



Province of the
EASTERN CAPE
ECONOMIC DEVELOPMENT,
ENVIRONMENTAL AFFAIRS & TOURISM

**Department of Economic Development,
Environmental Affairs & Tourism**

Annual Performance Plan for
2022/2023

Executive Authority Statement

As we exit the economic crisis precipitated by COVID-19, it is pleasing to note the 4.1% economic growth rate was recorded for the country during the year 2021. It is also pleasing to hear that the country achieved a trade surplus of R221 billion during the same difficult year, mainly due to higher commodity prices. Current projections point to positive although low growth rates over the next MTEF period. The war in Ukraine may pose some medium-term challenges at national and provincial level that we must anticipate and include in our planning and implementation calculations.

As we consolidate our plans, integration of our work within the DEDEAT Group becomes paramount. Our mandate in the economic development, tourism and environmental sphere will elevate DEDEAT to create a conducive environment for the private sector to invest and create jobs.

The department and its entities will continue to support the automotive sector while actively working towards diversification of sectors as stipulated in the Provincial Economic Development Strategy. In particular, the department will work with the auto sector to transition to the electric vehicle in line with global trends underpinned by climate change considerations. Since we are largely a rural province, it will be imperative that we work with other sectors and departments to develop the agriculture value chains.

COVID-19 has impacted job creation in the Province. We ended 2021 with a higher unemployment rate of 47.4%. We therefore commit our programmes to drive opportunities that create skills and jobs together with the private sector. Programmes within our public entities will be geared to support SMMEs, Local, Regional and Economic Development projects, small manufacturers among others to stimulate socio-economic growth.

We also recognise that infrastructure is key to development. Despite limitations placed by resources and other socio-economic conditions, the department will collaborate with both the private sector, government agencies and departments to enhance key infrastructure development.

This 2022/23 Annual Performance Plan (APP), developed by management through wide consultation with various stakeholders, will complement the Economic Rehabilitation and Recovery Plan which was introduced in 2021/22. We remain steadfast in our quest for key outcomes stated in the strategic plan. These include economic transformation, inclusive development, sector diversification, increased competitiveness, among others.

The department will continue with its programmes that promotes and enhances environmental conservation. This is critical considering the impacts of climate change, which are affecting the eastern hinterland, coastal areas as well as the western region of the province. The Buffalo City Metropolitan Area as well as the Nelson Mandela Metropolitan area have been particularly impacted by water problems. Water and associated infrastructure challenges have a negative impact on investments and job creation. The department will work with the relevant stakeholders to address some of these challenges.

This APP is aligned to the strategic thrust of the department, and the operational plan where a detailed plan is contained.

As the Executive Authority of the department, I fully endorse this Annual Performance Plan and undertake to do all within my powers to assist the department in fulfilling its mandate and goals as outlined in the Strategic Plan.



Hon. (MPL) M. Mvoko
Executive Authority of MEC for Economic Development, Environmental Affairs & Tourism

Accounting Officer Statement

The vision of the Department of Economic Development, Environmental Affairs and Tourism is to be a catalyst for sustainable and inclusive economic development that promotes sound environmental management. The realisation of this vision will lead to a growing, transformed, diversified and inclusive green economy in a sustainable environment.

This is the third Annual Performance Plan of the department to be developed in the current 5-year plan which ends in 2024/25 financial year. The plan is a continuation of the previous plans, which come at a time when there are signs that the economy is starting to recover.

In the current year, the department will lift 3 priority projects for development and implementation. These projects represent an opportunity to create synergy and integration among different role players:

1. Township and rural economy
2. Climate change programme
3. Revitalisation of industrial parks

The above projects will be contextualised with SMMEs, red tape reduction, funding instruments, shared services, among others being supported.

This Plan should be read together with the operational plan. The Department will continue to administer a set of programs that are targeting micro, small and medium enterprises and ensure that small businesses and co-operatives owned by individuals from historically disadvantaged communities including Women, Youth and Persons with Disabilities actively participate.

Governance will be enhanced to improve the efficiency of service delivery. The values of Collaboration, Innovation, Accountability and Leadership will be measured during the year to check the extent to which the department abides by its values.

I wish to extend my sincere appreciation to the Executive Authority, MEC Mlungisi Mvoko, for his leadership and guidance to the Department, the Public Entities and the broader stakeholders for their ongoing engagement and support.

I commit the Department and its staff to serve with respect and professionalism in providing the much needed services to the people of our Province.

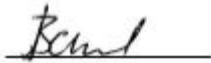


Ms M. Mama
*Accounting Officer of Department of Economic Development,
Environmental Affairs & Tourism*

Official Sign-Off

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the Department of Economic Development, Environmental Affairs & Tourism under the guidance of Hon. M. Mvoko.
- Takes into account all the relevant policies, legislation and other mandates for which the Department of Economic Development, Environmental Affairs & Tourism is responsible.
- Accurately reflects Outcomes and Outputs which the Department of Economic Development, Environmental Affairs & Tourism will endeavour to achieve over the period 2022/23.



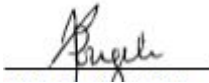
Mr T. Boucher, Programme Manager: Administration



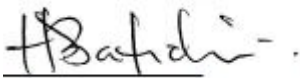
Ms B. Koneti, Programme Manager: Economic Development & Tourism



Mr. S. Gqalangile, Acting Programme Manager: Environmental Affairs



Ms S. Jongile, Chief Financial Officer



Mr H. Batidzirai, Head Official responsible for Planning



Ms M. Mama, Accounting Officer

Approved by:



Mr M. Mvoko, Executive Authority

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List of Abbreviations

4IR	4th industrial revolution
AIDC	Automotive Industry Development Centre
AEL	Atmospheric emission licences
ALRRD	Agriculture, Land Reform and Rural Development
APDP	Automotive Production Development programme
APP	Annual Performance Plan
BEE	Black Economic Empowerment
BBBEE	Broad Based Black Economic Empowerment
BCMM	Buffalo City Metropolitan Municipality
CDC	Coega Development Corporation
CDT	Communications and Digital Technologies
CIPC	Companies Intellectual Property Commission
COGTA	Cooperative Governance and Traditional Affairs
CSIR	Council for Scientific and Industrial Research
DBSA	Development Bank of South Africa
DFFE	Department of, Forestry and Fisheries and Environment
DEDEAT	Department of Economic Development, Environmental Affairs and Tourism
DM	District Municipalities
DoMRE	Department of Mineral Resources and Energy
DPE	Department of Public Enterprises
DRDAR	Department of Rural Development and Agrarian Reform
DSDM	District Service Delivery Model
dtic	Department of Trade, Industry & Competition
EC	Eastern Cape
ECAIF	Eastern Cape Automotive Industry Forum
ECBSAP	Eastern Cape Biodiversity Strategy and Action Plan
ECBCSAP	Eastern Cape Biodiversity Conservation Strategy and Action Plan
ECDC	Eastern Cape Development Corporation
ECGB	Eastern Cape Gambling Board
ECLB	Eastern Cape Liquor Board
ECPTA	Eastern Cape Parks and Tourism Agency
ECSECC	Eastern Cape Socio Economic Consultative Council
EFF	Environment, Forestry and Fisheries
EIA	Environmental Impact Assessment
ELIDZ	East London Industrial Development Zone
EPWP	Expanded Public Work Programme

EU	Europe Union
FCM	Federation of Canadian Municipalities
FCS	Fixed Capital Stock
FDI	Foreign direct investment
FSAPP	Framework for Strategic and Annual Performance Plans
GDP	Gross Domestic Product
GDPR	Gross Domestic Product Regional
GEF	Global Environmental Facility
GMC	Greenest Municipality Competition
GP	Gauteng province
HOD	Head of Department
ICT	Information and Communication Technology
IDP's	Integrated Development Plans
IDZ	Industrial Development Zone
IPAs	Investment Promotion Agencies
ITO's	Informal Trader Organizations
IRP	Integrated Resource Plan
IWMP	Integrated Waste Management Plan
JSC	Joint Steering Committee
KZN	Kwa Zulu Natal
LNG	Liquefied natural gas
LPMs	Limited pay-out machines
LRED	Local and Regional Economic Development
LTOs	Local tourism organisations
M&E	Monitoring and Evaluation
MBSA	Mercedes-Benz South Africa
MDA	Manufacturing Development Act
MEC	Member of Executive Council
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NAM	Non-Automotive Manufacturing
NAMC	National Agricultural Marketing Council
NDP	National Development Plan
NEF	National Empowerment Fund
NEMA	National Environmental Management Act
NERSA	National Energy Regulator of South Africa
NMBMC	Nelson Mandela Bay Maritime Cluster
NMU	Nelson Mandela University
NPA	National Prosecuting Authority
NYDA	National Youth Development Agency
OTP	Office of the Premier
OCP	Office of the Consumer Protector
PEDS	Provincial Economic Development Strategy
PESF	Provincial Economic Stimulus Fund
PDP	Provincial Development Plan

PIDS	Provincial Industrial Development Strategy
PMTSF	Provincial Medium-Term Strategic Framework
R&D	Research and development
RODs	Record of decisions
S&T	Science and Technology
SAAM	South Africa Automotive Master
SAAQIS	South African Air Quality Information System
SADC	Southern African Development Community
SAFCOL	South African Forestry Company SOC Limited
SAIFI	System Average Interruption Frequency Index
SALED	SA Low Emission Development
SAIDI	System average interruption duration index
SAIMI	South African International Maritime Institute
SALGA	South African Local Government Association
SAMSA	South African Maritime Safety Authority
SANBI	South African National Biodiversity Institute
SAWIS	The South African Waste Information System
SAPS	South African Police Service
SARS	South African Revenue Service

SBD	Small Business Development
SDG	Sustainable Development Goals
SEA	Strategic Environmental Assessments
SEDA	Small Enterprise Development Agency
SERO	Socio-Economic Review and Outlook
SEZ	Special Economic Zone
SITA	State Information Technology Agency
SLA	Service-level agreement
SME	Small and Medium Enterprises
SMME	Small Medium Micro Enterprises
SMS	Senior Management Services
STATSSA	Statistics South Africa
TOPS	Threatened or Protected Species
USA	United States of America
USAID	United States Agency for International Development
WC	Western Cape
WESSA	Wildlife and Environment Society of South Africa

Part A: Our Mandate

1 Relevant legislative and policy mandates

DEDEAT derives its constitutional mandate from Schedules 4 and 5 of the Constitution of the Republic of South Africa, 1996. The applicable Schedule 4 functional areas mainly in part A includes Administration of casinos, racing, gambling and wagering, excluding lotteries and sports pools: consumer protection, environment, industrial promotion, nature conservation, excluding national parks, national botanical gardens and marine resources, pollution control, provincial public enterprises in respect of the functional areas of Schedule 4, regional planning and development, tourism, trade, urban and rural development. The

applicable Schedule 5 functional areas are mainly on liquor licencing, and provincial planning.

DEDEAT derives its legislative mandates from a raft of national and provincial legislation, as well as policy specifications of nine national departments, viz, Department of Trade, Industry & Competition (dtic), Forestry, Fisheries and Environment (DFFE), Tourism (NDT), Mineral Resources and Energy (DoMRE), Public Enterprises (DPE), Small Business Development (DSBD), Science and Innovation (DSI), Agriculture, Land Reform and Rural Development (DALRRD) and to some extent Communications and Digital Technologies (CDT).

The applicable Acts and corresponding responsibilities placed on the department's functional areas are listed as follows:

Programmes and sub-programmes	Source of Mandate	Key Department Responsibilities	
PROGRAMME 1: ADMINISTRATION	Office of the HOD: <ol style="list-style-type: none"> Special Programmes Unit Public Entities Oversight Programme Management Office Risk Management & Anti-corruption Internal Audit Legal services 	<ul style="list-style-type: none"> National Gender Policy National Youth Development strategy National Disability strategy Employment Equity Act Public Service Act Public Finance Management Act Public Service regulations Labour Relations Act Audit Act Promotion to Access to Information Act Promotion to Administrative Justice Act Public Management Act 	<ul style="list-style-type: none"> Promote women, youth and disabled Promote equity and diversity Oversee economic and tourism development as well as environmental management Provide sound working environment Facilitate risk management for the Department. Implement and enforce legislation and regulations
	Corporate Management: <ol style="list-style-type: none"> Human Resource Management and Development 	<ul style="list-style-type: none"> Public Service Act and Regulations Employment Equity Act Skills Development Act Basic Conditions of Employment Act Labour Relations Act Occupational Health and Safety Compensation for Occupational Injuries and Diseases Act Skills Development Act 	<ul style="list-style-type: none"> Promote participatory, consultative and efficient administration Promote equity Improve competency and skills of workforce for efficiency and effectiveness Promote sound, fair, healthy and productive working environment
	<ol style="list-style-type: none"> Organizational Development and Service Delivery Improvement 	<ul style="list-style-type: none"> Public Service Act Labour Relations Act Skills Development Act Public Service Regulations 	<ul style="list-style-type: none"> Develop skilled, efficient and effective workforce

Programmes and sub-programmes	Source of Mandate	Key Department Responsibilities
	<ul style="list-style-type: none"> • DPSA OD Directives • PSCBC Resolutions • Operations Management Framework • White Paper on the Transformation of the Public Service • Batho Pele Handbook • Job Evaluation Guidelines 	<ul style="list-style-type: none"> • Promote participatory, consultative and efficient administration • Create a harmonious working environment • Plan, Implement, monitor, report in a compliant manner • Implement the applicable legal and regulatory framework
c. Communications	<ul style="list-style-type: none"> • Public Service Act • Electronic Communications Amendment Act • Protection of Information Act 	<ul style="list-style-type: none"> • Promote efficient, effective and secure communication
a. Office Management	<ul style="list-style-type: none"> • Public Service Act • Public Finance Management Act 	<ul style="list-style-type: none"> • Provide sound working environment
d. Strategic Management e. Strategy Formulation f. Planning and Reporting g. Monitoring and Evaluation	<ul style="list-style-type: none"> • Public Service Act • Public Finance Management Act • Public Service Regulations (Ch 3. Part 1. Paragraph 27) • Provincial Spatial Development Framework • Promotion of Access to Information Act • National Development Plan • New Growth Path • Vision 2030 	<ul style="list-style-type: none"> • Plan, monitor, report in a transparent manner • Implement inclusive and participatory planning processes within the applicable legal and regulatory framework • Plan with relevant data and information that can be applied practically within the Province
h. Information Technology i. Knowledge Management	<ul style="list-style-type: none"> • Public Service Act • Communications • State Information Technology Act • Protection of Information Act • Promotion of Access to Information Act 	<ul style="list-style-type: none"> • Create a platform that enhances efficient and effective service delivery • Provide access to data and information to enhance decision making
Financial Management: a. Budgeting b. Supply Chain Management c. Financial Administration d. Financial Accounting	<ul style="list-style-type: none"> • Public Service Act • Public Finance Management Act • Treasury Regulations • GRAAP 	<ul style="list-style-type: none"> • Adhere to sound and verifiable financial management systems and protocols • Provide for financial management integrity throughout the finance value chain
PROGRAMME 2: ECONOMIC DEVELOPMENT	Economic Development: a. Integrated Economic Development - Enterprise development - Local Economic Development - Economic Empowerment	<ul style="list-style-type: none"> • White paper on SMME promotion • National Small Business Act • Eastern Cape Development Corporation Act • Co-operatives Act and Co-operatives Bank Act • PPPFA • Broad Based Black Economic Empowerment Act <ul style="list-style-type: none"> • Provide a platform for standardized business development and support • Promote SMME and cooperative development • Promote equity in the economy • Empower citizens and previously disadvantaged • Transformation of the business space

