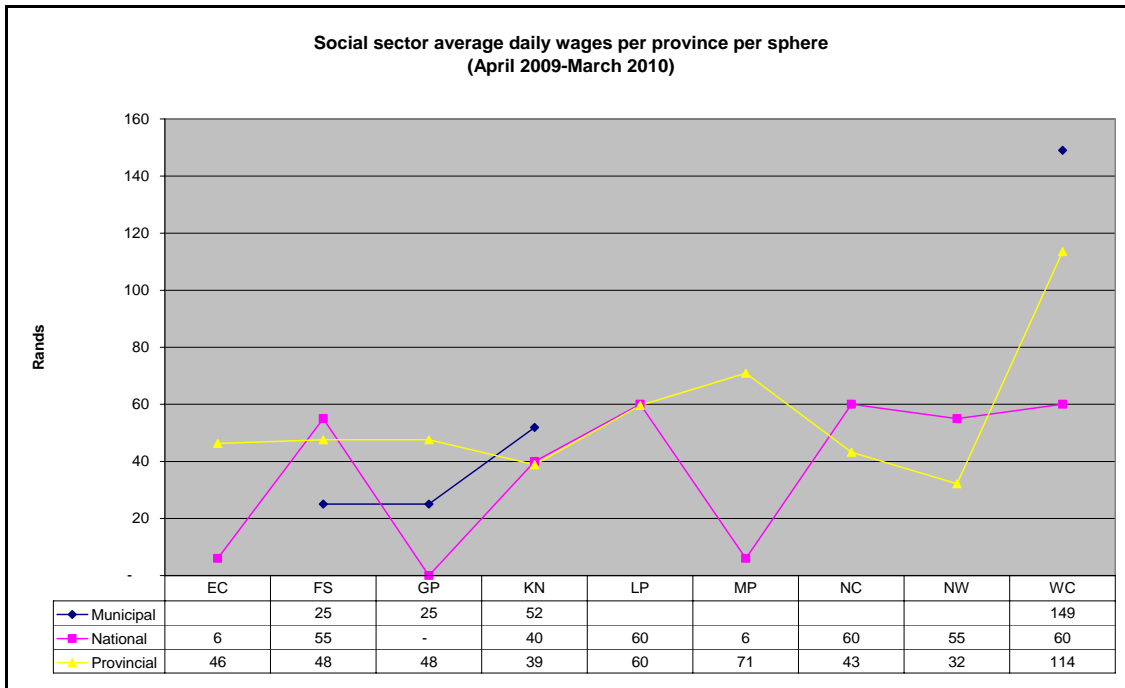


Figure 11: Social sector average minimum wage per province and sphere

The graph above shows that there is no standard in the sector of how much is the minimum wages to be paid to beneficiaries.

Looking at the provincial sphere, the Western Cape reported the highest minimum daily wage of R114 whilst the North West province reported R32 which is the lowest.

Interestingly, Kwa-Zulu Natal municipalities pay R52 per day compared to the provincial projects which pays R39 per day whilst the Western Cape municipalities pays R149 compared to R114 paid by provinces.

