

**Report for the period April 2010 to June 2010 (YEAR 2)
(Containing interim data and information for the period
1 April 2010 to 31 June 2010)**

Financial Year 2010/11

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 2010 to June 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 642, 000 work opportunities and 260, 870 Full Time equivalents (FTE) to be achieved in the second year of the second phase.

The table below shows that to date, 193,001 work opportunities were created by the EPWP programme.

Sector	Targeted work opportunities	Work opportunities reported	% of targeted WO
Infrastructure	342,000	120,780	35%
Environment	156,000	30,919	20%
Social	96,000	13,439	14%
Non-state	48,000	4,777	58%
Community Works		23,086	
Total	642,000	193,001	30%

Table 1: Overall EPWP achievements against 2010/11 target

The target set for the 2010/11 financial year is 642,000 work opportunities. To date, the programme achieved 30% against the financial year target.

The infrastructure sector achieved 35% of their annual target whilst the environment and culture sector achieved 20% towards the annual target. The social sector has achieved the lowest percentage of 14% while the non state sector has achieved 58% of their set targets.

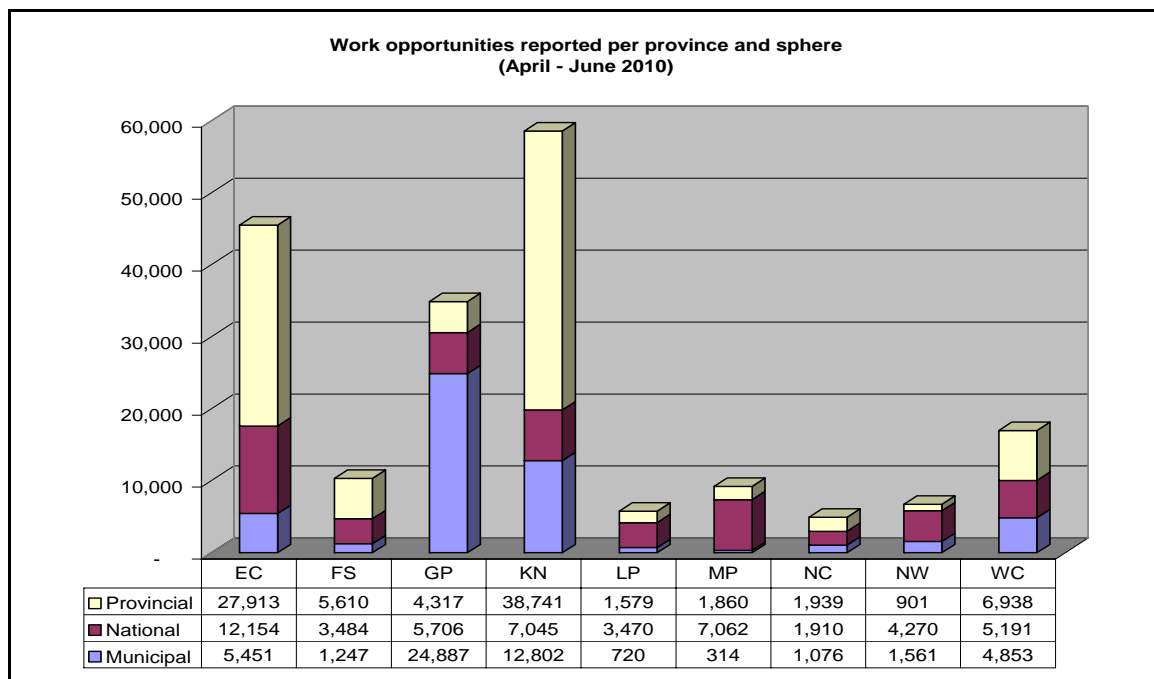


Figure 1: Overall Work Opportunities per province per sphere

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. It is also interesting to note that the national sphere is represented in all provinces with more work opportunities created in the Limpopo, Mpumalanga and North West.

