



POLICY SPEECH

2023 - 2024

DEPARTMENT OF ECONOMIC DEVELOPMENT, ENVIRONMENTAL AFFAIRS AND TOURISM 2022/23 POLICY SPEECH

Honourable MEC Mlungisi Mvoko
28 March 2023

Honourable Speaker

Deputy Speaker

Honourable Premier

Members of the Executive Council

Honourable Members of the Provincial Legislature

Director General of the Province

Heads of Departments

Chief Executive Officers of our Public Entities

Distinguished Guests

Ladies and Gentlemen

INTRODUCTION

The subdued economic climate and associated fiscal constraints require a collaborative effort between government, the private sector and individuals to set the country to a steady economic recovery and growth.

We can all agree that the incumbent administration operated in a rather unique environment, as the government was forced to use its resources responding to numerous economic blows, including the COVID-19 pandemic, July 2021 riots, electricity crisis, recurring disasters and labour unrests.

Consequently, the Eastern Cape Province continues to be plagued with high unemployment rate, high levels of inequality and underdevelopment.

Over the 2023 Medium Term Expenditure Framework, focus will be on the coordination and implementation of key economic projects to stimulate economic growth and development in the province.

In this year's budget and policy considerations, we made a concerted effort to re-direct funds to enhance the assistance to SMME, set-aside funding for economic development projects, investment and our recovery plan.

In the spirit of collaboration, we want to encourage the private sector to come on board so we can leverage resources in projects where there are common goals.

In the most interesting circumstances, we are not only starting a new financial but beginning an end of the last year of the democratic mandate of the sixth administration.

There will therefore be an increased demand for quality services and support to stakeholders.

With a budget of **R2 billion** for 2023/24 financial year, we shall execute our strategies and plans to satisfy the needs of our people, rallied by economic and environmental imperatives of the Eastern Cape.

ECONOMIC OUTLOOK

Honourable Speaker, the recovery of global, domestic and provincial economies from impact of COVID-19 was stronger than anticipated. A confluence of persistent global challenges including aggressive inflation, extreme cost of living and lingering effects of Russia-Ukraine war have set economies on a deceleration path from June 2022. Consequently, the World Bank revised 2023 growth forecasts downwards to 1.7% for global growth and 1.4% for South Africa.

In line with weakened global and national outlook and observing current fluctuations in provincial performance estimates in the last three quarters of 2022, provincial growth forecast for 2023 has been revised downward to 1.7%.

Despite the gloomy outlook, the reopening of one of our key trading partners, China, late last year as well as increased global demand for vehicles bode well for our economy. On the other hand, the declining trend on provincial unemployment rate from 47.4% in 2021 to 44.1% in the last quarter of 2022 is refreshing for our economy.

This trend has resulted in 11.8% increase in number of employed people in the province from 1 216 million in quarter 4 of 2021 to 1 360 million in quarter 4 of 2022.

Trade accounts for the highest jobs followed by Manufacturing, Finance, and Construction.

Whilst we report on improvements in the provincial unemployment, weak global prospects reinforce the importance of continuous implementation of spending efficiency reforms and directing of budget towards growth supporting initiatives/programmes.

HIGH IMPACT PROGRAMMES FOR 2023/24

TOWNSHIP AND RURAL ECONOMY

Madam Speaker, the Department will continue with the implementation of its high impact projects that we started in 2022/23.

Although these projects have long-term returns, considerable work has been done to kick-start implementation.

In this regard, the Small Towns, Township and Rural Entrepreneurship Programme (STTREP) was launched through Eastern Cape Development Corporation (ECDC), with a full rollout scheduled for the 2023/2024 financial year.

The STTREP is aimed at supporting local enterprising efforts and improving participation in the economy by black operators, a progressive intervention if legacies of the past are to be addressed.

We welcome this programme and work is underway to finalise the strategic framework and legislative processes for Eastern Cape Township and Rural Economy policy and legislation during the same financial year. The programmes will be informed by the objective realities in these areas, with the

strategic framework taking into consideration the needs of the stakeholders who will be affected by such programmes.