## 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.

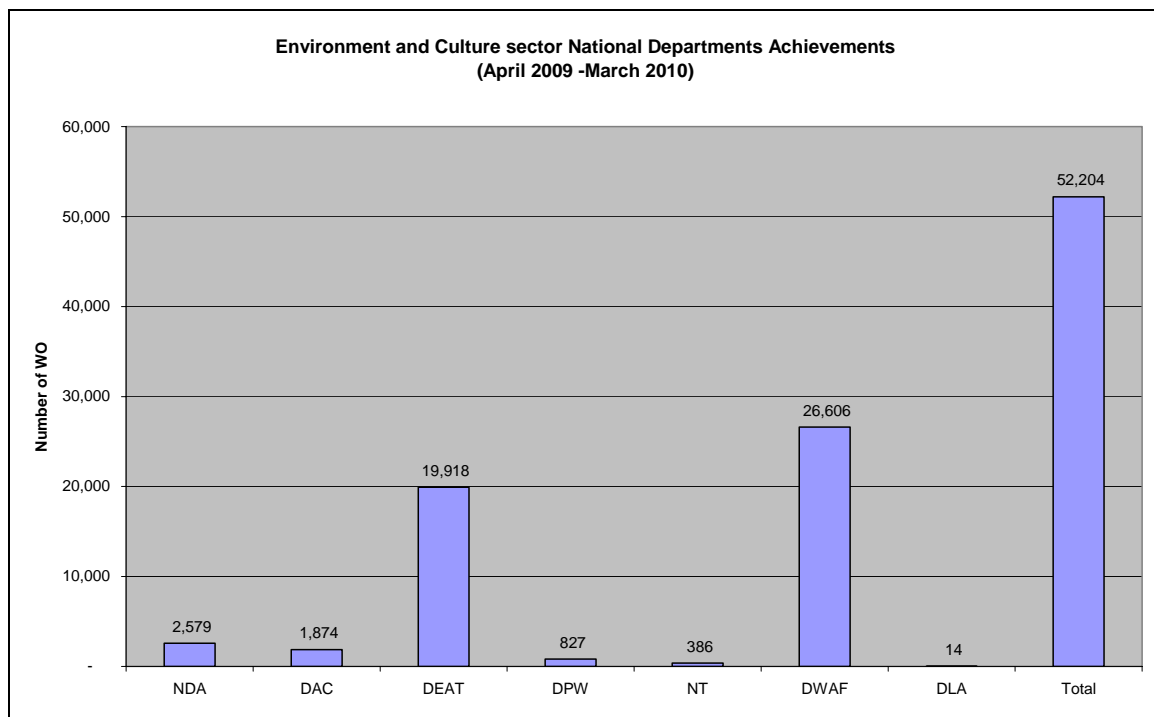


Figure 12: Environment and Culture national departments work opportunities

In this reporting period, the national departments achieved 52,204 work opportunities contributing 54% towards the overall sector's annual achievement of 95,942 work opportunities. DWAF reported more work opportunities reporting 26,606 work opportunities followed by DEAT (19,918 work opportunities). The national department of public works reported 827 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	Q4 Achieved	Achieved vs target
National	98,300	20,379	41,552	52,204	53%
Provincial	48,657	7,307	22,495	39,684	82%
Municipal	3,043	1,639	1,993	4,054	133%
Total	150,000	29,325	66,040	95,942	<b>64%</b>

Table 5: 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 64% towards the annual target by creating 95,942 work opportunities from April 2009 to March 2010. The achievement shows that 29,902 new work opportunities were created between Q3 and Q4.

The national sphere achieved 53% of their annual targets whilst the provincial achieved 82%. Municipal sphere exceeded their annual target achieving 133% of their annual target.

Province	Municipal			National			Provincial		
	Q2	Q3	Q4	Q2	Q3	Q4	Q2	Q3	Q4
EC		34	<b>34</b>	4,463	9,232	<b>10,246</b>	766	2,172	<b>3,462</b>
FS	93	186	<b>279</b>	1,477	2,972	<b>4,135</b>	102	361	<b>780</b>
GP	1,503	1,718	<b>1,964</b>	1,215	4,116	<b>4,348</b>	1,823	5,392	<b>12,025</b>
KN				4,326	8,991	<b>11,968</b>	2,234	8,846	<b>14,579</b>
LP	43	43	<b>134</b>	959	2,801	<b>3,677</b>	1,396	2,814	<b>3,043</b>
MP			<b>186</b>	1,178	2,501	<b>2,667</b>	64	562	<b>698</b>
NC				539	2,523	<b>3,258</b>	335	739	<b>1,225</b>
NW				1,079	1,271	<b>2,201</b>	570	1,144	<b>1,614</b>
WC		12	<b>1,457</b>	5,143	7,145	<b>9,704</b>	17	465	<b>2,258</b>
<b>Total</b>	<b>1,639</b>	<b>1,993</b>	<b>4,054</b>	<b>20,379</b>	<b>41,552</b>	<b>52,204</b>	<b>7,307</b>	<b>22,495</b>	<b>39,684</b>

Table 6: 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, reporting in the sector shows an increasing trend from Q2 to Q4.