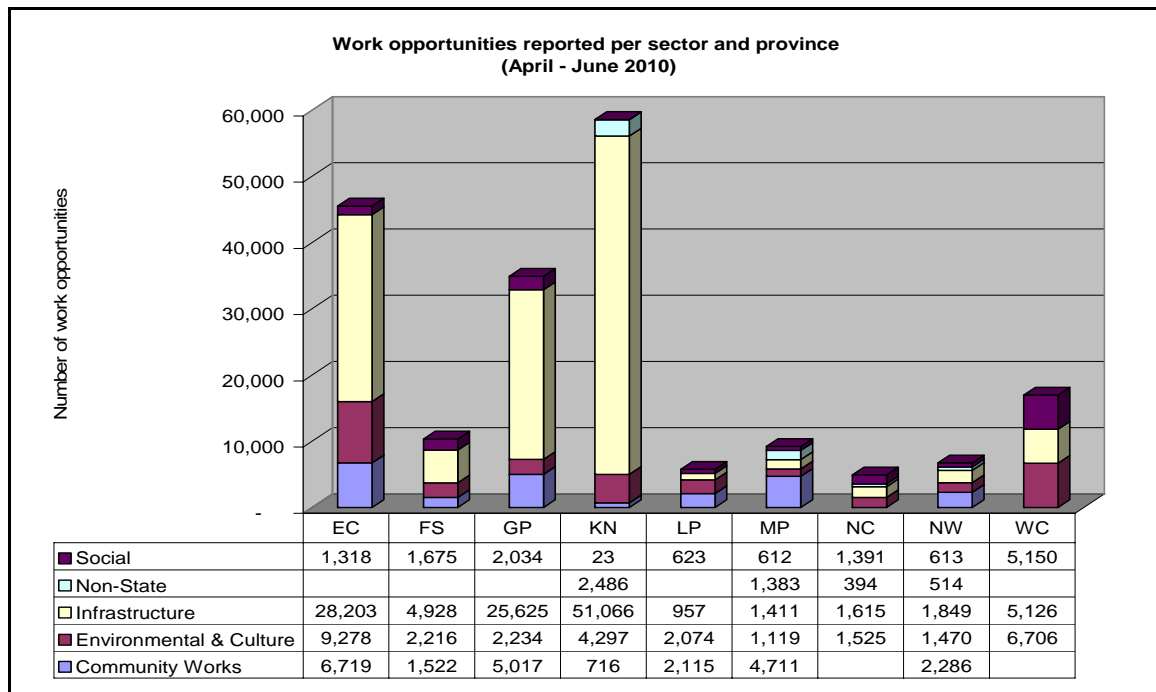


Figure 2: Overall Work Opportunities per province per sector

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 51,066 work opportunities. This was followed by Eastern Cape and Gauteng province for infrastructure, reporting 28,203 and 25,625 work opportunities respectively. 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 Limpopo, North West and Western Cape Mpumalanga, Limpopo and

Free State provinces were most work opportunities were created in the community works projects. The highest numbers of environment and culture sector work opportunities were created in the Eastern Cape followed by Western Cape and Kwa-Zulu Natal provinces.