Honourable Members, the Informal Business Support Programme (IBSP) has provided **R12.9 million** in funding to support 400 micro and informal businesses in the manufacturing, textile and clothing and services sectors. This funding has been used to purchase equipment, machinery and inputs for the beneficiaries. The Department has collaborated with municipalities through the IBSP to identify qualifying projects through District Evaluation committees. Furthermore, the Department is currently reviewing the informal business policy framework to ensure continued support for micro and informal businesses in townships and rural areas.

The construction of the informal trade infrastructure at Emaxesibeni presents us with **a story of good progress**. To date, **R12.3 million** of the **R23.4 million** budgeted for this programme has been spent. The project is expected to benefit 180 informal traders and six MSMEs, while creating 35 jobs.

The infrastructure includes formal stalls, semi-informal trading spaces, hawker stands, a vehicle repairs facility, a carwash facility, an ablution facility and a guard house. This investment in the informal economy will provide formal spaces for informal traders to conduct their businesses and support the growth of vehicle repairs and car washing services.

Honourable Members, we have also collaborated with Coca Cola Beverages South Africa to support youth in the retail sector. The pilot programme saw a young man in the Chris Hani region receiving a fully furnished mobile kitchen with opening stock. We plan to roll this programme out across the province.

To make impact in the township and rural economy, we will be collaborating with District Municipalities and Metros to host Micro, Small and Medium Enterprises (MSME) summits in preparation for the provincial and national summits in 2024. This is part of our effort to implement the MSME Provincial Strategy, which involves working with strategic institutions, such as higher learning institutions, to conduct research on the sector and make informed policy decisions.

The MSME strategy also highlights the need for digital hubs in townships and rural villages, and we are planning to collaborate with national departments and private sector institutions to achieve this objective.

REVITALISATION OF STATE-OWNED INDUSTRIAL PARKS

Honourable Speaker, we identified the revitalisation of state-owned industrial park as high impact project because of its high potential to ignite economic activities and job creation in semi urban yet industrial areas. Despite many challenges we are facing, we are now beginning to make steady progress in in this programme.

Our priority is to provide world-class services to investors, and through collaboration with our stakeholders, we have upgraded the infrastructure in Komani, Vulindlela, Somerset East, and Dimbaza industrial parks. These projects have resulted in the creation of 796 jobs and provided support to 96 MSMEs.

Government has invested over **R500 million** in these projects and has attracted 10 confirmed investors and 21 potential investors, totalling over 2.4 billion rand. This is **a good story of progress**, and it demonstrates the potential these Industrial Parks have in developing our economy.

Funding has been set aside for the rehabilitation of selected sites in Butterworth, and negotiations are ongoing with Auto Industry Development Centre (AIDC) Eastern Cape to establish an automotive centre.

To ensure that the industrial parks are integrated into our provincial economy, the Department is committed to providing support for the development of masterplans. These masterplans will guide the development and growth of the industrial parks, and we will work closely with our stakeholders to ensure their successful implementation.

Work is underway at the Wild Coast Industrial Park, which is envisaged to be a Special Economic Zone in the Mthatha. The fencing is 100 % complete, and the project has benefited 12 SMMEs and created 43 jobs for local people.

The next phase is the implementation of bulk infrastructure, which includes sanitation, water, and electricity, and the Department of Trade, Industry and Competition (DTIC) has invested **R49.5 million** for installation of this bulk infrastructure.

We are delighted at the developments around our objectives of operationalizing the Wild Coast as a Special Economic Zone.

We have now accumulated sufficient investment commitments, and the re-application for SEZ designation status has been submitted to DTIC, and we are confident of a positive outcome. The investment commitments for the Wild Coast have increased from **R1.2 billion to R1.7 billion**.

CLIMATE CHANGE SUPPORT PROGRAMME

Honourable Speaker, efforts are underway to implement Climate Change Support Programme to curtail resultant effects of intense droughts, water scarcity, severe fires, rising sea levels, flooding, catastrophic storms and declining biodiversity.

There has been an outcry from the municipalities for assistance on awareness, mitigation and leading the climate change effort across the province. In the 2023/24 financial year, our aim is to rollout these related programmes:

- Climate Change Programme;
- Electronic Motor Vehicle Programme;
- Retrofitting of Government Buildings;
- Mainstream Climate Change into the Provincial Economic Development Strategy;
- Review of the Provincial Air Quality Management Plan; and
- Develop Quality Assurance / Quality Control programme for Air Monitoring Stations.