Programmes and sub-programmes	Source of Mandate	Key Department Responsibilities
	<ul style="list-style-type: none"> Companies Act 	<ul style="list-style-type: none"> Entrepreneurship development Poverty elimination Job creation
<p>b. Trade and industry development</p> <ul style="list-style-type: none"> - Trade & investment promotion - Sector development - Industry development 	<ul style="list-style-type: none"> Eastern Cape Development Corporation Act National Small Business Act Provincial Economic Development Strategy (PEDS) Special Economic Zones Act (SEZ) Industrial Policy Action Plan IPAP 2018/19-2020/21 Provincial Sustainable Energy Strategy 2012 Local Economic Development Policy Framework (LEDPF) 2016 	<ul style="list-style-type: none"> Promote industry and sector development Promote business development and growth including export of products Provide varied support mechanisms to the provincial economy Encourage the development, growth and increased competitiveness of the South African manufacturing (Value Added) sector. Encourage alignment of local economic development plans with the strategy PEDS. Facilitate trade promotion returntion and attraction of investment in priority sectors
<p>c. Business Regulation Services</p> <ul style="list-style-type: none"> - Consumer Protection - Liquor Industry Regulation - Gambling Sector Regulation 	<ul style="list-style-type: none"> Eastern Cape Consumer Protection Act, 2018 Consumer Protection Act National Credit Act National Liquor Policy Eastern Cape Liquor Act Eastern Cape Gambling Act National Liquor Act National Gambling and Betting Act 	<ul style="list-style-type: none"> Provide certainty in business transactions Provide redress avenues for consumers who lack resources and information Provide Consumer complaint support service Create Education and awareness Provide for a stable and thriving liquor industry Provide for a stable and thriving gambling and betting industry Facilitate measures to protect citizens from alcohol and gambling side effects
<p>d. Economic planning, research and policy formulation</p>	<ul style="list-style-type: none"> Vision 2030 National Spatial Development Perspective Provincial Spatial Development Framework Municipal Systems Act (RSA, of 2000) 	<ul style="list-style-type: none"> Consider spatial issues in development Research and provide accurate and up to date socio-economic data for effective decision making Support local government in implementing local economic development
<p>e. Tourism</p>	<ul style="list-style-type: none"> Eastern Cape Parks and Tourism Agency Act (No 2 of 2010) National Tourism Act (No 3 of 2014) 	<ul style="list-style-type: none"> To create an enabling tourism environment through legislation, policy and strategy development To create demand and supply for tourism

Programmes and sub-programmes	Source of Mandate	Key Department Responsibilities	
		<ul style="list-style-type: none"> To ensure sustainability and tourism sector transformation 	
PROGRAMME 3: ENVIRONMENTAL AFFAIRS	Environmental Affairs: a. Policy Co-ordination and Environmental Planning	<ul style="list-style-type: none"> NEMA NEM Act: Biodiversity Act; Protected Areas Act; Air Quality Act; Waste Act Environment Conservation Act Nature and Environmental Conservation Ordinance National Heritage Resources White Paper on Coastal Management Marine Living Resources Sea Shore Act Atmospheric Pollution Prevention Integrated Pollution and Waste Management Policy National Forest Act Veld and Forest Fire Integrated coastal management act 	<ul style="list-style-type: none"> Reduce greenhouse gas emissions Promote climate change adaptation and mitigation projects Protect biodiversity by maintaining and expanding biodiversity parks Promote safe and healthy air, land and water environment Implement and enforce environmental legislation and regulations
	b. Compliance / Enforcement	<ul style="list-style-type: none"> NEM Act NEM: Biodiversity Act NEM: Protected areas Act NEM: Integrated Coastal Management NEM: Waste Act Nature and Environmental Conservation Ordinance Mountain Catchment Areas Act Nature Conservation Act (Ciskei)¹ Environmental Conservation Decree (Former Transkei)¹ Game Theft Act Integrated coastal management act National Water Act 	<ul style="list-style-type: none"> Undertake compliance monitoring Implement and enforce environmental legislation Coordination of Honorary Nature Conservation Officers (Volunteers)
	c. Environmental Quality Management	<ul style="list-style-type: none"> National Environmental Management Act NEMA NEMA EIA Regulations NEM: Waste Act Sea Shore Act Environment Conservation Act NEM: Integrated Coastal Management Act NEMNEM: NEM Air Quality Act Atmospheric Pollution Prevention Act 	<ul style="list-style-type: none"> Process permitting systems (Environmental Impact Assessments, Waste management licenses and Atmospheric Emission Licenses) Conserve natural resources Implement environmental legislation and regulations Administer environmental appeals
	d. Biodiversity Management	<ul style="list-style-type: none"> NEMA NEM: Biodiversity Act 	<ul style="list-style-type: none"> Protect and manage Biodiversity and Eco systems

Programmes and sub-programmes		Source of Mandate	Key Department Responsibilities
		<ul style="list-style-type: none"> • NEM: Protected Areas Act • Nature and Environmental Conservation Ordinance • Problem Animal Control Ordinance • Game Theft Act • National Forest Act • Veld and Forest Fire Act • NEM: Integrated Coastal Management Act • Sea Shore Act • Marine Living Resources Act • Fencing Act • Mountain Catchment Areas Act • Eastern Cape Parks Board Act • Nature Conservation Act (Former Ciskei)^[1] • Environmental Conservation Decree (Former Transkei)¹ • National Heritage Resources Act • National Water Act 	<ul style="list-style-type: none"> • to build resilience to climate change. • Manage sustainable utilisation of natural resources • Effectively manage a balance between nature (flora and fauna) and humans • Protect the coastal environment • Establish and maintain stewardship programmes and protected environments. • Conservation and management of water catchments and wetlands • Coordination of Voluntary Coastal Officers
	e. Environmental Empowerment Services	<ul style="list-style-type: none"> • NEMA • Skills Development Act • All legislation pertaining to Environmental Affairs 	<ul style="list-style-type: none"> • Empower Eastern Cape citizens on environmental issues through capacity building, awareness campaigns, media releases and programmes. • Creating employment and skilling through environmental projects e.g. EPWP.

^[1] The Transkei Environmental Conservation Decree No. 9 of 1992 and the Ciskei Nature Conservation Act No 10 of 1987 were assigned to the Eastern Cape after 1994. They are to remain in place until the process (currently underway) to promulgate our new Eastern Cape Environmental Management Act is complete, at which time these will be repealed.

2 Institutional Policies and Strategies

The department's work is influenced by a combination of economic and environmental imperatives in the Eastern Cape, key alignment instrument from international, national, provincial and local levels, structural organisation of the DEDEAT Group as well as the available human and financial resources. Key alignment instruments are found in Annexure B of the 2020-2024 Strategic Plan of the department. During the last 5-year period, the department developed and/or continued to make use of policies and strategies that enhance economic, environmental management and tourism development. These include the Eastern Cape Biodiversity Strategy and Action Plan (ECBSAP), Climate Change Response Strategy, Provincial Economic Development Strategy Provincial Sustainable Energy Strategy, National Biodiversity Economy Strategy, Integrated Waste Management Plans, Eastern Cape Youth Development Strategy, Provincial National Protected Area Expansion Strategy, Industry Action Plan, Agricultural Policy Action Plan, Tourism Master Implementation Plan, BBBEE policy, ECAIF Automotive Strategy 2024, AIDC Automotive Strategy 2024, EC Tooling sector strategy 2024, Provincial EC Integrated SMME Strategy 2015-2020, Co-operative development strategy 2019-2024, Business Incubation Strategy, EC Policy Speeches among others.

At the beginning of the 6th Administration, the Premier (Hon. O. Mabuyane) highlighted 12 Political Directives of which reduction of unemployment by half in 2030, acceleration of support to SMME development, prioritisation of growth (sector based GDP growth) and

development with employment and youth development spin offs, consistency and committed efforts to provincial mega catalytic projects, focused pattern on building a capable development state and institutionalization of the implementation of the Provincial Development Plan (PDP) (2019) with support of evidence based systems and M&E are more relevant to DEDEAT. In addition, there are seven electoral mandate priorities of the governing party, the most relevant linked to the mandate of the Department are Priority 1: *Transform the Economy to Serve the People*; Priority 6: *South Africa, Africa and the World* and Priority 7: *Preconditions for Success: Electricity, Water, Rail & Ports and Climate Change*. The DEDEAT strategy is also aligned to the MTSF priorities (Priorities 2 = Economic Transformation and Job Creation, 3 = Education, Skills and Health, and 5 = Spatial Development, Human Settlements and Local Government). At a Provincial level, the Provincial Development Plan (Vision 2030) has the following thematic focus for the Eastern Cape: 1. People: enhance their capabilities; 2. Economy: more resilient, productive and job creating; and 3. Place: more liveable and pleasurable, greater social integration, safety and access to opportunities. There are 6 goals that have been developed for the PDP of which *Goals 1* (Innovative and inclusive growing economy); 2 (An enabling infrastructure network; 3 (Rural development and an innovative and high-value agriculture sector); 4 (Human development) and 5 (Environmental sustainability) are aligned to the work of the Department and have been factored in the strategy development.

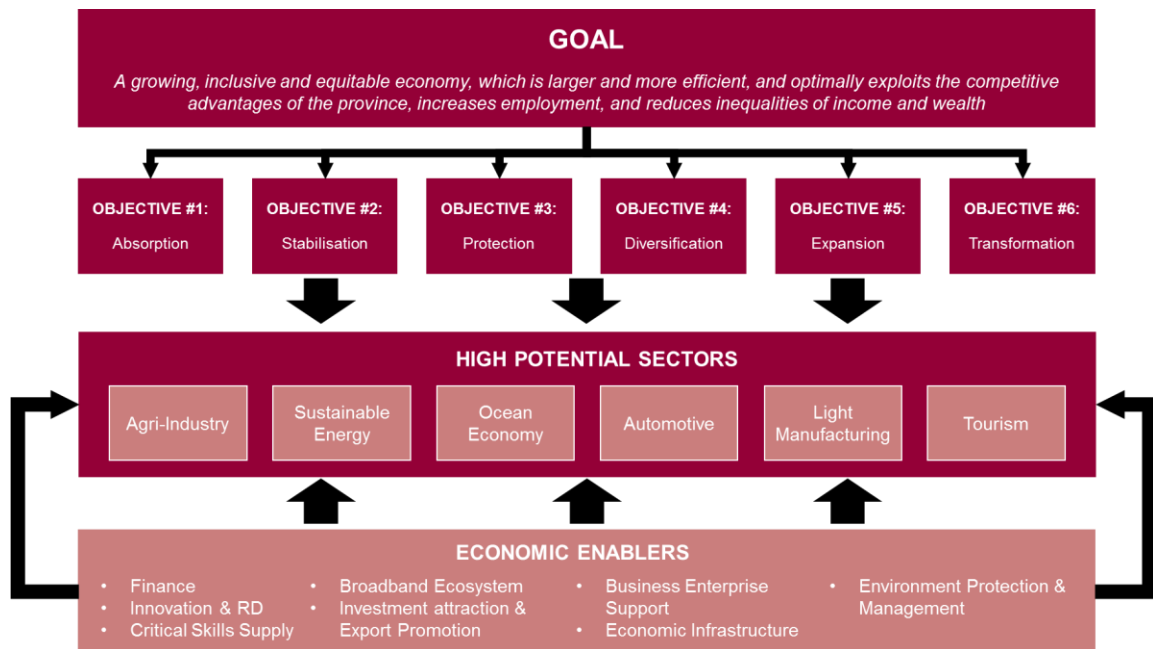
Figure 1: Provincial Development Goals



Source: Eastern Cape Provincial Government, 2019

The Provincial Economic Development Strategy (PEDS) is anchored by six pillars of agro-industry, sustainable energy, oceans economy, automotive, light manufacturing and tourism. Currently, the department does not have capacity to drive the oceans economy pillar but is working in a multi-disciplinary team that includes Nelson Mandela University and is led by the Office of the Premier. These are underpinned by economic enablers in the areas of environmental protection and management, business enterprise, economic infrastructure, broadband, investment, skills, innovation and finance. The selection of the priorities sectors was done after consideration of strength and opportunities in the Eastern Cape. These options have a better chance of propelling the Eastern Cape to higher growth rates and more inclusive growth. The PEDS review will commence in 2022/23 financial year. The plan is summarised in the following diagram.

Figure 2: Provincial Economic Development Strategy



Source: DEDEAT, 2015

The strategic focus of the department is aligned to the economic priorities of the National Development Plan contained in the MTSF, Vision 2030, the ruling party plans as well as selected district and local municipal plans.

The department is desirous to have a growing, innovative, diversified SMMEs that generate

sustainable jobs in major regions with the new economy showing significant growth. The region's resources will be explored while reducing the carbon footprint. In the process, communities will be engaged and empowered for inclusive participation in the economy. As such the strategy (2020-2024) of the department rests on the following four pillars:

1. *A growing, innovative and diversified private sector enabled economy*
2. *Empowered and skilled communities participating in an inclusive economy*
3. *Sustainable resource use, responsive infrastructure and diverse investments*
4. *Enabled, simplified and responsive business processes*

Relevant Court Rulings There are no relevant court rulings of note.