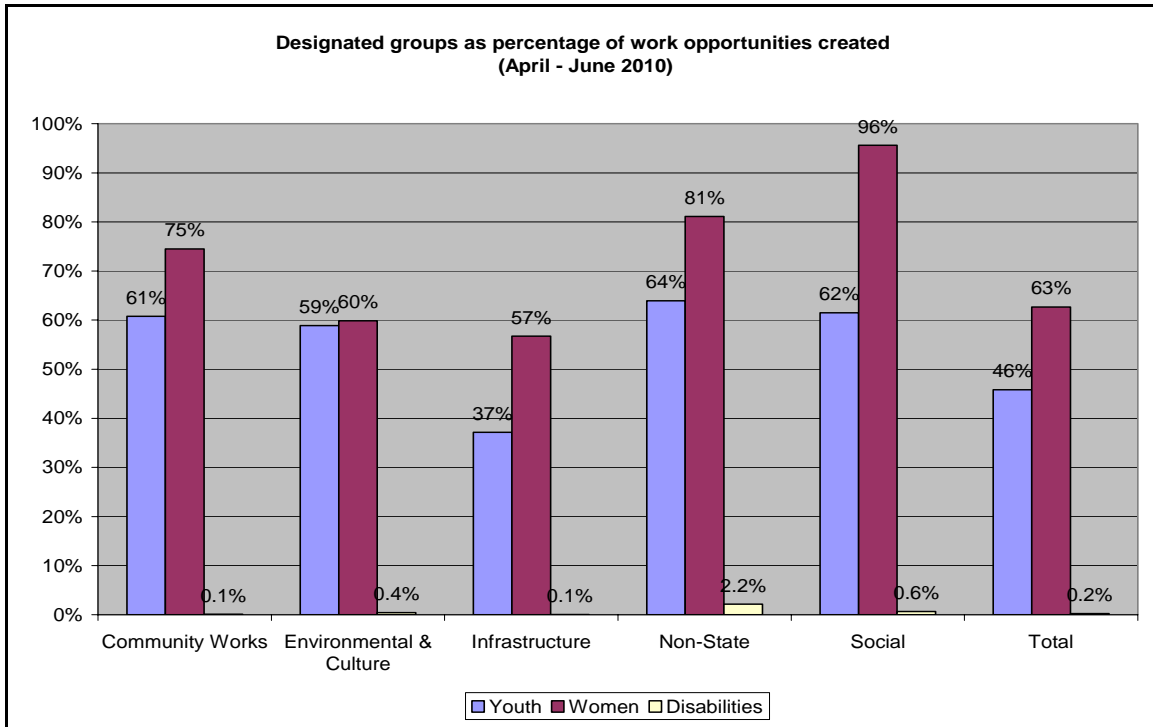


Figure 3: Achieved designated groups

The figure above shows that of the 193,001 work opportunities created by the programme, 63% of beneficiaries were women whilst 40% were youth and only 0.2% were people with disabilities. The programme has achieved the set targets of 55% woman, 40% youth but did not achieve 2% people with disabilities.

The Infrastructure is the only sectors that did not achieve the 40% youth target and none of the sectors achieved people with disabilities targets.

Province	Municipal	National	Provincial	Total
EC	R 87	R 65	R 50	R 66
FS	R 87	R 68	R 57	R 59
GP	R 97	R 52	R 65	R 76
KN	R 82	R 61	R 68	R 67
LP	R 87	R 67	R 95	R 94
MP	R 87	R 63	R 71	R 70
NC	R 86	R 62	R 53	R 58
NW	R 90	R 52	R 45	R 57
WC	R 94	R 57	R 109	R 92
Total	R 91	R 62	R 68	R 71

Table 2: 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 R71. The municipal sphere has a higher average daily wage compared to national and provincial sphere of government.

Limpopo province pays a higher minimum daily wage (R94) compared to other provinces. The lowest reported daily wage was recorded in the North West province reporting R57 per day on average.