The floods that occurred recently in Komani, Port St Johns, Coffee Bay, and other regions of the province have highlighted our vulnerability on multiple fronts - environmentally, economically, physically, and socially - as they caused significant damage.

Last year we announced that we were going to launch the Climate Change Programme. This work has started and currently a situation assessment is being conducted to identify the most vulnerable communities and what constitutes their vulnerability.

The Eastern Cape Biodiversity Conservation Plan (ECBCP) 2019 was gazetted by Provincial Legislature last year, for adoption and implementation by all sector departments in the Province.

The use of this tool has garnered support in facilitating the alignment of Spatial Planning Processes in the Gazetted Eastern Cape Seaboard Region.

It was adopted to guide the alignment of Municipal Spatial Development Frameworks, District Biodiversity Sector Plans, and has been used as the support tool for Environmental Impact Assessments in the Province. This is the primary tool for monitoring and reporting on the State of the Province's threatened and vulnerable ecosystems as well as guide and measure early warning risks associated with Climate Change interventions and mitigation.

STRIDES TO SUSTAIN ECONOMIC RECOVERY AND GROWTH

Honourable Speaker, we alluded earlier that current conditions require us to put more impetus to business support programmes to sustain economic recovery and growth in the Province. Furthermore, we want to leverage on the sustained investment opportunities for economic development and job creation.

BUSINESS SUPPORT INITIATIVES

Honourable Members, the Province has established the Eastern Cape Economic Development Fund (ECEDF) to support the business.

Our observations are that while government is implementing various programmes to stimulate economic development and job creation, there remain gaps in the optimisation of the various efforts. These gaps call for a directed approach in resource allocation, coordination and reprioritization of government investment in economic development.

What we have long realised is that partnerships with the private sector are key for sustainable job creation, and that public sector investment in critical economic infrastructure is a bedrock for economic development.

It is for this reason that the Fund was established as a vehicle for, amongst others:

- Resource mobilization and leveraging, to enable access to national and international development resources in areas such as climate change and adaptation, green development and renewable energy, agri-development and food security, digital economy and youth development, and enterprise finance and support; through collaborative partnerships;
- Private sector partnerships that are directed at stimulating, protecting and sustaining economic activity in high potential industry value chains such in the automotive, manufacturing and tourism sectors;
- Investments in strategic economic infrastructure necessary for supporting industry cluster development in sectors with high potential for job creation particularly in agriculture and agro-processing; and
- Enterprise finance and support directed at driving inclusive growth through access to finance and business support by MSMEs and informal business sector enterprises.
-

The ECDC, as the implementing agent, shall thus work with both the public and the private sector, including government departments, national and provincial public entities, local government, industry players, business chambers and communities to drive industrialisation, sector support and job

creation. To kick-start this Fund, we have set aside R100 million. This is **a good story of progress** for the Eastern Cape business.

Other support mechanisms within the group will continue to be provided.

As such, the Department will continue with the **Local Regional Economic Development (LRED)** Fund to support MSMEs. This grant fund provides financial support to registered or formal business entities. Since its establishment, more than **R200 million** has been disbursed to successful business enterprises.

Some of these enterprises have utilized this grant to leverage additional private sector funds to grow and expand their businesses.

For 2023/24, we have set aside an amount of **R14.6 million** to continue with this Fund.

We are at advanced stages of digitalization of the LRED Fund applications, a system that will improve efficiencies as well as turnaround time for applicants.

On-going awareness and information sharing programmes are also critical to improve compliance to legislation and requirements.

We have also set aside an amount of **R30 million** for 2023/24 for loan financing at ECDC.

Honourable Members, I am pleased to report that the Department has been actively supporting cooperative enterprises through partnerships with organisations such as German Cooperative and Raiffeisen Confederation (DGRV), Small Enterprise Development Agency (SEDA), ECDC, Department of Forestry, Fisheries and Environment, DFFE and Cooperative Bank Development Agency (CBDA), resulting in the support of 300 cooperatives.

We plan to establish a municipality-wide Cooperative Bank as a pilot project in collaboration with CBDA to address challenges such as lack of training and capacity in the cooperative sector.