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 and to 6 in Q4.

When comparing the national sphere and provincial sphere, more work opportunities were created by the national sphere. The Gauteng and Kwa-Zulu Natal provinces are the only provinces that created a significantly higher number of work opportunities in the provincial sphere compared to national sphere.

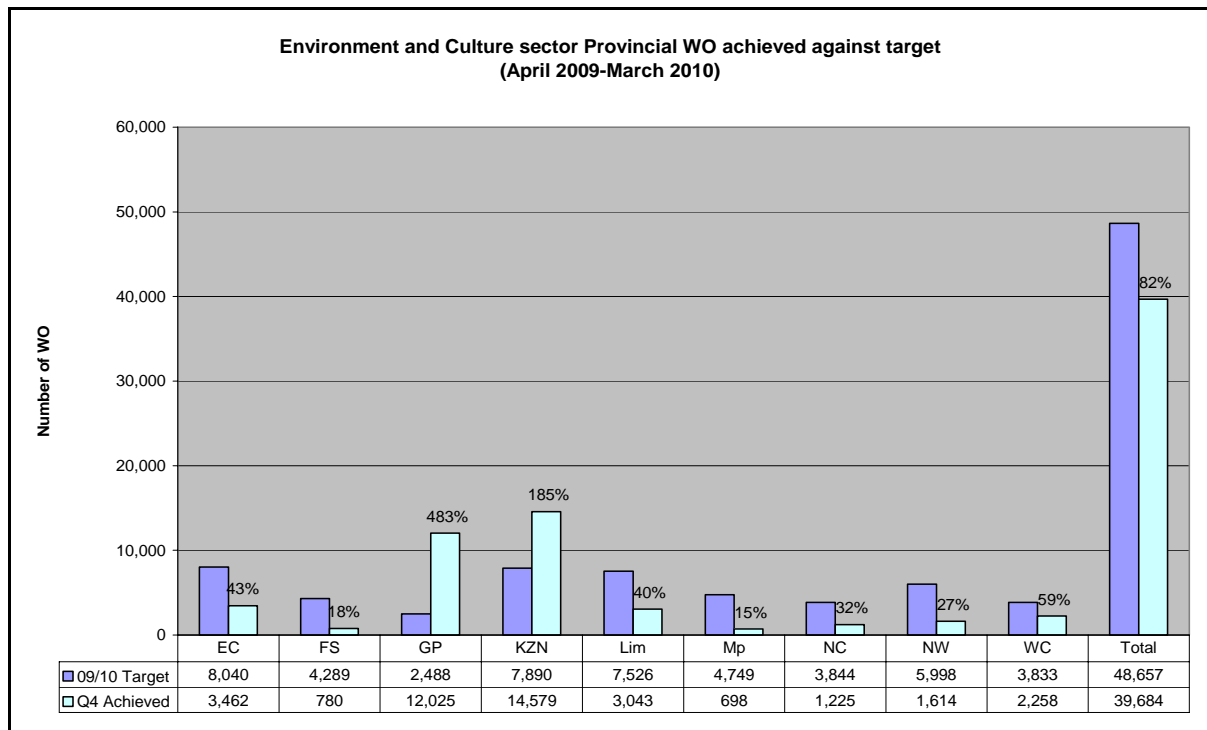


Figure 13: Environment and Culture provincial work opportunities targets vs. achieved

Provincial annual targets were set for all provinces in the sector. The provinces achieved 82% of their annual. Overall, the provinces did not doing well in achieving their annual targets with most of them achieving below 50% in Q4. The graph indicates that the Gauteng and Kwa-Zulu Natal provinces are the only provinces that have achieved its work opportunities targets achieving 483% and 185% respectively. These are followed by the Western Cape province achieving 59%. The province that achieved the least of their annual targets is the Mpumalanga province achieving only 15%.