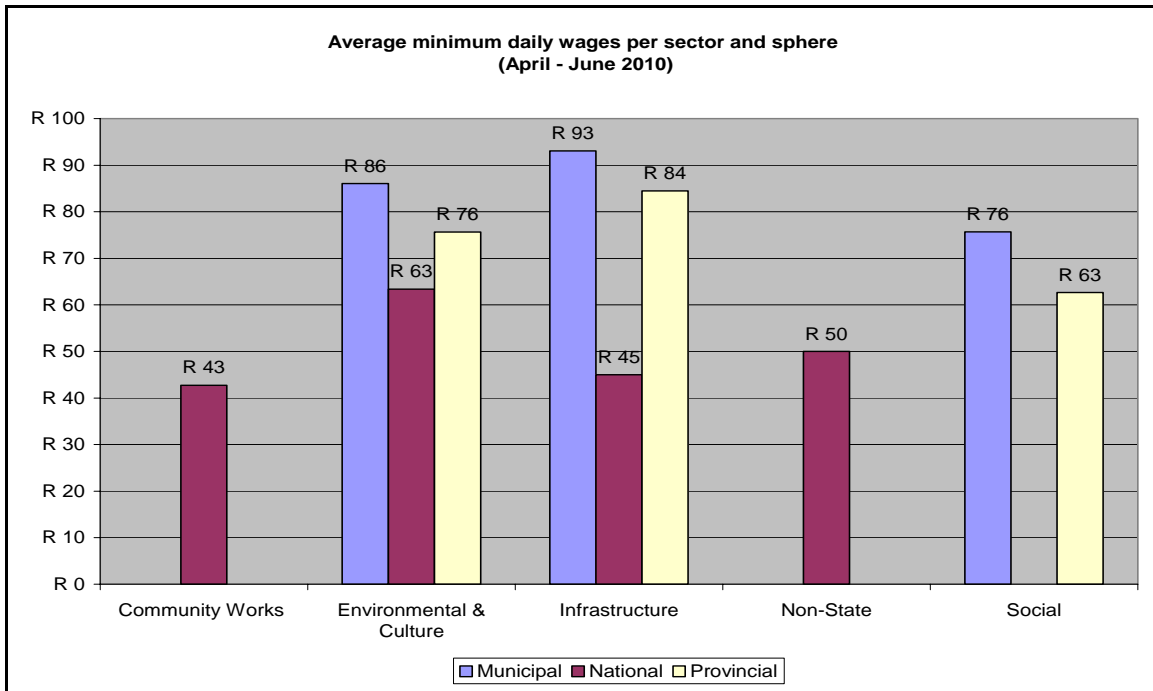


Figure 4: Overall EPWP average minimum daily wages per sector per sphere

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 R43 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.

Sphere	Work opportunities target	Work opportunities reported	% achieved
Municipal	201,574	50,802	25%
Provincial	138,410	69,942	51%
National	2,016	36	2%
Total	342,000	120,780	35%

Table 3: Infrastructure progress per sphere

The infrastructure sector has created 120,780 work opportunities from April to June 2010. In the sector, most work opportunities reported were created by the provincial sphere reporting 69,942 work opportunities achieving 51% of their annual target. Municipalities created 50,802 work opportunities, achieving 25% of the set target. The projects implemented by national departments created only 36 work opportunities thus achieving 2% of the set annual target.