We will continue to support cooperatives as they play a key role in addressing socio economic disparities and gender imbalance. They contribute towards enhancing the livelihood of citizen through creating income generating opportunities and job creation.

The Imvaba Fund at ECDC has, over the past three years, supported 83 cooperatives across the province. The total financial injection to the 83 co-operatives amounted to **R 43million**.

In the coming financial year, we are targeting 25 cooperatives to receive financial support from the Imvaba fund. An amount of **R25.4 million** has been set aside for this purpose.

We will further support 200 SMMEs with non-financial support such as business training, development of plans and marketing in this financial year.

In 2020 Honourable Members, provincial government established the Job Stimulus Fund to provide financial support to companies that are in distress and have been impacted by COVID 19. Since its establishment, about 143 companies have received financial injection in the form of financial incentives for jobs to the value of R 10 000 per job as well as working capital financial support. The total amount approved for these companies amounted to **R 92.2 million**, resulting in **4 574** jobs being retained. Companies supported were drawn from various sectors representing all the districts and metros of the Eastern Cape.

Honourable Speaker, as part of its efforts to accelerate economic growth, the provincial government shall strengthen its **economic development coordination and sector support** work.

While resources are generally scarce with our share of the equitable share having gone down over the years due to migration patterns, it is our assertion that more can be attained from the existing resources when put into good use. In this regard, more work shall be done to extract better value and development impact from existing funded development initiatives.

MANUFACTURING

The Eastern Cape manufacturing sector, which is mainly driven by the automotive sector, is one of the progressive sectors of our economy.

We will therefore provide financial support to AIDC, to enable them to establish a minimum of 13 electric vehicle-charging stations across our province in line with global evolution of the industry from fuel to electrical. These will enable electric vehicle movement and consumption in the Eastern Cape. This network will immediately link with the ever-growing number of electric charging stations countrywide.

To promote growth and development within the manufacturing sector, we will prioritize strategic partnerships with various entities and focus on programmes to promote business development, skills development, and competitiveness enhancement.

The State of the Province Address and the Budget Speech have already spoken to the establishment of an auto sector aftermarket programme that will benefit 300 panel beaters and mechanics in our province. This is the Programme that will be driven by AIDC at the value of **R3 million**.

We will also continue to support businesses in distress through various initiatives, including the Manufacturer's Support Centre and Job stimulus fund, and we have budgeted **R36 million** for the year coming.

EFFORTS TO ATTRACT AND PROMOTE INVESTMENT

Honourable Speaker, we recently witnessed a staggering confidence-building investment coming in droves to our province.

That positive trajectory is a culmination of multiple initiatives undertaken by the Department, in collaboration with the Office of the Premier, public entities, and other departments within the economic cluster, aimed at attracting numerous investors and positioning this province as a preferred investment destination.

The Eastern Cape held its Provincial Investment Conference towards the end of 2022, which saw the announcement of 10 new projects with an investment value of **R46 billion**. Key for the province will be to unlock the renewable energy pipeline, firm -up coordination in the province through the Provincial Trade and Investment Forum and Provincial Investment Council, diversify regional investment through the Wild Coast SEZ and Eastern Seaboard Development, and explore sectors that show strong growth prospects such as IT & Software, Film and others.

Our Schedule 3D Public Entities; the East London Development Zone (ELIDZ), Coega Development Zone (CDC) and ECDC continue to lead our efforts in attracting and promoting investment in the Province.

I am also pleased to announce the operationalisation of the Provincial Invest SA One Stop Shop, located at the Eastern Cape Development Corporation (ECDC). This facility will facilitate investment in the province, and we are currently engaging with the dtic for its official launch.

Honourable Members, the past three years have seen the ELIDZ attracting investment of **R2 billion**, mainly in the automotive sector. At the beginning of this term, the reported turnover of enterprises in the ELIDZ was sitting at **R891 million**, and the last three years have seen this grow to **R3.5 billion**. This for us is testament to the growing economic output of zone industries.

The ELIDZ has in the past few months also built and operationalised two investment facilities that will add to the economic output of this province. These two investments, Drager Safety Zenith (Pty) Ltd and Bushveld Electrolyte, have invested **R535 million** in plant and equipment.