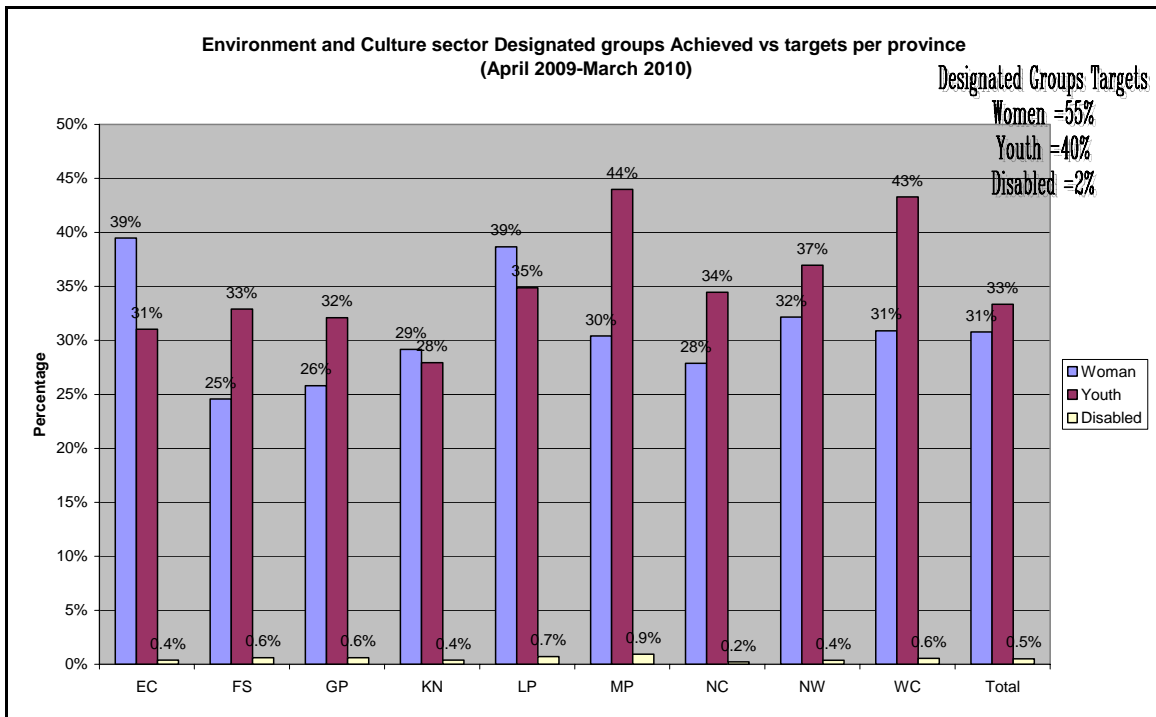


Figure 14: Environment and Culture WO per designated groups

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 33% for youth, 31% for women and 0.5% for people with disabilities.

None of the provinces achieved the 55% women target and the 2% people with disabilities target. None of the province except the Mpumalanga province achieved the 40% youth target.

<b>Province</b>	<b>Municipal</b>	<b>National</b>	<b>Provincial</b>	<b>Total</b>
EC	60	63	42	60
FS	50	49	53	49
GP	87	70	90	85
KN		56	57	57
LP	66	59	64	61
MP	15	61	80	66
NC		62	64	62
NW		51	65	54
WC	67	51	91	69
<b>Total</b>	<b>71</b>	<b>57</b>	<b>75</b>	<b>64</b>

Table 7: Environment and culture average minimum wages per province and sphere

The reported average minimum daily wage for the sector is R64. Comparing different spheres of government, the municipal projects reported an average minimum wage of R71 whilst the provinces reported R75. National projects reported an average of R57 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 R42 per day. The highest was reported by the Western Cape province reporting an average of R91.