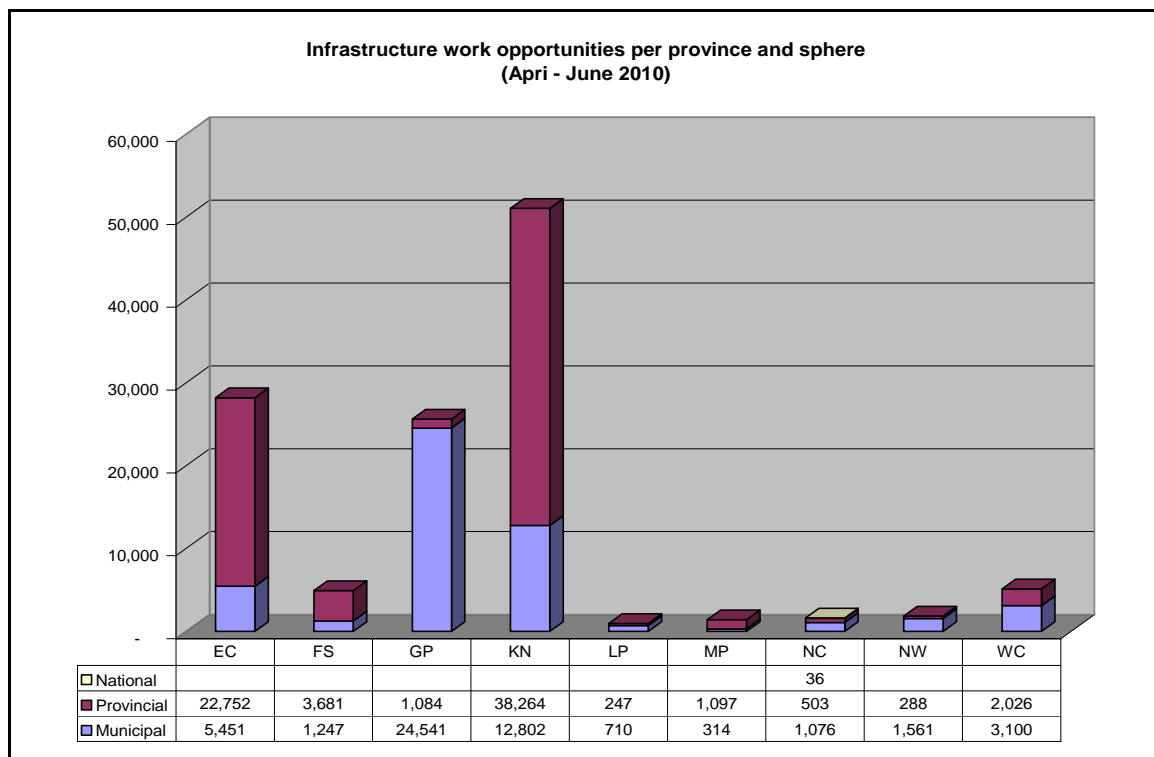


Figure 5: Infrastructure work opportunities per province and sphere

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. The Kwa-Zulu Natal and Eastern Cape provinces reported more provincial work opportunities compared to other provinces.

It shows that only Gauteng reported more municipal funded work opportunities than any other sphere of government. Northern Cape is the only province that has reported national implemented work opportunities.

2.2 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.