Madam Speaker, Despite the global and domestic challenges that are potential barriers to investment, the ELIDZ will in 2023/24 financial year target to attract five new investment projects to the value of **R500 million** worth of private sector investment and create an additional 500 direct manufacturing and services jobs.

Honourable Members, the strategic priority in the ELIDZ's automotive sector growth plan is the localisation of additional components and the planned manufacturing incubator, which will play a key role in the following 5-year cycle in realising new automotive component manufacturers and driving for increased localisation of the sectoral value chain.

The Manufacturing incubator is now fully funded, following the provision of funds by provincial government and Department of Trade, Industry and Competition (DTIC). The ELIDZ finalised the concept development for this facility and is currently busy with the preliminary designs.

Honourable Members, Coega achieved a double-digit number of investors signed, from five in 2020/21 to thirteen (13) investors in the 2021/22, with a corresponding investment value pledged of **R557 million**.

In 2022/23, CDC has signed five investors with a total Investment value of **R292 million**. There are a total of 56 investors that are operational at CDC.

One of the projects that were announced during the Provincial Investment Conference, Banteler Projects, is currently under construction. Phase 1A of the project was handed over on 20 January 2023 with Phase 1B due to be handed over on 27 March 2023.

We welcome the successful implementation of the first phase of the Aquaculture Development Zone at CDC. The province approved **R206 million** over the 2021 MTEF through the Provincial Economic Stimulus Fund to develop enabling infrastructure such as roads, electrical and potable and storm water infrastructure. The infrastructure creates an investment ready platform for aquaculture investors, including abalone and finfish farms. The funding unlocked the first 100 ha in Phase 1 of the Coega Aquaculture Development Zone (ADZ), and has created 244 construction jobs.

Now that the bulk infrastructure has been laid, we are mobilising resources towards investment attraction. This development is crucial as it is testament to some great strides towards unlocking the potential of the Oceans Economy.

CDC will also work closely with the Nelson Mandela Metro to implement the water and sewer infrastructure project that has been funded to the tune of R1.8 billion, through the Budget Facility for Infrastructure.

Honourable Speaker, we are beginning to reap the fruits of our investments to the Film Industry.

The investments we have made were aimed at positioning the Eastern Cape province, with its breathtaking film locations, as a preferred destination for hosting local, national and international film productions.

The ECDC has over the past four years invested, through a localization incentive scheme, approximately **R23 million** which in turn attracted about **R389 million** worth of investment into the province, while employing over **6 934 people** with **572 SMMEs** benefiting during the production phases of those projects. The Eastern Cape province has through the Film Fund and other collaborative efforts, seen international productions such as ***Survivor Seasons 8 & 9 and Mission Impossible featuring the mega star, Tom Cruise, and local productions such Gqeberha: The Empire for Multi-Choice, Wild is the Wind for Netflix and Dam for Showmax*** being shot at Eastern Cape locations. The film industry is an excellent catalyst for youth employment and the province shall continue to invest in this industry. This is **a good story of progress**.

For 2023/24, an amount of **R28 million** has been set aside to fund the Film Industry. Honourable Speaker, we place tourism development at the heart of our investment in the economy of the Eastern Cape.

During and post the Covid-19 period, we made administrative and infrastructure investments to return this sector to its pre-covid glory. As a result, due to the enormously successful SMART Marketing campaigns launched as part of the Tourism Sector Recovery efforts of the Provincial Government, the Eastern Cape received more domestic tourists than any other province in 2020 and 2021. From January to December 2022, 5.77 million domestic tourists visited the Eastern Cape.

The construction of the Interpretive Centre on the western side of the Baviaanskloof and the Leopard Trail Hikers Huts were funded by the NDT to the value of **R42 million** and **R9 million** respectively. The community project that operates the trail has doubled the number of workers permanently employed from five to ten (10) people.

The accommodation and restaurant facilities at Cape Morgan, funded to the tune of **R45 million** by the DFFE, are complete, adding to our coastal reserves' tourism offerings. The chalets at Silaka Nature reserve in Port St Johns have been revamped to a tune of **R11 million** by the DFFE. Over the course of 2023/24, ECPTA will seek to secure concessionaires for the various tourism products at Cape Morgan.