Part B: Our Strategic Focus

3 Updated Situation Analysis

3.1 External Environment Analysis

The global economy is back in full swing and is subsequently on a resilient recovery path from the severe recession suffered a year ago. However, stabilization policies remain supportive, especially in countries like the US where additional fiscal stimulus that were recently implemented assist in bolstering global economic growth. In addition, Covid-19 vaccination programs across the advanced economy group reached peak levels as large parts of their populations have already vaccinated. Notably, the picture across the emerging market and developing economy (EMDE) group in contrast is rather bleak as vaccination rates have only gathered pace towards the end of the second quarter. This consequently gives rise to a phenomenon where economies tend to diverge further apart as reflected in and influenced by differences in policy support and the pace of the vaccine rollouts globally. Global economic activity softened from an all-time low of 2.8 percent in 2019 to reach an estimated 3.2 percent contraction year-on-year (y-o-y) in 2020 (IMF World Economic Outlook, 2021).

The Covid-19 pandemic weighed heavily on global economic growth in addition to other macroeconomic challenges. These include climate change, demographic issues, European imbalances, major conflicts, rising populist and antitrade sentiment, unexpected inflation, and subdued global investment. Growth in the advanced economy group contracted by 4.6 percent in 2020 and is equivalent to a 6.2 percentage point decline from the 1.6 percent expansion observed in 2019. Recovery of economic growth is expected to vary across countries within the group, with projections for 2021 being revised downward in Europe and revised upward in the United States (US) and Japan. Based on recently published figures by the International Monetary Fund, the global economy is projected to rebound by 6.0 percent in 2021 and grow to moderate to 4.9 percent by 2022. COVID19 made the precarious economy worse. The DEDEAT group has been hit hard just like all other business sectors. Tourism has been hit hard. The gaming industry was completely shut down, so was the liquor industry. There was no

movement of investors so the SEZ including manufacturing in the zones were affected. The Department and its entities had to default to bare minimal functioning, with most staff operating remotely. Digital transformation is one avenue that will be pursued with vigour in the ensuing years.

A number of planning techniques are used throughout the year by the department in preparation for new plans. Since the beginning of the financial year, officials of the department have been gathering key portfolio documents, participated in relevant online meetings. The department started to host planning dialogues from 26th August 2021 and will continue up until the end of November 2021 to improve the planning. The public entities and external stakeholders are involved. All the outcomes are integrated in this plan and the operational plan of the department and its public entities. This plan should be read in conjunction with the plans of the six public entities of the department, viz. ELIDZ, Coega, ECDC, ECPTA, ECGB and ECLB. In crisis situations, there are three stages of responding: 1. Respond 2. Recover 2. Rebuild. We are all hoping that the worst is over us and that there will not be any resurgence of the coronavirus.

Market opportunities

Eastern Cape Business is distributed internationally on outgoing and incoming trade missions, through trade and investment agencies; to foreign offices in South Africa's main trading partners around the world; at top national and international events; through the offices of foreign representatives in South Africa; as well as nationally and regionally via chambers of commerce, tourism offices, airport lounges, provincial government departments, municipalities and companies. The Eastern Cape Province recorded a trade surplus of R12.1 billion in 2016, fluctuating to R45.7 billion in 2020 which is a favourable term of trade for the province. Although there has been a consistent growth in certain sectors, such as agro-processing, sustainable energy, general manufacturing and pharmaceutical products, the automotive sector remains the leading exporter of the Province. The

EC's largest export recipient as per 2020 was the EU, followed by Asian countries. Furthermore, 58.3% of the Eastern Cape export were supplied to the European market tracked by the Asia with 19.7% and the Africa market with 10.8% in the third quarter of 2019. Europe, Africa, Oceania and Asia were the only world regions that recorded a trade surplus with the Eastern Cape in the third quarter of 2019 of R2.5 billion. R988.9 million, R403.9 million and R378.2 million. The Eastern Cape's two SEZs are key drivers in the province's strategy to attract investors. At the EASTERN CAPE BUSINESS 2021/22 9 Coega SEZ, major current investors include BAIC SA (R11-billion), the Dedisa Power Peaking Plant (R3.5- billion), FAW SA (R600-million) and CEMZA (R600-million). Even though Covid-19 had an effect on activity in the SEZ, four major projects were under construction during 2020. The following facilities were being built: two for logistics companies (DHL Logistics and APLI), a multi-user facility and the new Aquaculture Development Zone, which is being developed at a cost of R259-million. The Coega Development Corporation, which is assisting in the rollout of infrastructure projects in different parts of South Africa, has now been asked to assist provincial departments, public entities and municipalities within the Eastern Cape to package projects to attract funding for socioeconomic development. The East London Industrial Development Zone (ELIDZ) has a strong suit in automotive suppliers, anchored around the proximity to the Mercedes-Benz South Africa

facility. The ELIDZ has also received recent investments in a diamond cutting and polishing and condom manufacturing. While the variety of investors at both SEZs continue to grow (Coega has 14 distinct business zones), developments in the Oceans Economy, renewable energy (wind in particular) and the oil and gas sector are showing the greatest promise of new growth. The automotive sector remains the strongest manufacturing sector in the Eastern Cape. The scale of recent automotive investments is impressive. With two new Chinese carmakers (FAW and Beijing Automotive Group South Africa, BAIC) in the Coega SEZ, increased production volumes will ensure that jobs are created. The sector already accounts for more than 400 000 jobs in the province. The long-term presence of Mercedes-Benz South Africa, Volkswagen South Africa, Isuzu and Ford has now been bolstered by the R11-billion committed by BAIC. The automotive components and service industry is similarly diverse, with everything from tyres, windshields and batteries to catalytic converters being manufactured and exported. Mercedes-Benz consistently breaks records for the number of cars it exports through the Port of East London via Transnet Port Terminals. The company spent about R10-billion in preparing its plant to manufacture the new C-Class, for which it makes 12 variants. The plant is now also an IT Hub with a focus on data analytics, software development and business analysis

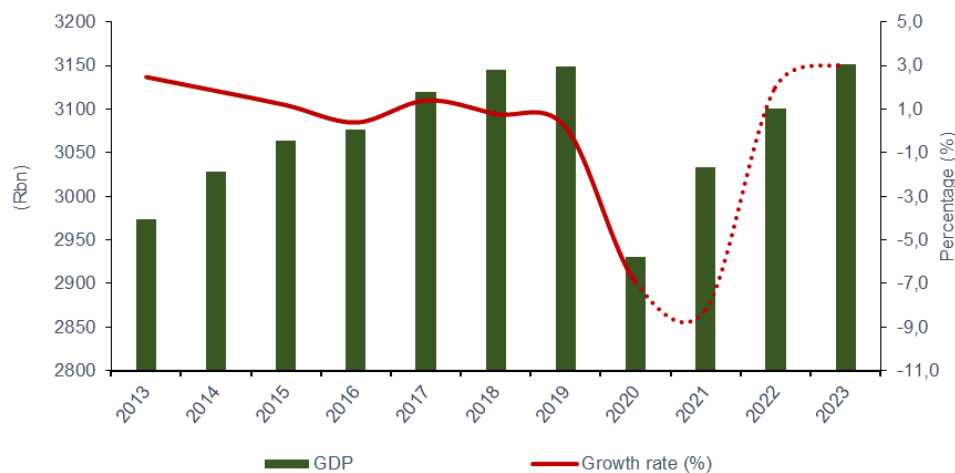
Economic growth

Growth detracted further in South Africa and in the Eastern Cape in the third quarter of 2019, with net exports the only contributor to the performance while other components subsided. Growth prospects are expected to remain marginal for the rest of 2019 and beyond, as a result of challenging economic conditions, weak business and consumer sentiments, high unemployment, fiscal pressure, rising corporate and sovereign debt. In the 2020/21 financial year, the South African government experienced extraordinary pressures on public finances which had an adverse impact on economic growth. The persistent challenges associated with unemployment in South Africa have been exacerbated further due to major job losses conditioned by the Covid-19 pandemic. Compounding the problem has been the increase in the numbers of new labour market entrants and

previously discouraged workers actively looking for employment opportunities.

Revised fiscal projections for 2020/21 revealed a pronounced shock to government revenue, largely owing to the Covid-19 pandemic. Improved revenue projections and economic growth in the last two quarters of 2020 provided some room for manoeuvre for government to respond to pressures pandemic-related expenditure such as the procurement of vaccines, as well as continued economic and social relief measures. The 2020 National Budget Statement reveals a narrowed consolidated budget deficit and projected stabilized debt levels amid fears of high public debt. Despite uncertainty surrounding growth prospects in the near future, economic growth in SA is projected to reach 1.8 percent over the medium term. Figure 2.1 below shows the historic trends and the outlook of SA's economy between 2013 and 2023.

Figure 2: GDP South African Gross Domestic Product, 2013-2023



Source: DEDEAT Own calculations based on Quantec Research data. Data are constant 2010 prices

Over the last decade, the EC recorded the lowest fixed capital stock (FCS) per capita, It was estimated to be R85.9 thousand in 2020, reflecting an 1.5 percent annual average growth rate since 2010. The level of the Province's capital stock serves an indication of the amount of investment received. However, the province needs more public investment to attract private investment. EC economic projections remain subdued, and downside risks have intensified amidst weakening business sentiment and the exposure of the Province to external shocks. With the current

infrastructural and water shortage challenges compromising industrial revival and future investment, smart solutions are needed. The WEF recently placed emphasis on the importance of intelligent solutions to water, sanitation and energy needs, as these may underpin regional and national competitiveness in the adoption of 4IR economic activities. A long-term solution for capital infrastructure investment and the development of SMMEs is needed to boost the Province economically and create sustainable jobs.

Unemployment

South Africa has been grappling with the challenge of unemployment for several years, with the youth being the most affected by a job market which is not growing fast enough to absorb the growing working age population. The main contributors to current unemployment are the global crisis caused by Covid-19, which has adversely affected business and consumer confidence, and the longer-term effects of province's deindustrialization. Companies are unwilling to take the risk of expanding, while consumers are holding back on spending due to their own incomes being affected or concern about losing jobs or facing pay cuts. The official unemployment rate was 34,4% in the second quarter of 2021. Quarterly Labour Force Survey (QLFS) figures revealed that both the number of employed, and the unemployed persons increased in the Eastern Cape, with the number of unemployed persons outstretched by those that lost their jobs and the number of new people (graduates) entering the labour market. Statistics further showed that the most affected people by this predicament are those that have not been employed for over a period of one year, who have not completed secondary schooling and those that have completed secondary schooling.

According to the Quarterly Labour Force Survey (QLFS), the formal sector lost a larger number of jobs between the fourth of 2019 and fourth quarter of 2020 than the informal sector. The formal sector lost about 107 000 jobs, the informal sector close to 44 000 jobs and private households more than 22 000 jobs. Only the agricultural sector grew, with an increase of 24 000 jobs over the same period. The construction industry recorded the highest job loss between the fourth quarter of 2019 and fourth quarter of 2020, followed by the wholesale and retail industries. As a result, the unemployment rate increased by 8.4 percentage points from fourth quarter of 2019 to reach 47.9 percent in fourth quarter of 2020. However, between fourth quarter of 2020 and first quarter of 2021 unemployment in the province decreased by 4.1 percentage points to reach 43.9 percent in quarter one of 2021. The expanded unemployment in quarter four of 2020 was around 52.4 percent and decreased by 2.8 percentage points to reach 49.6 percent in quarter one 2021. The following table 1 illustrates the EC's provincial labour market between the fourth quarter of 2019 and the fourth quarter of 2020.

Table 1: Employment by Province, 4Q2019- 4Q2020

	Number			Net Gain/Loss		Growth Rate	
	4Q2019	3Q2020	4Q2020	3Q2020 4Q2020	4Q2019 4Q2020	3Q2019 4Q2020	4Q2019 4Q2020
	('000)					Percent (%)	
Working population (age 15+)	4744.6	4785.3	4808.4	23.0	63.7	0.5	1.3
Labour force /economically active	2311.1	2250.6	2388.0	137.4	76.9	6.1	3.3
Employed	1406.5	1222.9	1249.5	26.6	-157.0	2.2	-11.2
Unemployed	904.6	1027.7	1138.5	110.9	233.9	10.8	25.9
Not economically active	2433.5	2534.8	2420.4	-114.4	-13.1	-4.5	-0.5
Discouraged job seeker	295.9	162.5	172.2	9.6	-123.8	5.9	-41.8
Other not economically active	2137.5	2372.2	2248.2	-124.0	110.6	-5.2	5.2
	(%)						
Unemployment rate	39.5	45.8	47.9	2.1	8.4		
Employed/population ratio (absorption)	29.6	25.6	26.0	0.4	-3.7		
Labour force participation rate	48.7	47.0	49.7	2.6	1.0		

Source: EC SERO calculations based on Quantec Data

The introduction of digitisation (4th industrial revolution, artificial intelligence, the internet of things and 5G) and the ever-changing business environment might have an adverse impact on the economy, particularly for those looking for employment with limited or no educational background and skills in the medium-term to the long-run.

Economic sectors (dominated by the auto sector)

the EC economy fell in the second quarter of 2020 before rising in the third quarter of 2020. The EC economy dropped by 48.7 percent quarter-on-quarter (q-o-q), seasonally annually adjusted rate (saar) in the second quarter of 2020. The manufacturing industry, followed by the construction and, trade and finance industries were heavily impacted by the pandemic during that period. However, the agricultural industry showed a growth over the same period. In the second half of the year, the Province's GDP rebounded by 60.4 percent and 9.3 percent q-o-q, saar in the third and fourth quarter

of 2020. Growth in the EC's manufacturing industry dropped by 11.9 percent between 2019 and 2020. This contraction reflects the strained economic climate affecting the manufacturing industry as well as the impact of COVID-19. The electricity, gas and water (EGW) industry Gross Value Added (GVA) in the EC contracted by 2.1 percent between 2019 and 2020. The EC has reinforced its position as a prime destination for wind power. The four Round 4 wind farms have completed construction, bringing the total number of operational wind farms in the Province to 16. Furthermore, under Round 5 of the National Procurement Programme, two wind farms were awarded as preferred bidders in October 2021. In addition, the Coega SEZ is currently working together with the Central Energy Fund and Transnet to advance Liquid Natural Gas Infrastructure.. Renewable energy projects around the EC have stimulated income growth and improved employment across the region. Investment projects like these are envisaged to have a catalytic effect on the economy.