The lowest minimum wages reported was reported by the Mpumalanga municipalities reporting R15 per day. 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.

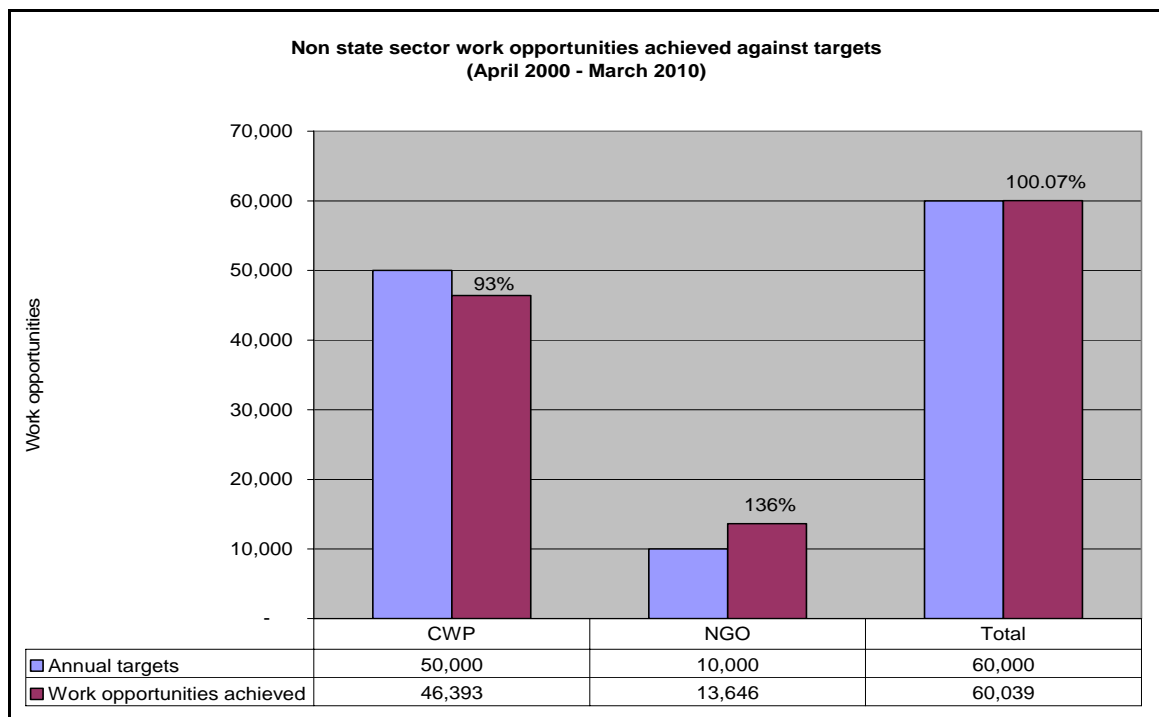


Figure 15: Non state sector WO achieved per programme

The non state sector has a target of 60,000 work opportunities for this financial year. In this financial year, the sector has achieved 60,039 work opportunities. The community work programme in the sector reported 46,393 work opportunities whilst the NPO programme reported 13,646 work opportunities. The community work programme achieved 93% towards their annual target whilst the NPO achieved 136% of their annual target of 10,000 work opportunities.

Province	Community works programme	NGO	Total
EC	20,344	1,066	21,410
FS	5,634	2,075	7,709
GP	1,842	1,067	2,909
KN	3,590	3,084	6,674
LP	2,684	1,803	4,487
MP	9,656	1,109	10,765
NC		995	995
NW	1,350	922	2,272
WC	1,293	1,525	2,818
<b>Total</b>	<b>46,393</b>	<b>13,646</b>	<b>60,039</b>

Table 8: Non state sector progress

Comparing provinces, the Eastern Cape and Mpumalanga provinces created more work opportunities whilst creating 21,410 and 10,765 work opportunities respectively. The Northern Cape province created the least work opportunities creating 995 work opportunities.