The DEDEAT's Economic Stimulus Fund currently supports 12 infrastructure projects, of which 5 are more than 50% complete. In 2023/24, ECPTA will continue to support route development initiatives such as Umzila ka Bawo on the Wild Coast and the Craft Beer Route, which covers 700km from Storms River to Chintsa, Makhanda to Hogsback.

Madam Speaker, the proceeds from gaming and sale of liquor continue to provide crucial backing and form a foundation for economic expansion, long-lasting employment prospects, and a significant sub-industry within tourism..

They also assist the Province in its revenue generation initiatives.

The ECGB is in this regard anticipating to collect **R200 million** and disburse it to the provincial revenue fund for year 2023/24.

There is, however, an urgent need to combat the spread of illegal machines and the ECGB will work closely with law enforcement agencies to prioritise uprooting these illegal establishments as they draw away much needed tax revenue. The ECGB will also utilise electronic, print, general and social media platforms to reach about 2.5 million persons in the Province by the end of the MTEF Period.

The liquor industry continues to contribute significantly to both rural and township economy. Currently, Eastern Cape Liquor Board (ECLB) has more than 7500 active liquor licences that are predominantly located in townships and rural areas of our province contributing to the provincial revenue.

The South African Breweries (SAB) is expanding its Ibhayi brewing capacity in Gqeberha by investing **R510 million**, which was pledged during the President's Investment Conference in 2022. This has created numerous job opportunities including the direct employment of over 120 people to date. A total of 28 companies have been contracted for Civil construction and eight (8) MSMEs have also benefitted from the project.

While liquor industry significantly boosts the provincial revenue in more than one way, there is a need to strike a strategic balance between the economic reality of an enormously lucrative industry and the harmful use of alcohol that imposes major costs on society and a variety of social ills.

Our biggest concern is the increasing rate of alcohol consumption among our underage persons, which often leads to all sorts of social ills. I am tremendously delighted to report that ECLB has since worked tirelessly to roll out its anti-alcohol abuse programme in collaboration with various stakeholders to alleviate the scourge of alcohol abuse in our communities. The anti-underage drinking Leaner Ambassador Programme, which ECLB has launched at more than 74 schools in the province, is a plausible initiative that seeks to root out the scourge of underage drinking in our schools.

ECLB is also working tirelessly with the 4 institutions of higher learning in the EC (University of Fort Hare, Walter Sisulu University, Rhodes University and Nelson Mandela University) and other TVET colleges to address the scourge of alcohol abuse in these institutions.

RENEWABLE ENERGY

Honourable Speaker, the only way that as a province we can safeguard and even grow our economy during the current energy crisis is if all hands of government are on deck.

I am pleased to report that at the time of need, investment in Renewable Energy is beginning to pay dividends. The 17 projects already in operation are producing over five billion kilowatt hours of electricity annually, making a significant contribution to the province's energy needs.

The two new projects that have been awarded under the National Procurement Programme, with an investment value of **R4.6 billion**, will soon commence construction. These two facilities bring the total investment in Large Scale Renewable Energy Projects to **R40.8 billion** to date.

I am also pleased to announce that Sasol and Air Liquide have signed power purchase agreements with three new wind farms in the Eastern Cape, valued at over **R6.2 billion**.

In addition to these achievements, the ELIDZ Board has in the last nine months approved four new investment projects at a combined value of **R2.5 billion**. The bulk of these projects are in the renewable energy sector, and we are targeting to establish them in Ntabozuko. The ELIDZ has applied to the DTIC to extend their SEZ designation to Ntabozuko primarily for renewable energy generation and agro-processing activity.

Our strategies are focusing on creating an enabling environment for the generation of renewable energy to augment the province's energy supply. This will further position the province as an ideal location for renewable energy generation investments, and will further ensure growth and retention of existing economic activity. This **a story of good progress**.

As a province, we have devised four key focus areas that will enable us to build our energy sovereignty. One of the key elements that we will be prioritising will be to work with local government and the business sector to explore how, through load shedding scheduling and load curtailment prioritisation, we can reduce the impact of load shedding on our economy, in the short term.