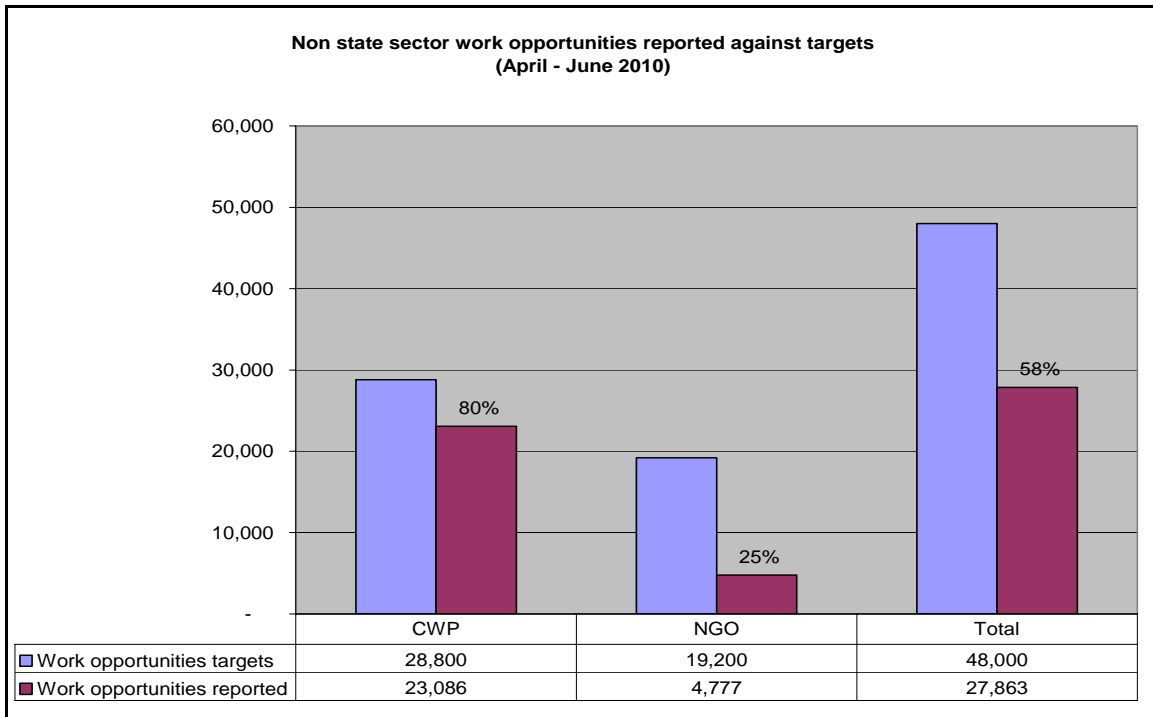


Figure 6: Non state sector achievement per programme

According to the phase two business plan, the non state sector target for this financial year is 48,000. In quarter 1 reporting period, the sector has achieved 27,863 work opportunities. The community work programme in the sector reported 23,086 work opportunities whilst the NPO programme reported 4,777 work opportunities. The community work programme achieved 80% towards their annual target whilst the NPO achieved 25% of their annual target.

Province	CWP	NGO	Total
EC	6,719		6,719
FS	1,522		1,522
GP	5,017		5,017
KN	716	2,486	3,202
LP	2,115		2,115
MP	4,711	1,383	6,094
NC		394	394
NW	2,286	514	2,800
Total	23,086	4,777	27,863

Table 4: Non state sector progress per province

Comparing provinces, the Eastern Cape and Mpumalanga provinces created more work opportunities in the community work programme. Only four provinces

reported work opportunities created by non governmental organisations hence the programme has created a less number of work opportunities compared to Community works. It shows none of the Non state sector programme was implemented in Western Cape province.

2.3 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), National School Nutrition programme (NSNP), Masupatsela Youth Pioneer Programme (MYPP) and Siyadlala Mass Participation (SMP). 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.

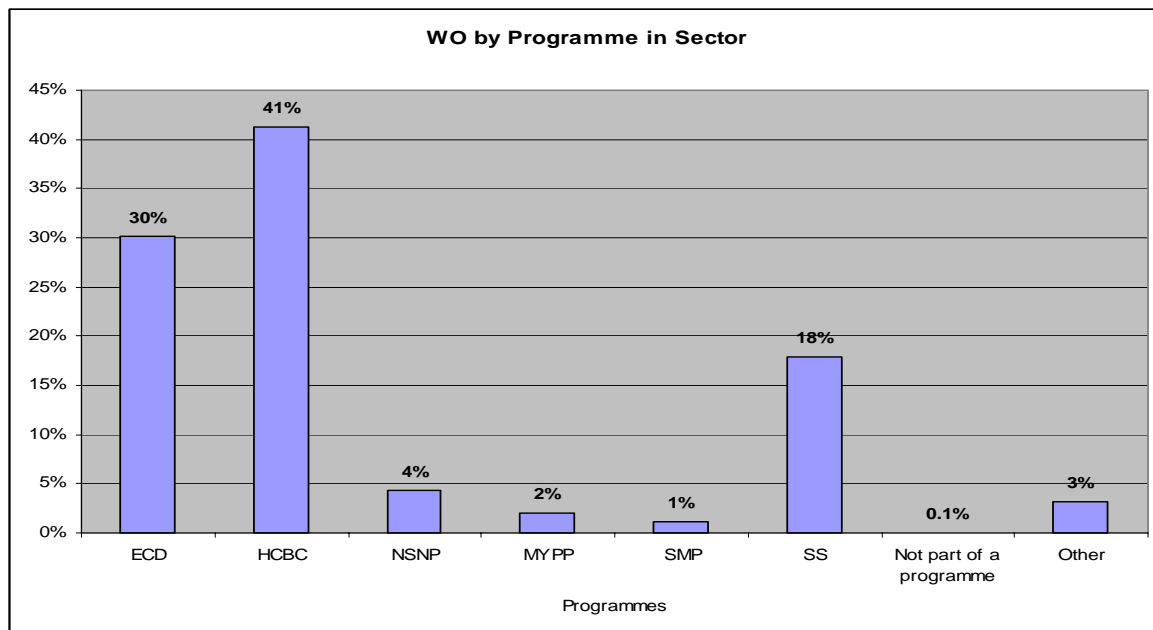


Figure 7: Overall Sector performances by programme

Figure 7 above further illustrates the programmes contribution towards the sector performance with the HCBC programme being a major contributor to the sector with 41% (5,542 WO) followed by the ECD with 30% (4,057 WO) then the SS