Most CWP work opportunities were created in the Eastern Cape province whilst the Kwa-Zulu natal province created more work opportunities for the NGOs.

Province	WO Targets	WO Achieved	% Achieved
EC	1,600	1,066	67%
KZN	1,600	3,084	193%
LP	1,333	1,803	135%
NW	994	922	93%
NC	600	995	166%
FS	1,200	2,075	173%
MP	921	1,109	120%
WC	1,100	1,525	139%
GP	652	1,067	164%
<b>Total</b>	<b>10,000</b>	<b>13,646</b>	<b>136%</b>

Table 9: Non state sector progress



Targets were set for the NGO per provinces whilst there were no targets set for the CWP per province. The table above shows that all but the EC and the North West provinces did not achieve their set targets.

Kwa-Zulu Natal achieved the highest by achieving 193% of their target followed by the Free state province achieving 173%. The least achieved province was the Eastern Cape achieving only 67% of their target followed by the North West province achieving 93% of their target.

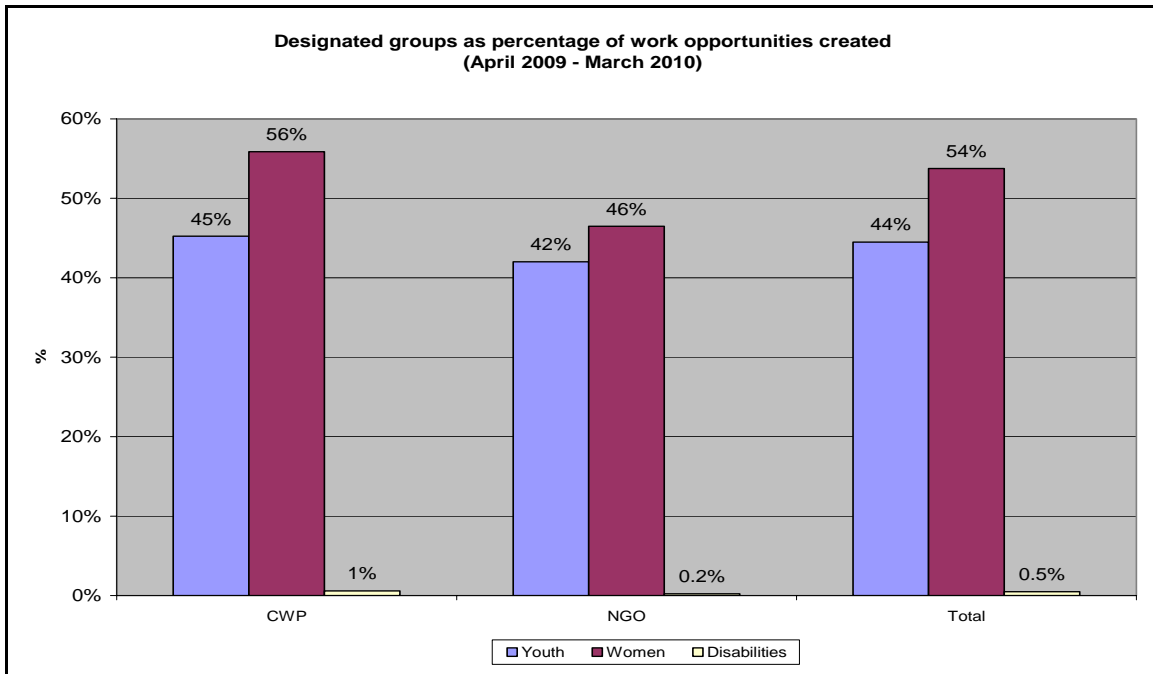


Figure 16: Non state sector WO per designated groups per province

The sector achieved 44% of the 40% set youth target and achieved the 54% of the 55% target set for women. The sector did not achieve the set 2% of people with disabilities achieve 0.5%.