ENVIRONMENTAL SUSTAINABILITY

INTEGRATED WASTE MANAGEMENT

Honourable Speaker, it is incumbent on both the provincial and national spheres to support municipalities towards improving their performance on waste management function. On the 23rd and 24th of March, SALGA in partnership with DFFE, convened a National Waste Management Indaba, in Gauteng Province. Important outcome of this Indaba is a Declaration, with a clear Programme of Action (to be developed), outlining our respective roles and contributions towards improving all our performance in rolling out this function. As DEDEAT we commit to play our role, continuing to support municipalities in this area. It is a worry, across the country.

We will also continue giving necessary support to municipalities with regards to accessing Municipal Infrastructure Grant Funds for the purchase of yellow fleet and specialized waste management vehicles to improve the waste service delivery.

We are also in partnership with Department of Corporative Governance and Traditional Affairs in conducting Greenest Municipality Awards to encourage clean environment at our municipalities. It is part of the Good Green Deeds programme in support of clearing illegal dumping hotspots and littering. The scale and scope of the campaign has to grow to not only focus on physical conditions like waste disposal facilities and social services, but initiate programmes to improve greening initiatives, waste management practices and socio-economic upliftment.

Taking this initiative further will be to open up the space for more collaboration to create business opportunities around waste management, such as improving the waste collection service, be professionalized as a 24hour logistics business, adding value along the chain to establish products through recycling, waste treatment and technology.

For 2023/24, we are putting aside **R23.7** million as the department in partnership with local municipalities to create jobs on environmental sector projects, mainly through Expanded Public Works projects of Waste management and Alien plant eradication.

BIODIVERSITY ECONOMY

Honourable Members, the Department continues to monitor utilisation of natural biological resources through issuing Provincial permits including Threatened or Protected Species (TOPS), and Professional Hunting permits. This is the biggest contributor towards biodiversity economy strategy and transformation.

In 2022/23 financial year, a target of 800 permits was set with 80% of permits being processed within legislated timeframes. This has been possible through the E-Permit System.

The Province continues to promote and support Bioprospecting through utilization of indigenous plants in recognition of our mostly rural areas.

Honourable Members, to manage of coastal areas, we raised the concern of risk in our Provincial Estuarine Environments. These are zones of Life and therefore deserve special protection. In

response, we reviewed and gazetted three Estuary Management Plans for Implementation. These include the Swartkops River Estuary Management Plan and the Kowie and Quinera (eBuhlanti) implementation plans. In 2023/24, the focus will be on implementation of the Gazetted Estuary Environmental Management Plans.

DEDEAT has collaborated with Umzimvubu Catchment Project with its stakeholders. For 23/24, DEDEAT has allocated a budget for Alien Eradication in support of Wetlands and Water Conservation Programme in Matatiele Local Municipality to continue and extend the project to other wards. The Biodiversity Programme will also collaborate with Alfred Nzo District Municipality, Matatiele Local Municipality, Traditional Leadership & Umzimvubu Catchment Project (UCP) on consolidation of sensitive aquatic systems and wetlands in the designated areas.

The Department has allocated **R22.5 million** towards the creation of more than 500 jobs across the province in waste and alien eradication sector as part of the EPWP job creation effort in the 2023/24 financial year. In 2023/24 financial year, the annual Environmental awards competition with a total prize money of about R1.5 million will be rolled out again after a two-year absence due to Covid-19.

The Department will collaborate with other departments to implement projects with work opportunities. An example is that of DFFE, which will implement projects worth close to **R55 million** in the Joe Gqabi district. These include Flooding moping of Cleaning & Greening Project, Youth Environmental Services, Oviston Nature Reserve Infrastructure in Walter Sisulu local municipality, Development of Maclear Botanical Garden at Elundini local municipality and Senqu local municipality's Rhodes land reclamation project.

The Youth environmental services project alone which is implemented at a cost of R23 723 173 over 3 years is targeting 200 youths, of which 100 are Graduate program students and the other 100 are unemployed Youth with Grade 11 & 12.

IMPROVING CAPACITY FOR BIODIVERSITY COMPLIANCE AND ENFORCEMENT

The Department has joined hands with other law enforcement agencies in order to combine resources and efforts to enable the sub programme to respond to unlawful activities and environmental crimes. Honourable Speaker, we can proudly boast that rhino poaching during 2022 was zero in our province. Honorary Nature Conservation Officers appointed by this Department have conducted several thousand hours of voluntary patrols to show visibility and prevent illegal hunting.