Table 2: Gross Value Add (GVA) by Sectors and Industries, 2018q3 – 2019q3

Sectors and Industries	2010	2015	2020
	Value in %		
Primary Sector	2.3	1.0	-5.3
Agriculture, forestry and fishing	1.6	5.8	11.2
Mining and quarry	6.2	-4.9	-16.9
Secondary Sector	-3.2	0.1	-1.4
Manufacturing	-7.2	-0.3	-0.8
Electricity and water	1.4	-0.6	-0.8
Construction	11.4	1.9	-3.5
Tertiary Sector	2.2	1.2	-3.7
Wholesale and retail trade	4.1	1.2	-6.2
Transport and communication	1.3	1.2	-4.4
Finance, real estate and business services	0.6	1.3	-3.2
Community, social and other services	2.9	1.3	0.6
Government services	0.4	0.6	-2.1

Source: EC SERO based on Quantec Research data. Data are at constant 2010 prices

Entrepreneurship ecosystem & SMMEs

The number of SMMEs in South Africa declined by 11 % in the third quarter of 2020 and 58 000 SMMEs closed due to Covid -19. South Africa's SMME sector contributes 97.5% of all business and generates 35% of the country's gross domestic product (GDP). SMMEs account for 43% of the total value of salaries and wages and employ 55% of all formal private sector employees.

The highest decline in the number of SMMEs occurred in the manufacturing sector. SMMEs in the construction sector have grown by 58% from 27 171 SMMEs in the third quarter of 2015 to 42 999 SMMEs in the third quarter of 2020. During the third quarter of 2020, SMMEs in the Eastern Cape contributed 19% to total employment in the province. The number of SMMEs in the province increased by 19% from 194 535 in quarter three of 2015 to 231 011 in quarter three of 2020. However, the number of

employed people dropped by 17% from 1 192 922 in quarter three of 2015 to 991 902 in quarter three of 2020. The overall employment in the province declined by 12% from 1.38 million in quarter 3 of 2015 to 1.22 million in quarter 3 of 2020. The decline

in total employment in quarter three of 2020 was mainly attributed to the global economic stagnation and the global health pandemic of Covid-19 that led to job shedding in most economic sectors.

Table 3: SMME Sectors and Industries

	Number of SMMEs		Distribution (%)		Growth rate (%)
	3Q2015	3Q2020	3Q2015	3Q2020	3Q2015-3Q2020
01: Agriculture, hunting, forestry and fishing	3 279	15 446	2%	7%	371 %
02: Mining and quarrying			0%	0%	
03: Manufacturing	21 838	13 956	11%	6%	- 36%
04: Electricity, gas and water supply			0%	0%	
05: Construction	27 171	42 999	14%	19%	58%
06: Wholesale and retail trade	86 901	90 403	45%	39%	4%
07: Transport, storage and communication	12 953	12 431	7%	5%	-4%
08: Financial intermediation, insurance & real estate	17 881	15 365	9%	7%	- 14%
09: Community, social and personal services	24 091	36 753	12%	16%	53%
10: Private households		3 658	0%	2%	
Total SMMEs - EC	194 535	231 011	100%	100%	19%

Source: Statistics South Africa, 2021; ECSECC, 2021

The Department provides support to SMMEs using various instruments, including support via the ECDC. ECDC generates its own funds for financing SMMEs through repayments from previously financed SMMEs. In 2018/19, DEDEAT provided an additional R50 million to ECDC to assist SMMEs. There are also national DFIs that finance SMMEs in the province. The absence of capitalisation for the business finance operations in the prior periods has led to the SMME financing portfolio declining from R139 million in 2014 to R52 million in 2018/19.

Through the ECDC, close to 200 SMMEs receive financial support annually. Almost the same number receives non-financial support. Of this number, 99 (44%) were women-owned businesses and 88 (39%) were youth-owned businesses. In the last six years a total of 1,775 SMMEs received non-financial support services.

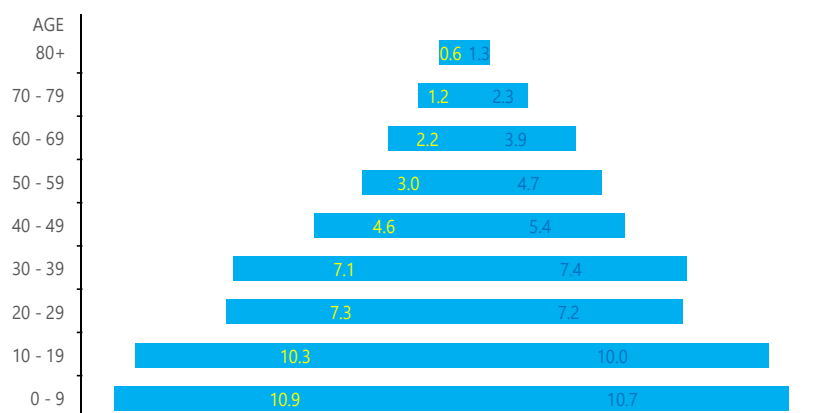
An Eastern Cape small business index which will track the SMME sector and provide up-to-date and relevant information on SMME statistics and issues was launched by the department. Other support services on offer include business registration and export support. The inability for SMMEs to access markets has been noted as one of the major factors

threatening their longevity. Access to markets is one of the fundamental requirements (by credit providers) to accessing funding and mentorship at early stages. However, small businesses located in rural areas are at a disadvantage compared to their urban counterparts (Watson & Netswera, 2009).

Demographic shifts (towards younger population)

The size of the population can be defined as the total number of people or inhabitants in a specific region. Within the Eastern Cape (EC), the population was around 6.7 million in 2020 and represented 11.3 percent of the country's total population. Over the past 10 years, the proportion of the population of the EC in relation to the rest of the country declined by 1.6 percentage points, although the population total number increased by an annual average growth of 0.2 percent. According to Statistics South Africa (StatsSA), more than 500 thousand people have migrated out of the EC over the past five years. The majority went to the Western Cape (WC) (more than 175 thousand), Gauteng (GP) (more than 145 thousand) and KwaZulu-Natal (KZN) (more than 99 thousand). In terms of population size, the EC is currently the fourth-biggest province after GP, KZN and the WC.

Figure 3: Population structure of the Eastern Cape



Source: Coega Development Corporation based on Quantec Research data, 2021

Net outward migration (20% of skilled) impacts on equitable share. The DEDEAT MEC has noted that over the last 5 years, the Eastern Cape has lost about R54 billion of the equitable share allocation due to outward migration from the Province. According to the Statssa mid-year population report, The Eastern Cape and Gauteng experienced the largest number of outflow of migrants.

Table 4: Estimated provincial migration streams 2016-2021

Province in 2016	Province in 2021									Out-migrants	In-migrants	Net migration
	EC	FS	GP	KZN	LIM	MP	NC	NW	WC			
EC	0	18 261	149 867	100 226	13 840	16 522	7 930	37 014	172 603	516 264	192 412	-323 851
FS	8 108	0	84 158	8 177	6 817	10 565	9 217	23 676	12 690	163 408	147 666	-15 742
GP	50 121	43 685	0	75 771	85 884	82 704	12 638	99 311	98 341	548 456	1 596 896	1 048 440
KZN	23 396	12 185	239 905	0	8 346	33 228	2 825	11 159	35 105	366 150	307 547	-58 602
LIM	4 589	5 950	304 317	7 650	0	45 628	2 387	30 197	11 550	412 269	279 755	-132 513
MP	4 889	5 549	133 937	13 434	24 949	0	2 469	16 472	10 417	212 116	286 154	74 038
NC	4 487	9 061	18 432	5 814	2 709	4 444	0	13 031	18 533	76 512	83 000	6 489
NW	5 448	12 373	118 045	6 421	20 945	12 507	24 786	0	9 572	210 096	317 830	107 733
WC	53 052	8 338	64 675	14 168	5 826	7 566	13 286	8 703	0	175 613	486 617	311 004
Outside SA	38 322	32 263	483 561	75 886	110 440	72 988	7 461	78 267	117 805			

Source: Statistics South Africa

Premier Oscar Mabuyane has already noted that the Eastern Cape needs to have a better plan and focus on economic development in different sectors to mitigate the loss of R13 billion in equitable share of government funding over the years as a result of migration.

Education and skills

The proportion of the population without schooling is improving in the EC. However, there has been little progress with the percentage of the population with tertiary education, as the majority of the people remained with only basic education. In 2020, only 0.5 percent of the population had a degree and more,

this is 0.1 percentage point less to the ratio observed 10 years ago.

The majority of the population in all district municipalities and metros has a basic education. The population with tertiary education remains below 10 percent across all district municipalities. Only the two metros had the highest proportion of people with tertiary education in 2020. More than 10 percent of people living in rural DMs had no schooling. Consequently, there is a mismatch between demand and supply of skills in the economy. The youth are the most vulnerable in the labour market as they lack skills and the work experiences needed to find employment and are most vulnerable to HIV infection.

There are emerging opportunities to train both the employed and unemployed on skills that are required for the economy of the future like coding, data analytics, cyber security, artificial intelligence and so on.

Economic Crime

One of the deterrents to investment and creating a conducive environment to business in the country and province is the high crime rate. In the province there is recognition amongst stakeholders that the fight against crime should be made a priority. South Africa is regarded as having one of the worst safety and security environments (132nd) in the world and is plagued by high homicide rates (135th), a significant impact of crime on business (131st) and increasing fears of terrorism (The Travel and Tourism Competitiveness Report, 2019). Crime incidences in

the province have an impact on the cost of doing business, image of the province as a destination for tourist and attractive location for business.

Crime is a big barrier to human progress in South Africa and the Eastern Cape. Although a few crime categories are steadily declining in terms of incidence, the crimes remain too high for a normal functioning democracy. The department will work with the relevant authorities and partners to ensure socio-economic development takes place in a conducive environment. The tourism sector is sensitive to crime. In this regard, measures have been put in place to sensitise and involve the public. The Provincial Tourism Safety Forum which is inclusive of all relevant stakeholders and law enforcement agencies attempts to address this challenge through a coordinated effort focused on prime tourist attractions and areas.

Table 5: Selected crime statistics over the years

Crime category	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Contact Crimes	78666	75662	78199	78259	77101	75800	72669	73050	68669	67269	65535
Murder	3602	3510	3253	3212	3179	3269	3335	3441	3321	3649	3628
Common robbery	7643	7052	5911	5348	5518	4878	4566	3989	3754	3690	3707
Robbery with aggravating circumstances	9182	8903	9767	9637	10407	12477	11752	13445	13255	12778	13689
Bank Robbery	4.9	5.0	1.9	4	0	3.9	0	4.9	0	0	0.9
Robbery at residential premises	345	663	1517	1606	1556	1747	1726	1924	1811	2054	2171
Carjacking	600	600	698	596	520	636	694	773	769	956	955
Truck hijacking	23	28	29	56	26	29	15	30	34	53	82
Robbery of cash in transit	19	39	49	61	50	11	15	8	9	19	11
Property Related Crimes	60533	56593	54859	56239	55455	55769	55511	53265	53559	51106	53117
Burglary at residential premises	31431	29354	28389	28243	27094	26834	25791	24651	24337	23911	24394
Theft of motor vehicle and motorcycle	6627	4713	4301	4231	3943	3848	3676	3376	3276	2678	2739
Theft out of or from motor vehicle	11765	10012	9657	10250	11058	11746	11973	11776	12040	11231	12200
Commercial crime	5454	5069	6439	7515	7974	8362	8617	6768	5548	6156	6568
Illegal possession of firearms and ammunition	1425	1427	1510	1419	1462	1455	1530	1834	1719	1773	2045
Driving under the influence of alcohol or drugs	4725	6032	8921	10987	8238	7772	7605	7350	6947	6550	6090

Source: ECSECC: 2017

Good environmental legislation

Good legislation is important for the province to have sustainable legislation. The overarching legislation is the National Environmental Management Act (NEMA) which is implemented throughout the

country. A number of pieces of legislation guides the operations of the department. These include: Protected Areas Act; Air Quality Act; Waste Act; Environment Conservation Act; Nature and Environmental Conservation Ordinance; National Heritage Resources; White Paper on Coastal Management; Marine Living Resources; Sea Shore

Act; Atmospheric Pollution Prevention; Integrated Pollution and Waste Management Policy; National Forest Act; Veld and Forest Fire; Biodiversity Act; NEM: Integrated Coastal Management; NEM: Waste Act; Nature and Environmental Conservation Ordinance; National Forest Act; Veld and Forest Fire Act ; Marine Living Resources Act; Fencing Act; Mountain Catchment Areas Act; Nature Conservation Act (Ciskei) 1; Environmental Conservation Decree (Former Transkei) 1; Game Theft Act ; NEMA EIA Regulations; NEM: Waste Act; Sea Shore Act ; Environment Conservation Act

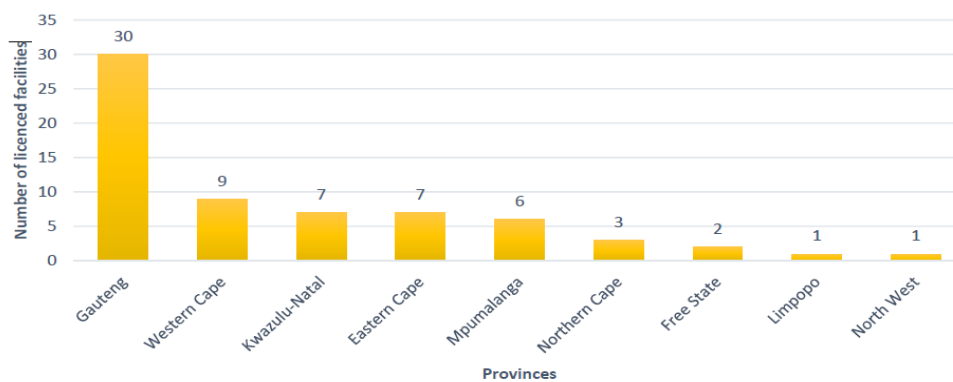
NEM: Integrated Coastal Management Act; NEM: Air Quality Act; Atmospheric Pollution Prevention Act; NEM: Biodiversity Act; Nature and Environmental Conservation Ordinance; Problem Animal Control Ordinance Game Theft Act; National Forest Act; Veld and Forest Fire Act; Marine Living Resources Act; Fencing Act; Mountain Catchment Areas Act; Eastern Cape Parks Board Act; Nature Conservation Act (Former Ciskei)[1]; Environmental Conservation Decree (Former Transkei)1; National Heritage Resources Act; among others.