with 18% (2,404 WO), NSNP with 4% (584 WO), MYPP with 2% (264 WO) and SMP with (155 WO). There were some work opportunities that were reported in the sector which fell under other and not part of the programme, and these contributed a combined 3% and 0.1% (426 and 7 WO respectively).

Sphere	Work opportunities target	Work opportunities achieved	Percentage
National			
Provincial	92,707	12,447	13%
Municipal	3,293	992	30%
Total	96,000	13,439	14%

Table 5: Social sector work opportunities per sphere

The annual sector targets were set for all spheres of governments except the national departments. Table 5 above shows that provincial departments achieved 13% of their annual target of 92,707. The municipalities achieved 30% towards the 3,293 annual work opportunities target.

2.4 Environment and culture sector

The Environment and Culture sector involves the employment of people on projects to improve their local environments and promotion of their cultural heritage, under programmes initiated by the Department of Environmental affairs (DEA, which leads the sector), Department of Agriculture, Forestry and Fisheries (DAFF), Department of Arts and Culture (DAC), Department of Water Affairs (DWA), Provincial Departments with the same mandate and the Municipalities. All of these all of these can work together to provide enormous opportunities for the creation of work opportunities.

Table 6 below gives an indication of the list of programmes that the sector has and how they have each contributed to the sector's overall progress to date by the number of work opportunities.

Programme	Projects	Work opportunities	% Work opportunities
Community Participation	4	88	0.3%
Labour Intensive Programme	1	151	0.5%
Not part of a programme	12	4,118	13%
People and Parks	37	2,663	9%
Sustainable Land Based (CASP)	9	301	1%
Sustainable Land Based (Land Care)	19	737	2%
Sustainable Land Based (Working for land)	11	1,094	4%
Sustainable Land Based (Working for Water)	162	12,065	39%
Sustainable Land Based (Working for Wetlands)	1	24	0.1%
Sustainable Land Based (Working on Fire)	1	25	0.1%
URP Cleaning of Public Open Spaces	79	1,574	5%
Working for the Coast	36	2,416	8%
Working for Tourism	39	1,977	6%
Working on Waste	46	3,686	12%
Grand Total	457	30,919	100%

Table 6: Overall Sector performances by programme

It shows that the working for water programme is a major contributor to the sector with 39% (12,065 WO) followed by working on waste with 12% (3,686 WO) then people and parks with 9% (2,663 WO), working for the coast with 8% (2,416 WO), Working for tourism with 6% (1,977 WO), URP cleaning of public open spaces with 5% (1,574 WO), working for land with 4% (1,094 WO), land care with 2% (737 WO), CASP with 1% (301 WO). There were some work opportunities that were reported in the sector which fell under the not part of the programme, and these contributed 13% (4,118 WO).

As the annual sector targets were also set for all sphere of government, the table below the represents their achievements.

Sphere	Work opportunities targets	Work opportunities achieved	Percentage
National	102,232	22,393	22%
Provincial	50,603	7,409	15%
Municipal	3,165	1,117	35%
Total	156,000	30,919	20%

Table 7: Environment and Culture sector work opportunities per sphere

The national departments achieved 22% of their annual target of 102,232 work opportunities. The provincial departments achieved 15% of their annual target of

50,603 work opportunities. The municipalities achieved 35% towards the 3,165 annual work opportunities target.

3. Recommendations and conclusions

Overall, based on the data received, the EPWP is on course to achieve their annual target of creating 642,000 work opportunities this financial year. The EPWP achieved 30% its annual target for the unskilled and unemployed.

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.