The Department has undertaken administrative and criminal action against local authorities that are non-compliant with management of landfill sites, including Graaff Reinet and Somerset East.

The unauthorised clearing of natural vegetation like thicket and forest continues to harm the environment, especially in the drought-stricken Western parts of the province where land is cleared for citrus, and along the Wild Coast where unlawful buildings are erected in the coastal dunes.

Indigenous forests in Grey Dell and Fort Grey adjacent to the East London Airport and Umtiza Nature Reserve continue to be cleared extensively as land grabbing escalated during and since the COVID lockdown. The Department has responded together with the Inter-Government Task Team and other joint enforcement operations to curb unlawful developments, deforestation, marine resource exploitation and illegal sand mining.

In 2023/24, the Department will focus on improved monitoring of cycad and succulent populations to prevent further smuggling of these endangered species from our province. There will be appointment and training of Honorary Nature Conservation Officers and partnership with Rhodes University Thicket Research Unit to monitor and act on the unlawful removal of indigenous vegetation.

BUSINESS REGULATION AND GOVERNANCE

INVESTING IN SYSTEMS AND HUMAN RESOURCE CAPABILITY

Honourable Speaker, the achievements in service delivery could only have been achieved with the investment in departmental systems and human resource capacity. In terms of systems, we have built on the gains realised over the past two years. The Department should soon reach its goal of a near-paperless working environment. In the coming year, we will invest in e-PMDS, e-Contract Management and e-Monitoring and Reporting, amongst others.

Since April 2022, we have filled 72 vacant posts in the Department. Approximately 67% of these were in service delivery programmes, of which 40 posts were at a regional level, representing grassroots service delivery. There are a further 55 posts currently under recruitment. Once filled, this will further bolster our capacity to deliver.

As one of our initiatives to support job access and career development, we rolled out our learner-driver support programme for employees and interns in the Department. The initiative aims to support lower-level employees and interns to obtain their driver's licence, which is a minimum requirement for most jobs.

In support of small businesses, the Department continues to pay all suppliers within an average of 11 days. We are aiming for ten days in the coming year. We have also rolled out successful supplier engagement days in all districts. These interactions aimed to engage with suppliers to create awareness of opportunities for providing goods and services to the Department and to capacitate them on departmental systems and processes to ensure compliance, such that payments are completed on time.

CONCLUSION

Honourable Speaker, these initiatives that we have presented, are aimed at setting the Province to a path of economic development and job creation.

Our targeted stakeholders at all corners of our economy must come and play their role, by either being beneficiaries to these programmes or add support and value unto them.

The synergy and commitment in pursuing strategic objectives of the province to fortify the hope and pride in being a person of this beautiful province is what shall consolidate our resolve to serve our people and communities.

As we navigate towards the last year of the 6th term of administration and the year of national elections 2024, let us all join hands in transforming our society, and tirelessly continue our pursuit of achieving our goal of an inclusive, growing and sustainable economy.

Mother Teresa once exclaimed, "None of us, including me, ever do great things. But we can all do small things, with great love, and together we can do something wonderful."

Honourable Speaker, in our budget allocations, we have ensured that funds are allocated to key service delivery areas, aligned to our mandate, priorities and goals.

Accordingly, the budget allocations are as follows:

- **Administration: R229 million**
- **Economic Development and Tourism: R1.4 billion**
- **Environmental Affairs: R353 million**

Honourable Speaker, I would like to thank Honourable Premier Mr. Oscar Mabuyane for his guidance, and all the Members of the Executive Council of the Eastern Cape for their support.

Gratitude also goes to the oversight committee members who have ensured that we execute our mandate optimally.

To the Head of Department, Ms. Mickey Mama, CEOs of entities, DEDEAT Group senior management and the entire staff, your valuable support is always appreciated.

I wish to convey a special word of gratitude to the citizens of the Eastern Cape, whom we strive to serve with respect and humility, the business community and all our key stakeholders who have contributed towards the shaping of our plans and priorities.

I hereby table the Annual Performance Plans of the Department and our 3C entities, the Corporate Plans of our 3D enterprises and the Annual Operational Plan of the Department.

Thank you very much Madam Speaker.