Recycling of waste

Waste recycling is likely to gain momentum in the near future. Large volumes of waste are going to landfills (2017=1,4 million tons) in the Eastern Cape. Currently there are few licenced waste processing

facilities. The figure below presents the number of licenced recycling and recovery facilities per province. Most of these licenced sort, shred, grind and bail waste.

Figure 4: Number of licenced waste processing facilities



Source: Department of Economic Development and Environmental Affairs.

There is new legislation on waste processing which can stimulate the circular economy. The potential for waste processing is enormous as shown below:

Table 6: Profile of waste and recycling potential in EC

The province has an Annual Target of 4% recyclables diverted from landfill sites.

Description	Metric value
Total waste generated in the Eastern Cape in 2017 (1)	1,430,540 tons
Recyclable waste with inherent potential to be recycled (44% of total)	632,937 tons
Estimated and realistic recycling rate (48% of recyclable waste)	306,008 tons
Average economic value per ton recycled	R 1,713 / Ton
Total economic value (TEV) of recycling in base year (306,008 tons)	(306,008 tons) R 524 million
Scenario 3 with intervention (subsidy) –TEV increase (432,149 tons)	R 718 million
Additional economic benefits (Externalities) through avoided costs.	R 343 million
Revised total economic value (TEV) with provincial intervention	R 867 million

Source: Department of Economic Development and Environmental Affairs.

- Based on hypothetical waste generation guideline by DFFE, the Eastern Cape (EC) generates 3 245.7 tonnes/day = 1 184 668.4 tonnes/year
- 43% of the general waste stream is recyclable
- 41.3% of households in EC receive a weekly collection service, whilst 44.3% use own refuse dump, 4.7% receive communal collection and 6% receive no collection service
- Licensing of waste disposal facilities has improved from 38% in 2010 to 90% in 2018
- 20 out of 31 Local Municipalities (LMs) have initiated recycling initiatives
- 16 out of 31 LMs are reporting on South African Waste Information System (SAWIS)
- 12 LMs have submitted Integrated Waste Management Plans (IWMPs) to DEDEAT for endorsement, 10 IWMPs are outdated and 3 new amalgamated LMs have not developed IWMPs yet
- 32% of municipalities have formally designated Waste Management Officer (WMO)

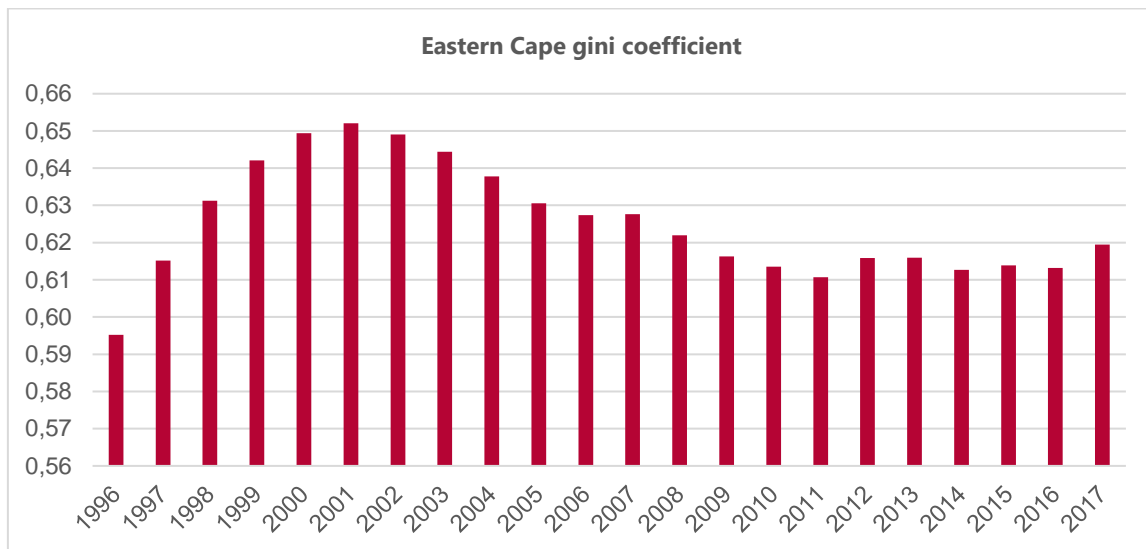
Collaboration and partnerships with neighbouring countries/ other departments

Almost all programmes of the department and its public entities have partnerships in one way or the other with other departments and entities offering aligned portfolios. These range from SEDA and CIPC on SMMEs to SAPS on compliance and enforcement of environmental issues. However, more partnerships need to be explored with multilateral agencies, other countries, other provinces and the private sector. It is also critical that all partnerships be quantified so that measurements can be done on effectiveness and growth of such partnerships.

High inequality (measured by gini coefficient)

Fifteen years after apartheid, the Eastern Cape – with an estimated population of 6.74 million in 2010 with 87.6% black Africans - is one of the poorest provinces in South Africa and has an extremely high level of income disparity (Gini coefficient: 0.70). Monde Makiwane and Dan Chimere-Dan recommend that demographic profiles be used to increase the impact of policies aimed at development and poverty reduction in the province. In 2015 the Gini coefficient was 0,65 (Statssa, 2015).

Figure 5: Eastern Cape gini coefficient



Source: Compiled by author data from ECSECC 2020

The figure above shows the trends in the Gini coefficient of the Eastern Cape from 1996 -2017. The gini coefficient is still high in 2017 compared to 2016. It is evident that the Eastern Cape economy is still faced with inequality and this should be addressed to achieve economic inclusivity.

Rate of technology (4IR) impacting on employment & opportunities

Access to information and the ability to communicate can be an empowering social process which can improve the Eastern Cape situation. There is an increase in the use of mobile phones and internet access even in the marginalised areas. However, even where there is connectivity and basic access to internet, not everyone understands what it can do for them. To some people a mobile phone is only used

to make phone calls. People still need awareness on how to use a mobile phone other than to make a call and access all the kinds of information and services through the internet or mobile phones. There is still little understanding and adoption of opportunities offered by the 4th industrial revolution. In the tourism sector, there is a wide use of technology especially the social media platform that contribute to the marketing of tourism products and events which results in improved revenue turnover because of increased numbers of participants.

Broadband penetration

South Africa ranks in the top 100 countries for broadband speed in the world ranking 76th, but still falls behind the global average download speed. The company's *Internet Access in South Africa 2017* study, conducted in partnership with open-access fibre provider Dark Fibre Africa (DFA), shows just 25.2% of people in the Eastern Cape have Internet access (<https://techcentral.co.za/internet-access-sa-ural-areas-falling-far-behind/75789/>).

connectivity rather than cables to cover its vast spaces. Mobile phone penetration is much more extensive than internet penetration, reaching 65 percent in 2017. The majority of internet users (60 percent) access the internet through their mobile devices. (<https://www.cbn.co.za/featured/which-province-has-the-fastest-internet-in-all-of-south-africa/>).

The South African internet penetration of 54% remains low, compared to the global average of 57%. Africa is a long way behind the rest of the world when it comes to broadband provision, relying primarily on wireless (WiMAX, 3G, and 4G)

In the Eastern Cape, Liquid Telecom partnered SITA and the Eastern Cape Provincial Government to enable network expansion to take place, which, under normal circumstances, would not have been commercially feasible. With the ECPG as an anchor customer, high-speed broadband services can now be delivered to the ECPG designated points of access and presence.

The partnership with SITA and ECPG will connect 2,700 government facilities initially with 100 Mbps and increasing in the majority of these sites to 1 Gbps over the contracted period

<https://www.itnewsafrika.com/2019/05/south-africa-liquid-telecom-to-deliver-high-speed-broadband-in-eastern-cape/>.

The internet coverage among provinces and types of settlement differs as depicted below:

Table 7: Network type coverage

RURAL				URBAN		
	2G	3G	LTE	2G	3G	LTE
Eastern Cape	99.51%	98.30%	53.54%	100.00%	99.99%	95.01%
Free State	99.79%	98.53%	75.63%	100.00%	99.91%	96.24%
Gauteng	100.00%	99.99%	95.74%	100.00%	100.00%	99.92%
KwaZulu-Natal	99.86%	98.74%	54.78%	100.00%	100.00%	97.96%
Limpopo	99.91%	99.51%	85.96%	100.00%	100.00%	99.10%
Mpumalanga	99.91%	99.49%	91.89%	100.00%	99.99%	96.39%
North West	99.98%	99.50%	86.62%	100.00%	100.00%	98.25%
Northern Cape	93.89%	92.24%	61.35%	99.60%	92.24%	84.05%
Western Cape	96.50%	95.24%	83.81%	99.99%	99.96%	97.20%

Source: ICASA Telecommunications, TV Broadcasting and Postal Questionnaires, December 2018

Undersea cable investment

Related to 4IR and broadband penetration, the province has identified the ICT sector as strategic for socio-economic development. The ELIDZ has been positioned to facilitate data services to tenant clients, local government and municipalities. The ELIDZ is licensed to operate and offer such services in the BCMM area as well as Amatole District Municipality as per the ICASA

Licensing which the ELIDZ has obtained. Opportunities have been identified to build a data center facility in multiple phases, equipping the first data centre hall, carrier hotel, meet-me room and office area with minimal infrastructure to meet the inception date of the IOX undersea cable landing.

Cellphones

The Eastern Cape has the highest number of households with no cellphones at 121 000 as at 2016. Those with cellphones constitutes 1.6

million households. Its possible that those with smart phones are far less. This has impact on digitalisation and access to services.

Table 8: Households' ownership of a cellular phone, by province, 2016

Cell phone	Thousands									
	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu-Natal	North West	Gauteng	Mpumalanga	Limpopo	South Africa
Yes	1 750	1 637	295	882	2 731	1 197	4 799	1 225	1 533	16 048
No	80	121	33	45	97	60	77	28	49	590
Unspecified	*	*	*	*	*	*	12	*	*	24
Total	1 831	1 759	329	929	2 831	1 256	4 888	1 256	1 583	16 662

Due to rounding, numbers do not necessarily add up to totals.
Values based on three or less unweighted cases are considered too small to provide accurate estimates, and values are therefore replaced by asterisks.

Source: StatsSA:2016

Investments

The pandemic and the pre-COVID-19 subdued economic climate had a downward effect on trade and investment across the globe. Foreign Direct

Investment to Africa shrank by 16% this has clouded the continent current and prospects in attracting FDI. Global foreign direct investment (FDI) flows showed a strong rebound in 2021, up 77% to an estimated \$1.65 trillion, from \$929 billion in 2020, surpassing their pre-COVID-19

level (Global foreign direct investment rebounded strongly in 2021, but the recovery is highly uneven, UNCTAD). This is a positive sign in ensuring that global FDI flows reach the pre-COVID-19 levels, although the resurgence is mostly occurring in the developed countries, the developing countries have also seen a rise in FDI inflows since the pandemic hit. As shown in Figure 7 below recovery in the developed economies has been quick and strong compared to developing economies. Similarly, greenfield investments are not showing a positive growth rate and are lagging other forms of FDI. In 2021 Greenfield investment project announcements were practically flat (-1% in number, +7% in value) (UNCTAD, 2022). Albeit the unfavorable economic conditions, some of the implemented structural reforms (such as the Investment Conference, IRP 2019, Automotive Sector Master Plan, Poultry Industry, Textiles

industry Leather and Footwear Industry) should play a part in turning the South African economy around going forward and building up investor sentiments.

South Africa is gearing up for a 4th National Investment Conference which is key in the recovery efforts of government in fighting unemployment and ensuring growth in the economy, the South African Investment Conference has generated over R700 billion since its launch in 2019. The Eastern Cape is also gearing to have its first Provincial Investment Conference – which will be an annual platform to highlight investment opportunities in the province and attract investment.

Figure 7: Growth rates for FDI by region and for investment projects by sector, 2021 vs. 2020

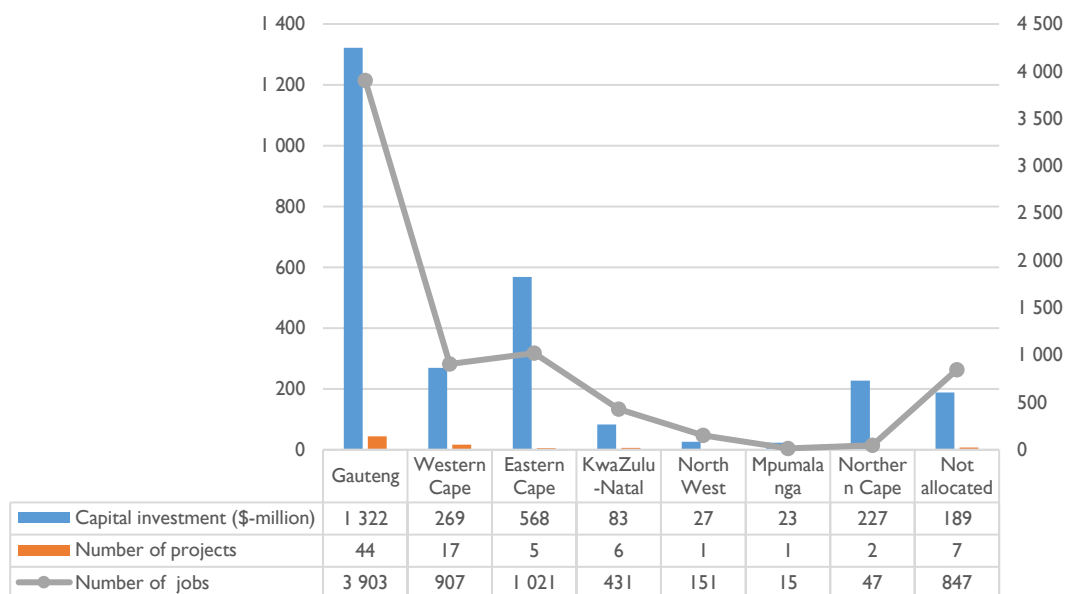


Source: UNCTAD, 2022

In the period under review, 5 FDI projects landed in the Eastern Cape (new, expansion and co-location investments) with a capital investment value of US\$568 million and created a total of

1 021 jobs. Most of the projects were in automotive, sustainable energy and electronic components. Compared to other provinces, Eastern Cape ranked 2nd place in terms of the FDI and jobs created in the province trailing behind the Gauteng Province.