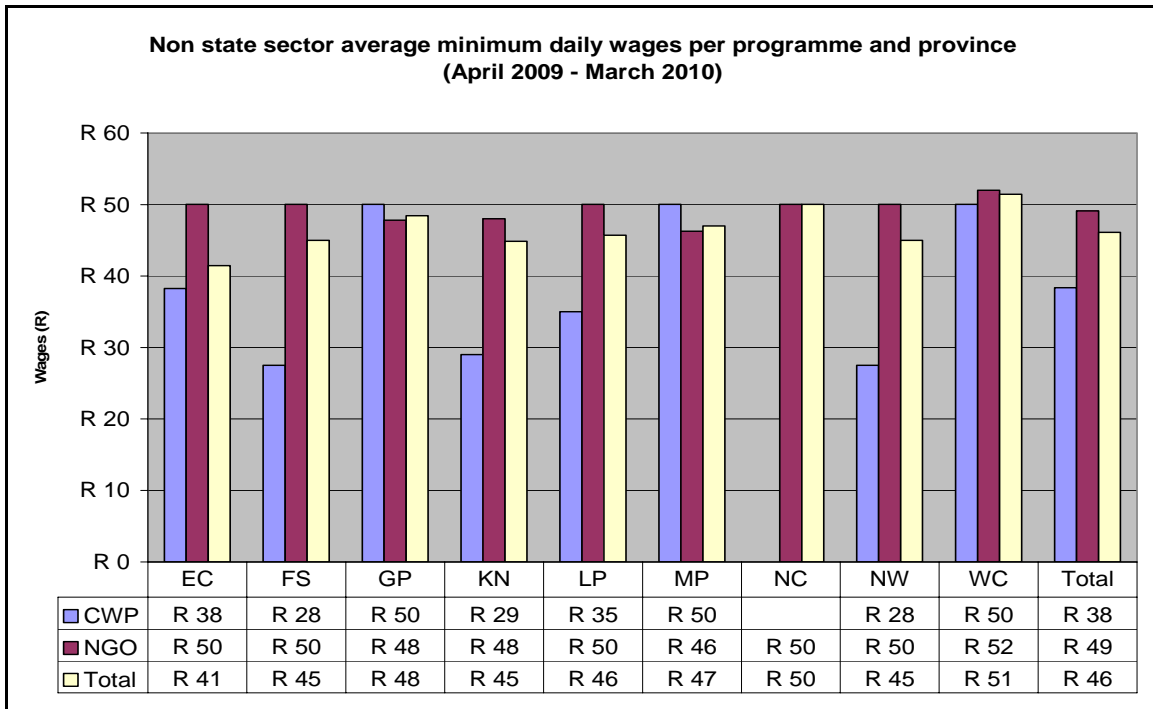


Figure 17: Non state sector minimum daily wages per province

The figure above depicts average minimum daily wages by province and programme. Overall, the sector is paying R46 daily on average. It shows that CWP and NGO are paying an average minimum daily wage of R38 and R49 respectively.

The data reported showed the slight variation in the average minimum daily wages paid in all provinces. The lowest minimum wages paid are in the Community work programme with only the Gauteng, Mpumalanga and Western Cape reporting a R50 whilst others reporting wages less than R50.

The NGO reported an average of R49 per day. The Gauteng, Kwa-Zulu Natal and the Mpumalanga provinces reported daily wages that is less than R50 whilst other provinces reported R50 and above.

### **3. Recommendations and Conclusions**

Overall, based on the data received, the EPWP exceeded their annual target of creating 550,000 work opportunities this financial year. The EPWP achieved 106% of its annual target of 550 000 work-opportunities for the unskilled and unemployed. The EPWP did not reach its 40% target for youth, 55% for women and the 2% target for people with disabilities.

The programme needs to come up with interventions to ensure that all public bodies are aware of the targets for the designated groups and to mobilise the public bodies in ensuring that they achieve the targets for the designated groups.

More support and strategic Interventions should be set to ensure that all public bodies adhere to the EPWP code of good practice and implementation is the same across provinces. This will ensure that the public bodies across all spheres of government adhere to the set minimum daily wage for the programme.

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.