Figure 8: FDI Inflows by Province, January 2019 – October 2019



Source: FDI markets and ECDC calculations

With the ever-changing business environment, a shift in trade patterns and the transformation into digitization (digital technologies and innovation) by world states, Investment Promotion Agencies (IPAs) in developed economies expect inflows in information and communication industries, professional services, finance and insurance,

while developing economies IPAs expect more investment in agriculture, food and beverage, information and communication. The African Continental Free Trade Area (AfCFTA) has provided much-needed stimulus and predictability for trade and investment on the continent (WEF).

Environmental assets, opportunities in the biodiversity economy

The Eastern Cape is rich in biodiversity – that need to be protected and managed to ensure a sustainable future. The Department is participating in the bioprospecting strategies and

programmes; however, a balanced and funded conservation model is needed to ensure sustainability. The province is a leader in the wildlife industry and in game transformation programme. The province's abundant wildlife resources attract tourists and forms the basis of eco-tourism.

Environmental crimes

Environmental crimes have been on the increase during Covid-19. The province had no rhinos poached during 2020/21 financial year, however, unlawful hunting with dogs increased by more than 300% in comparison to the pre Covid period. There was also influx of unauthorised development along the wild coast which threatens sustainable nodal development. The illegal clearing of vegetation such as valley thicket continues to threaten the provinces biodiversity. The voluntary assistance from HNCOs assists the department in preventing environmental crimes and making successful arrests. 10 Joint operations through the Phakisa Initiative 5 project assisted in controlling illegal activities along the province's coast.

The figure below shows the provincial environmental crimes reported for the financial year 2020/21. The Eastern cape shows a total of 109 environmental crimes.

Table 9: Environmental crime statistics

	Environmental crime attended to	Number of cases
1.	Clearing of vegetation	11
2.	Poaching cases	36
3.	Illegal dumping and waste management	20
4.	Illegal development	32
5.	Illegal driving in coastal conservation areas	10
	TOTAL	109

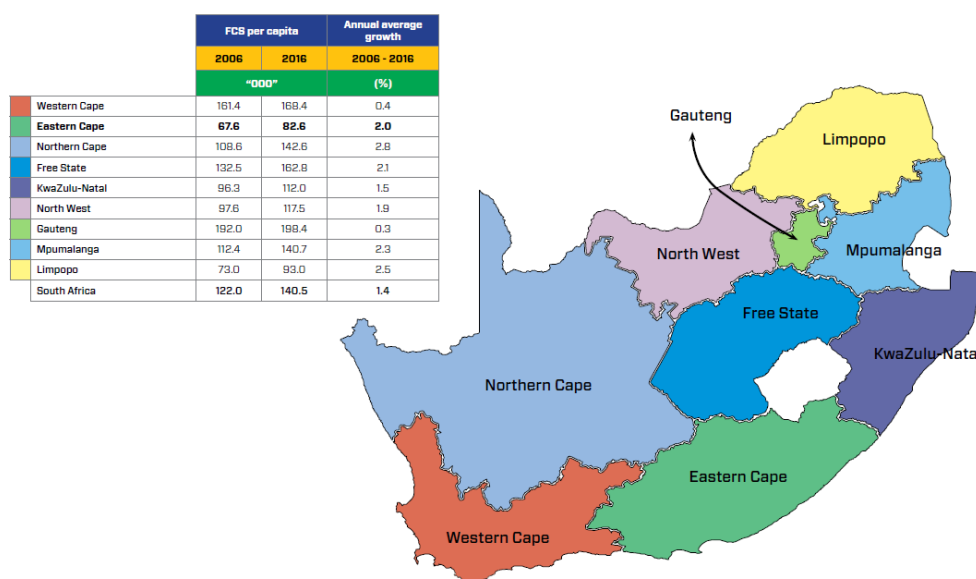
Source: Department of Environmental Affairs.

Economic Infrastructure

The country and the province land areas are large, which poses a challenge in terms of logistics and infrastructure. Fixed Capital Stock (FCS) is defined as tangible and durable fixed assets owned by government or used by resident enterprises for more than one year. This includes plant, machinery, vehicles and equipment, installations and physical infrastructures, the value of land improvements, and buildings. South Africa has accumulated R7.8 trillion of fixed capital stock in 2016 up from R5.9 trillion

observed in 2006, equivalent to an average increase of 1.6 percent since 2006. In 2016, the FCS within EC represented only 6.9 percent of the country's total and has increase by an annual average rate of 1.9 percent which is below the national average. Most of this infrastructure spending will be on the transport network, sanitation and water services. As the government continues to increase its infrastructure spending, the FCS is expected to improve within the Province. Figure 3.16 below depicts provincial fixed capital stock per capita between 2006 and 2016.

Figure 6: Fixed Capital Stock per Capita by Province, 2006 – 2016



Source: Calculation by Coega using Quantec Research data

The level of investment (private and public) has improved in the Province but is still below the national average. The EC government has made some significant progress in expanding investment on infrastructure such as roads, schools and health

facilities. However, a huge gap exists between the level of infrastructure within the urban areas and rural regions. Aging infrastructure linking to rural areas remained a challenge. More capital investments are needed for the Province,

particularly its rural regions, to become competitive and attract FDI. In 2016, close to 900 kilometers have been resurfaced to improve rural access roads and enhance mobility. Also, the Province is lagging behind on infrastructure development when compared to other Provinces, as the EC is heavily reliant on transfers from the national government. Over the medium term, more investment on economic and social infrastructure, incorporating small town revitalization and township regeneration are expected to receive attention. (Coega, SEAF:2018).

The Department is working with dtic and other stakeholders towards the refurbishment of Industrial Parks that may lead to attracting of investment in these parks. These parks include Fort Jackson, Vulindlela, Komani Industrial Park, Dimbaza and Butterworth. The existing SEZs of the department, viz, ELIDZ and Coega have continued to sink massive infrastructure investments for use by investors and the Eastern

Cooperatives

The ECDC administers the Imvaba Co-operative Fund on behalf of the provincial government. In 2018/19, R9,3 million was approved for disbursement to 20 co-operatives. These co-operatives operate in the agriculture, apiculture, manufacturing and services sectors. In the last six years, a total of R92,3 million was approved for disbursement to 155 co-operatives. On an annual basis, on average, the ECDC supports 20 cooperatives with finance while the department supports 94 cooperatives with non-financial support.

Local and Regional Economic Development (LRED)

The LRED provides funding to about 10 projects annually at a cost of R19 million. In the last 10 years, more than R200 million has been spent by the department on LRED projects. The biggest challenge with the programme has been the quality of applications received and the monitoring thereof. There is also a challenge of coordination since a number of departments and municipalities are involved in LRED work. There is no consolidated portal to reflect on the combined total of LRED support in the Province. Coordination and effective support will be supported during the 6th Administration.

Cape economy. Other key infrastructure projects planned by the Provincial government to be supported by the Department include those strategic projects facilitated through ECSECC, including the Wild Coast SEZ, Mzimvubu dam, N2 toll road, to mention a few.

SMMEs

Although the number of supported SMMEs in the province surged in the third quarter of 2019, with the economy challenged and the fiscus under pressure, credit extension by ECDC to SMMEs across the province contracted by 9% in the period under review compared to the preceding period (from R15.5 million in Q2 to R14.1 million in Q3). In 2018/19, a total of 227 SMMEs were provided with non-financial support compared to 368 SMMEs achieved in the prior year. On average 170 SMMEs/Local Entrepreneurs are provided with integrated export support through the work of the ECDC and the dtic.

Business incubation

Business incubation is key in supporting entrepreneurs. The ECDC and ELIDZ have been supporting 3 business incubation programmes in the province. In addition, there are other independent business incubation support agencies operational in the province. In order to improve the sustainability of enterprises the department has developed the provincial strategic framework for business incubation and intends to establish a fund for incubation. It is envisaged that the ring-fenced fund will assist with the feasibility study for establishment of business incubators and resourcing the new and existing business incubators that want to expand into other areas. This will be operationalized from 2020 onwards. Partnerships with private sector for sustainable operations of business incubators in the province will be established. At least 52 enterprises were incubated each year from the 3 business incubators, i.e. CHEMIN, ECITI and for the period 2016/17. In 2018/19 ECDC also made a financial contribution to three incubators. It will be important to link business incubation to the provincial priority sectors.

Automotive & General Manufacturing

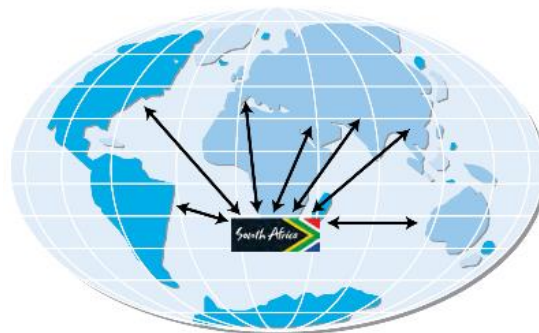
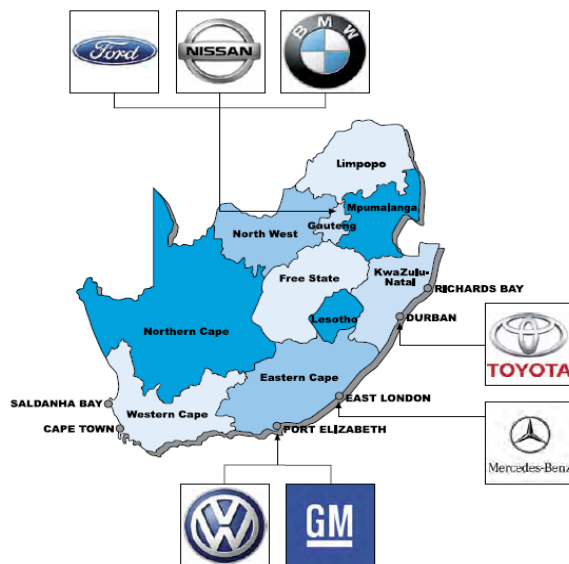
For the past year, the manufacturing sector was significantly hit with the impact of Covid 19 in the province. This have resulted in significant reduction of manufacturing activities in the Automotive and Non-Automotive manufacturing sectors in the province. As you may be aware, the EC

manufacturing makes up a significant portion of the provincial economy and is primarily driven by the needs of the automotive sector, which is the biggest manufacturing sector in the Eastern Cape. The strategic partnership with the Eastern Cape Automotive Industry Forum (ECAIF) and with interventions from the EC Automotive Industry Development Centre (AIDC) remains one of the top priorities of the department to ensure growth and development within this sector. Covid 19 restrictions have however placed a delay on some of the interventions been undertaken by these entities namely black supplier development and skills development. The sector predominately focussed on mitigation of the Covid 19 pandemic and best practice modelling to ensure sustainability in the

sector. The sectors showed resilience during this trying time and have contributed significantly to protect their employees during this period. To cite a few examples, Original Equipment Manufacturers namely VWSA and Isuzu respectively implemented various support programmes to enhance the fight against Covid 19, VWSA – production of medical equipment and the establishment of the field hospital in NMBM, Isuzu implemented a community support programme (Gift of the givers) where they made some of their commercial trucks available to assist with the delivery of food parcels to communities and additionally, made their distribution warehouse in Coega SEZ available for the storage and distribution of medical suppliers for hospitals and other initiative.

Industrial parks is on track and will be concluded in this financial year.

Figure 7: Automotive clusters



However, the Covid 19 pandemic is not over yet, the department is maintaining the support programme to distress businesses in the province through the Manufacturing support centre and Covid 19 business support portal and the Job stimulus fund with a current allocation of R 36 million.

The revitalisation of our state-owned industrial parks remains one of the top priorities in the province. These parks need to be upgraded to provide “world class” services to current and future industrial investors in the province. As mentioned before, through support from DTI and provincial economic stimulus funding, funding of R 178,8mil have been allocated for the critical upgrading of infrastructure at these parks. The 1st phase upgrades at Dimbaza IP have been completed and the 2nd phase have commenced. The projects at Komani- and Vulindlela

With regards too many SMMEs in manufacturing cannot form part of the mainstream economy due to not being compliant to mandatory SANAS product standards and or systems standards namely ISO 9001 or others which is deemed important for specific sectors namely automotive sector – IATF (International Automotive Task Force) standards: TS16949 and others. The costs to implement these standards are very high hence affecting manufacturing SMMEs to grow in the province. In most cases, SMMEs are rejected by provincial funding institution for not demonstrating their compliance to mandatory quality standards hence affecting these companies’ ability to secure funding for green fields and brown fields projects. To address these challenges, the department have developed an EC Quality Management programme which aims to incentivise SMMEs to obtain these mandatory

standards. The programme has commenced is currently supporting 14 companies.

It is important to advance the Digital Economy for new sources of growth through catalytic investment in broadband infrastructure, innovation and other ICT-related investments. This pillar is a vital enabler across all sectors, from micro-business to large corporations. It is also key for meaningful growth of a cohort of entrepreneurs. To enhance digital

transformation in the rural and township economy, the DTIC are rolling out digital hubs across South Africa which is closely linked to the revitalisation of industrial parks programme. Through support from various entities, two digital hubs proposals are currently been developed. These are Digital hub in Komani Industrial Park driven by CHDA and an ICT Hub in the ELIDZ. Department is working closely with the DTIC and these entities to ensure these proposals come to a reality.

Below is sample statistics of vehicle production in South Africa.

Table 10: Production of passenger cars and light commercial vehicles – 2012 to 2016

	PASSENGER CARS				LIGHT COMMERCIAL VEHICLES			
	Market			Exports as a % of total	Market			Exports as a % of total
	Domestic	Exports	Total		Domestic	Export	Total	
2012	120 417	151 659	272 076	55,7	121 638	123 443	245 081	50,4
2013	113 356	151 893	265 249	57,3	127 051	121 345	248 396	48,9
2014	122 610	154 920	277 530	55,8	137 044	118 585	255 629	46,4
2015	112 576	228 459	341 035	67,0	140 790	102 664	243 454	42,2
2016	97 824	237 715	335 539	70,8	130 364	104 987	235 351	44,6

Source: NAAMSA/Lightstone Auto

The National South Africa Automotive Master (SAAM) Plan 2035 was finalised in 2018/19, which additionally results in the reviewing of the dtic's Automotive Production Development programme (APDP) – incentives for this sector. Based on the policy change, the automotive sector needs to respond to policy changes as prioritised within SAAM 2035 or risk losing the incentives provided by dtic. In response, ECAIF launched their new 4-year business strategy in Feb 2019 in East London and Uitenhage respectively. The strategy will focus intensively on the introduction of "15" new entrants / black industrialist to the automotive supply chain over these 4 years.

Agro-Industry

Agriculture and agro-processing remain sectors of importance to the Eastern Cape, with agro-processing having close links with the agricultural sector for drawing intermediate inputs. The Province is suitable for a wide variety of agricultural process due to its temperate climate and year-round rainfall. Being South Africa's main livestock holder (25% cattle, 30% sheep, and 38.4% goats), producing over 30% of the South African dairy, 30% wool and 70% of the country's mohair.

Eastern Cape derives marginal value from agricultural activity in the Province because the majority of primary agriculture products produced in the Eastern Cape continue to be exported as raw products with limited value added; R8.8 billion worth of agricultural products were exported by the

Province to the rest of the world, which resulted to a trade surplus of R8.1 billion. However, for the citrus and the deciduous fruit which continued with greater contribution on export, the global demand is on fresh products rather than processed products. On the adverse side and with regards to agro-processing; R1.8 billion and R2.0 billion worth of agro-processed products were exported and imported respectively by the Eastern Cape, which led to a trade deficit of R180.2 million. If value was added, it is likely that the surplus would have doubled although with market variation. This calls for more work towards building the provincial production and processing capacity in specific commodities such as wool, livestock, horticulture and grains in order to realise the fortunes linked with the sector.

Provincially, agro-processing is worth R7.4 billion based on the narrow definition (R10.9 billion based

on the broad classification) and has created over 21 000 jobs (21.5% of total employment in manufacturing and ranked 2nd place after transport equipment) across the Province. The direct contribution of industry to the economy was 3.4% in 2018, making it the 7th largest contributor the provincial economy's GDP behind government services (22.7%), finance (21.2%), wholesale and retail trade (19.5%), transport (8.9%), community services (7.6%) and construction (3.8%).

In 2018, Eastern Cape was a net importer of agro-processed products based on the narrow classification. The trade deficit in the industry widened from R47.3 million in 2017 to R180.2 million in 2018 as the value of imports surpassed the value of exports, affected mostly by food imports.

Tourism infrastructure

The development of tourism support infrastructure is expected to play a significant role in the recovery of the tourism sector. At the Baviaanskloof World Heritage Site which is part of the Cape Floristic Region which has been designated as one of the International Union for Conservation of Nature World Centres of Plant Diversity, the construction of an Interpretive Centre and the leopard trail hiking huts in the western side of the site have been completed. These developments supplement the existing facilities in the eastern side. This has contributed to the creation of 24 jobs during the construction period and skills development for the local communities. At the Double Drift Nature Reserve - Brakfontein Community Conservation Area, an abattoir is under construction while an access road has been completed and this will serve the hunters niche market. This initiative has created 15 jobs. These tourism facilities will enhance the product diversification in the provincial nature reserves.

Oceans Economy

It is estimated that the oceans economy has the potential to contribute up to R177 billion to Gross Domestic Product (GDP) by 2033 (compared to R54 billion in 2010) and create approximately 1 million jobs (compared to 316 000 in 2010).

The Oceans Economy provides the Eastern Cape with a unique and historic opportunity to increase levels of economic growth and employment, whilst restructuring and diversifying the economy. The Eastern Cape Oceans Economy Master Plan will be launched in 2020, in support of the policy imperatives of Operation Phakisa and the developmental needs of the people of the Eastern Cape.

As a result of the collaboration between the Provincial Government, the Department of Environmental Affairs, Forestry and Fisheries and the Nelson Mandela University, the Eastern Cape Province has produced the first provincial Oceans Economy Master Plan in support of Operation Phakisa and the unlocking of the full potential of our oceans. The Master Plan consists of a Strategic Roadmap, which details how the targets are going to be achieved of contributing R10,4 billion to the provincial GDP, whilst creating an estimated 33 785 jobs, during the first five years of implementation.

The Strategic Roadmap details the establishment of a high-impact integrated implementation capacity, which will see the establishment of a catalytic portfolio of projects. The successful implementation and coordination of the catalytic portfolio will see the establishment of a sustainable oceans economy eco-system, which will drive socio-economic development, whilst demonstrating the attractiveness of the Eastern Cape Oceans Economy as an investment destination.

The strategy also draws on the collective knowledge of research institutions in the province, to build a knowledge economy and appropriate capacity within the Oceans Economy. Developing a knowledge economy and capacity, will exponentially increase the competitive and comparative advantage of the Oceans Economy. It is envisaged that as a province, this pioneering and innovative intervention will not only diversify but also massively contribute to increased levels of economic growth, employment and well-being of the people of the Eastern Cape. However, the Department does not have the resources to implement the Oceans Economy programme and the OTP is the provincial coordinator.

Coastal and Marine Tourism Work Stream - Infrastructure projects

The following tourism infrastructure projects are underway:

- Development of coastal beaches at Ndlambe Local Municipality [funded by the Department of Tourism]. The overall implementation progress is 33% and 5 SMMEs are involved with 16 jobs created.
- Construction of tourist accommodation and administration block at Cape Morgan Nature Reserve [funded by the DFFE - EPIP]. The overall implementation progress is 60% and 4 SMMEs are involved with 30 jobs created.

- Thatch roof upgrade at Silaka Nature Reserve [funded by the DFFE - EPIP]. There are 4 SMMEs and 35 jobs created.
- Universal access provision a Dwesa Nature Reserve [funded by the Department of Tourism]. The overall implementation progress is 95%.

Coastal and Marine Tourism Work Stream - Skills Development

1. Through the ECPTA, a Kayak Guide training and First Aid (Level 3) training for four Dwesa-Cwebe community members was conducted. They will operate kayak tours at Mhashe River to add value to the Dwesa-Cwebe Nature Reserve experience. The enterprise was also provided with kayak kits and life jackets. The training has been extended to other areas in the Wild Coast.
2. Massage Therapy has been provided with the basics with which to start their massage business. Two of the Massage Therapists are placed at Haven Hotel while the other two are placed at Dwesa-Cwebe Nature Reserve. A website is being developed that will assist the Massage Therapists to market their business.
3. A Lifeguards training has been provided and the participants were from the following areas, Kob Inn, Tenza, Dwesa-Cwebe, Bulungula, Hluleka, Silaka and Mkhambathi.
4. A Service Excellence training was provided for Coffee Bay LTO members, and the training covered customer care services, communication skills, business etiquettes and professional behaviour at workplace.

Sustainable energy

South Africa continues to go through a period of constrained energy supply. The Eastern Cape is feeling the consequences of the national energy situation. However, we may reflect on the progress that has been made in the Province towards supporting the national electricity grid. The 2018 Integrated Resource Plan, which is our national roadmap for new electricity generation, sets out a path for the procurement of wind and solar power, power from liquid natural gas, and battery energy storage, among other forms.

Under Round 4 of the national procurement programme for Wind and Solar, all four wind farms that were awarded to the Eastern Cape have completed construction and are now operational. These have added 433 Megawatts of capacity to the National Grid, and include two wind farms in the Blue

Crane Route Municipality, one in the Kouga Municipality, and one in the Ngqushwa Municipality.

Including the above mentioned wind farms, we now have sixteen wind farms and 1 Solar Farm, with a total installed capacity of 1509 Megawatts that have been constructed to date. This represents R36.2 Billion in Investment Value, with 45% SA local content. R90 Million has been spent to date by the energy facilities on Enterprise Development in local communities. Furthermore, R330 Million has been spent by the wind and solar farms to date on Socio Economic Development in their local communities. 9517 Jobs Years have been achieved to date.

In October 2021 the Hon Minister of Mineral Resources and Energy announced the preferred bidders for round 5 of the National Renewable Energy Procurement Programme. Two wind farms were awarded to the EC Province as preferred bidders – one in the Chris Hani DM and one in the Sara Baartman DM. These wind farms will add an extra 224 Megawatts to the National Grid, have an estimated investment value of R 4.6 Billion, and are likely to create up to 1300 Job Opportunities at construction and operations.

Procurement Round 6, for an additional 1600 Megawatts of wind farms and 1000 Megawatts of solar farms nationally, will open soon. We look forward to a strong participation of Eastern Cape projects in this new procurement round.

In preparation for the Gas to Power procurement round, the Coega SEZ is currently working together with the Central Energy Fund and Transnet to advance Liquid Natural Gas Infrastructure.

On 12 August 2021, the Department of Mineral Resources and Energy gazetted schedule 2 of the Electricity Regulation Act which will enable private entities to generate up to 100MW of self-generated electricity without a licence. The amendment allows generators to sell electricity to one or more end-use customers, on the condition that they are registered and have secured grid connection approval. This represents a significant step in the path to improved energy security, which unlocking many billions of Rands of new investment. The Eastern Cape is well positioned to harness this potential. However, significant institutional support to smaller municipalities will be required.

The Eastern Cape is truly positioned to support national energy security while benefitting from the transformational economic opportunities of new energy infrastructure.

The Province, together with the State of Lower Saxony and a number of partners, has been working on the construction of a hybrid renewable energy minigrid at the village of Upper Blinkwater in the Raymond Mhlaba Local Municipality. This project represents a model for supplying high quality energy to deep rural villages where it is difficult to electrify with the conventional Eskom grid. The solar generation phase of the project has been commissioned, while the wind energy component, funded by the United Nations Development Programme, is currently under construction. The municipality assumes ownership and operations of the project after December 2021.

Research and development

However, there is still a gap in business intelligence, which can be used for decision making, formation and expansion of business enterprises. Partnerships would need to be established with institutions of higher learning, Statistics South Africa, Quantec, multilateral agencies, private companies among others in order to generate up to date data which can be stored on an integrated platform in the department.

The department publishes an annual socio-economic review and outlook, one of DEDEAT's flagship economic publications which provides an up to date assessment of economic performance, social progress, human development and future prospects for growth all contextualised within global, national, provincial and district municipal context.. The intention is for readers to be taken on a guided tour of the latest 'facts and figures' of the provincial economy. The publication provides a concise but broad overview of the provincial socio-economic landscape. The data used is from a range of sources, but mostly from Statistics South Africa and the South African Reserve Bank. At times, regionally forecasted data is drawn from Quantec database.

Innovation

A Provincial Innovation Strategy exists. The Department continues to support implementation of the Provincial Innovation Strategy. The ELIDZ Science and Technology Park and ECDC's Innovation programme are the key drivers for innovation in the province. Partnerships need to be established with research institutions such as CSIR, private companies among others. Research expenditure has been steadily increasing in the Eastern Cape even though it is still low.

Table 11: Eastern Cape R&D expenditure trend

	2007	2008	2009	2010	2011	2012	2013	2014	2015
R&D expenditure (million R)	827	889	1 121	1 049	1 279	1 464	1 479	1 734	2 143
Eastern Cape expenditure on R&D as a percentage of GERD	4.4	4.2	5.4	5.2	5.8	6.1	5.8	5.9	6.6
BERD (million R)	283	316	321	218	355	468	646	608	652
Percentage of business R&D expenditure	2.6	2.6	2.9	2.2	3.4	4.4	5.5	4.6	4.7
Percentage of state-owned entities' R&D expenditure	0.0	0.0	0.0	0.4	1.2	1.3	1.2	0.9	0.2
Percentage of NPOs' R&D expenditure	2.8	2.8	4.3	6.0	5.6	5.1	4.4	3.5	2.4
Percentage of government's R&D expenditure	10.6	9.5	9.4	11.3	10.3	13.5	7.9	12.0	11.2
Percentage of science councils' R&D expenditure	4.8	5.5	4.5	4.2	4.8	4.5	2.7	5.2	4.7
Percentage of higher education R&D expenditure	7.6	6.8	10.5	10.3	9.2	8.1	7.6	7.3	9.9

Source: National Survey of Research and Experimental Development (HSRC and DST)

It is also concerning that the according to the Gross Innovation Index, South Africa's competitiveness has been falling behind. It means there is increasingly less innovation taking place in the country.

Table 12: Trends in South African ranking on the Gross Innovation Index

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
GCI ranking	45	45	54	50	52	53	56	49	47	61
Number of participating countries	107	130	132	125	141	148	144	140	138	137

Source: World Economic Forum, 2019

Office of the Consumer Protector

The Eastern Cape Consumer Protection Act, 2018 (Act no. 3 of 2018) was assented to and proclaimed as from the 1st June 2020. The Act established the Office of the Consumer Protector and provided the Consumer Protector and officials within the Office with necessary powers and functions within the Eastern Cape.

The purpose of the Act is to promote and advance the social and economic welfare of consumers in the Province, to ensure the enjoyment and protection of the consumer rights recognised and conferred by Chapter 2 of the Consumer Protection Act on consumers in the Province, in particular those vulnerable consumers.

The Office has identified the need to empower consumers in the Eastern Cape on their rights and responsibilities as consumers to ensure that they make informed decisions and commitments in the consumer market.

The Office of the Consumer Protector in the Province of the Eastern Cape is responsible for the enforcement of all Consumer Protection laws that apply in the Province and does so through various mechanisms such as the amicable resolution of consumer complaints by utilising alternative dispute resolution mechanisms, investigation of prohibited conduct in terms of the Consumer Protection Act, capacity building and awareness creation relating to Consumer Protection and the promotion of voluntary compliance by business.

Counterfeit, illicit and expired goods are a huge challenge in our country and are detrimental to the safety of vulnerable consumers and the economy of the Republic of South Africa. Counterfeit goods drain the global economy, jeopardises innovation investment, undermines legitimate business and poses risks to consumers health and safety. Counterfeit and expired goods contribute negatively to loss of sales, revenue and profit margins, over production costs, fraudulent product warranty claims, product liability, brand and reputational

damage. The purpose of the Consumer Protection Act provides for promotion and advancement of the social and welfare of consumers in South Africa by reducing and ameliorating any disadvantages experienced in accessing any supply of goods or services, promoting fair business practices and protecting consumers unconscionable, unfair, unreasonable, unjust or otherwise improper trade practices.

To assist and enhance the protection of consumers within the Eastern Cape it is necessary to ensure that a collaborative approach is undertaken especially in respect to compliance. The importance of integration of services and possibility of strengthened stakeholder relations in execution of different organisational mandates is crucial to ensure improved protection for citizens of the Eastern Cape.

Ease of doing business

The ease of doing business is often failed by onerous processes, equivocal instructions, systems that are patchy and do not improve output, efficiency or quality. It is therefore important that the policy instruments articulate a clear purpose, offer sensible risk mitigation assurance to investment and that the design of administrative systems contribute to reduce needless red-tape including the related cost. This also requires a constant assessment of the operating environment to appreciate the demands essential to maintaining the relevance these systems through modification and adoption of value improvement measures.

The red-tape reduction is one of the strategic interventions that strive to realise administrative efficiencies, the bylaws are essential to providing a regulatory environment that is attractive and boosts confidence of business or investors in a spatial area of a municipal jurisdiction. The second intervention relates to the regulatory review which is two-fold. One aspect of which is to promote the adoption of a regulatory framework that provides for mutual coexistence of corporate, formal and informal enterprises in the market, the other focuses on the providing

regulation for liquor and gambling activities taking place within the Province. Packaging of information on processes to follow, available demarcated or secured business zones for business location, special conditions and incentives attached to these is essential to guiding investors to aspects befitting their areas of interest.

The National Treasury Support Programme provides identifies location endowments; relationship with city (soft power); general business environment and level of sector development as some of the key drivers of investment drivers by firms Source: WB 2015 City Competitiveness report. The ease of doing

business is therefore dependent on function of multiple and interrelated factors.

The business environment has to be sound if any meaningful investment is to be attracted. The World Economic Forum (WEF) publishes annual the Ease of doing business index annually. In 2019, it was noted that South Africa made starting a business easier by reducing the time for online business registration. South Africa improved the monitoring and regulation of power outages by beginning to record data for the annual system average interruption duration index (SAIDI) and system average interruption frequency index (SAIFI). A customised ease of doing business index needs to be developed for the Eastern Cape province.

Table 13: Country table on doing business

SOUTH AFRICA		Sub-Saharan Africa		GNI per capita (US\$)	
Ease of doing business rank (1–190)	82	Ease of doing business score (0–100)	66.03	Population	56,717,156
✓ Starting a business (rank)	134	Getting credit (rank)	73	Trading across borders (rank)	143
Score for starting a business (0–100)	81.22	Score for getting credit (0–100)	60.00	Score for trading across borders (0–100)	59.64
Procedures (number)	7	Strength of legal rights index (0–12)	5	Time to export	
Time (days)	40	Depth of credit information index (0–8)	7	Documentary compliance (hours)	68
Cost (% of income per capita)	0.2	Credit bureau coverage (% of adults)	67.3	Border compliance (hours)	92
Minimum capital (% of income per capita)	0.0	Credit registry coverage (% of adults)	0.0	Cost to export	
				Documentary compliance (US\$)	55
Dealing with construction permits (rank)	96	Protecting minority investors (rank)	23	Border compliance (US\$)	1,257
Score for dealing with construction permits (0–100)	68.25	Score for protecting minority investors (0–100)	73.33	Time to import	
Procedures (number)	20	Extent of disclosure index (0–10)	8	Documentary compliance (hours)	36
Time (days)	155	Extent of director liability index (0–10)	8	Border compliance (hours)	87
Cost (% of warehouse value)	2.0	Ease of shareholder suits index (0–10)	8	Cost to import	
Building quality control index (0–15)	12.0	Extent of shareholder rights index (0–10)	8	Documentary compliance (US\$)	73
		Extent of ownership and control index (0–10)	7	Border compliance (US\$)	676
		Extent of corporate transparency index (0–10)	5	Enforcing contracts (rank)	115
✓ Getting electricity (rank)	109	Paying taxes (rank)	46	Score for enforcing contracts (0–100)	54.10
Score for getting electricity (0–100)	68.79	Score for paying taxes (0–100)	81.13	Time (days)	600
Procedures (number)	5	Payments (number per year)	7	Cost (% of claim value)	33.2
Time (days)	109	Time (hours per year)	210	Quality of judicial processes index (0–18)	7.0
Cost (% of income per capita)	156.7	Total tax and contribution rate (% of profit)	29.1		
Reliability of supply and transparency of tariffs index (0–8)	4	Postfiling index (0–100)	60.28	Resolving insolvency (rank)	66
				Score for resolving insolvency (0–100)	54.49
Registering property (rank)	106			Time (years)	2.0
Score for registering property (0–100)	59.32			Cost (% of estate)	18.0
Procedures (number)	7			Recovery rate (cents on the dollar)	34.5
Time (days)	23			Strength of insolvency framework index (0–16)	11.5
Cost (% of property value)	7.8				
Quality of land administration index (0–30)	15.0				

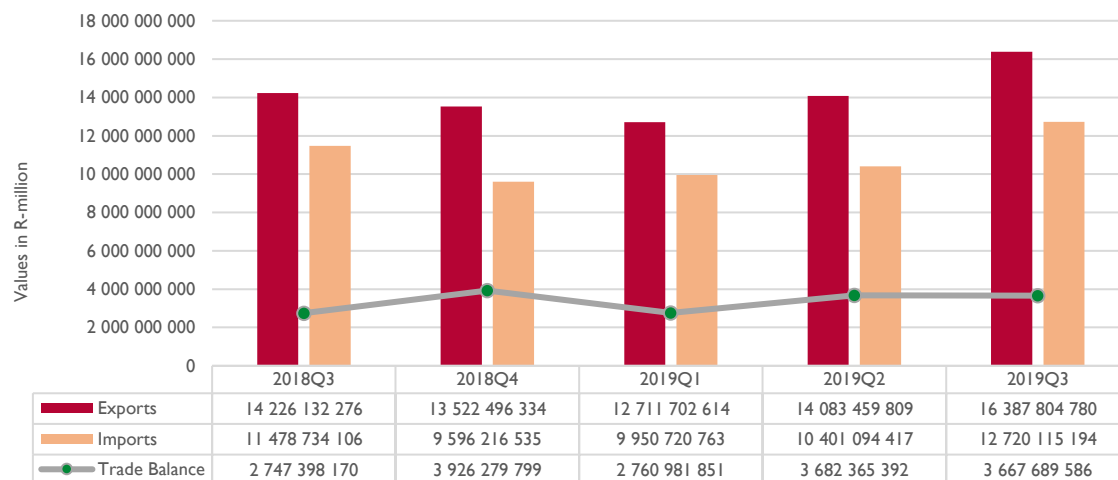
Source: World Bank Group, 2019

Trade & Service industries

Trade continues to be the positive contributor to growth in the Eastern Cape, the trade surplus amplified to R3.7 billion in the third quarter of 2019, supported by an increase in the net value of agricultural products, fisheries products, textiles and transport equipment. Five of the Eastern Cape regions recorded positive trade in the third quarter of

2019, with the Sarah Baartman District and the Nelson Mandela Bay Metropolitan the main contributors to the province, with a trade surplus of R2.2 billion and R1 766 billion each. Eastern Cape export merchandise increased by 16.4%, while import merchandise augmented by 22.3%.

Figure 8: Eastern Cape Trade Balance, 2018q3 – 2019q3



Source: Quantec and ECDC calculation

Five of the Eastern Cape regions recorded positive trade in the third quarter of 2019, with the Sarah Baartman District and the Nelson Mandela

Bay Metropolitan the main contributors to the provincial performance in terms of trade.

Table 14: Eastern Cape Trade Development by District, 2019q2 – 2019q3

Exports			Imports			Trade Balance	
	2019q1	2019q2	2019q3		2019q2	2019q3	2019q3
R-million							
Sarah Baartman	688.4	1 231.3	2 630.3	Sarah Baartman	388.1	446.4	2 183.9
Amathole	2.3	46.4	128.4	Amathole	26.9	15.3	113.1
Chris Hani	33.6	25.6	33.3	Chris Hani	7.2	9.9	23.3
Joe Gqabi	802.3 thousand	1.2	1.7	Joe Gqabi	14.2	19.3	-17.6
OR Tambo	0	3.4	635.8 thousand and	OR Tambo	2.4	2.9	-2.3
Alfred Nzo	15.9	17.2	16.9	Alfred Nzo	1.1	856.7 thousand	16.0
Nelson Mandela Bay	11 651.7	12 339.5	13 105.1	Nelson Mandela Bay	8 943.4	11 328.4	1 776.7
Buffalo City	318.9	418.9	471.5	Buffalo City	1 017.7	896.9 thousand	-425.4

Source: Quantec and own calculations

Tourism

Tourism is a sector of strategic importance to the Eastern Cape, however, its efforts to attract and retain international tourists continues to lag behind compared to other provinces, which continue to capture the majority of international tourists and spending due to established tourism products and brands. Some of the challenges facing the Eastern Cape include the lack of ability to retain its international tourists, hence the number of international tourists into the province varies. International arrivals in South Africa were already in decline before the COVID-19 outbreak e.g. in 2018 there were 10 472 105 (with revenue generated estimated at R3.4 billion) and in 2019 there were 10 228 593 (with revenue generated estimated at R3 billion). In 2020, there were 2 802 320, out of which only 3.9% visited the Eastern Cape, spending R948 344 749 compared to R3 billion in 2019]. The average number of nights spent was 12.3 which is second best behind the Western Cape. It is to be remembered that international tourism was prohibited during the COVID-19 induced economic lockdown.

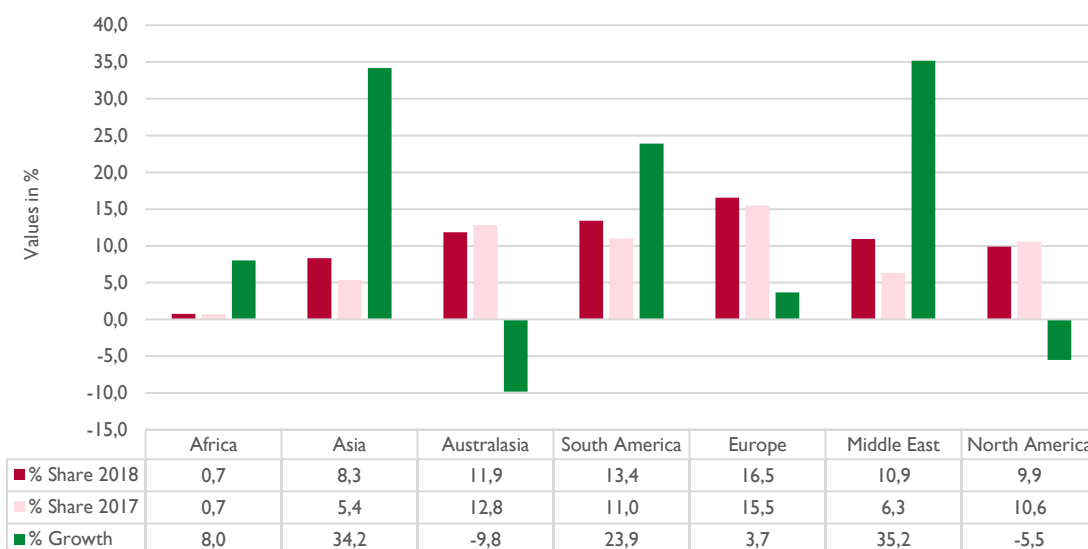
In terms of domestic tourism, in 2019 there were 2 096 776 domestic tourists with revenue generation estimated at R3.1 billion. The Eastern Cape

regressed in terms of ranking to 8th among the 9 provinces in 2019. In 2020, despite the COVID-19 pandemic, there were 3 798 971 domestic trips. This has placed the Eastern Cape at number 1 in the country in terms of domestic trips undertaken. The amount generated is estimated at R7.3 billion. This performance is unprecedented in recent history given that the results have not exceeded all imaginations.

The development of proper tourism support infrastructure (roads, communication, and other facilities), small town development e.g. the development of coastal areas such as the Wild Coast, Port St Johns and other areas are some of the key strategic interventions required for tourism growth and development.

By 2030, the South African government target is to attract more than 21 million international tourists into the country. The outbreak of COVID-19 has significantly disrupted all economies and all of tourism. under the guidance of the national government, the Eastern Cape has developed the Tourism Recovery Plan which must be properly funded in order to assist the sector to pursue the recovery trajectory.

Figure 9: Eastern Cape Source Markets for Travel and Tourism, 2017 - 2018



Source: South African Tourism Index and ECDC calculation

Table 15: Domestic Travel Trends by Destination Province, 2018 – 2019

Trips (domestic) - by DESTINATION province				
Province	2019	2020	2019 Ranking	2020 Ranking
Eastern Cape	2 096 776	3 798 971	8	1
Free State	3 537 526	2 052 872	5	5
Gauteng	6 674 593	3 332 164	1	3
KwaZulu Natal	6 198 264	3 407 452	2	2
Limpopo	4 170 850	1 478 520	4	8
Mpumalanga	2 546 151	1 567 653	6	7
Northern Cape	868 736	596 347	9	9
North West	2 395 704	1 623 660	7	6
Western Cape	4 431 140	2 642 302	3	4
TOTAL	32 919 740	20 499 942		

The province is also in the process of developing and marketing signature events such as Berlin Traditional Horse Racing, Buyelekhaya, Makhanda National Arts Festival, Isingqisethu Music Festival among others. These events are in the music festivals, sports and cultural, religious gatherings, etc. This is designed to develop and promote tourism in the province. The work includes identification and support of domestic events that have a potential of being signature events during low season and in less visited destinations.

Biodiversity economy

The biodiversity economy covers both flora and fauna. This is designed to conserve the diversity of landscapes, ecosystems, habitats, biological communities, populations, species & genes and promote conservation and sustainable use of natural resources in the Eastern Cape. The department together with the ECPTA are the key drivers for developing the biodiversity economy in the province.

The National Biodiversity Economy Strategy was adopted by the country after realizing that there are benefits to be derived from biodiversity (e.g. medicine, cosmetics). Key focus areas include wildlife Economy, bioprospecting and eco-tourism. The wildlife economy is driven by the ECPTA and while bioprospecting economy is driven by the Department.

The biodiversity Lab identified 25 plant species which have been used in bioprospecting. Fourteen of these plants occur in the Eastern Cape while 3 species in the Eastern Cape have been identified for mass cultivation, namely *Aloe ferox*, *Perlagonium* and *Honeybush Tea*. For *Aloe ferox*, there is a community in Peddie (Ngqushwa) –Tyhefu where cultivation will take place. There is EPIP funding from DFFE for the construction of a multipurpose processing facility, processing hub to support smaller *Aloe ferox* projects in the Eastern Cape. The management plans have been gazzeted for effective use. A Honey Bush Tea Community of Practice (COP) has been established, which is chaired by both the Eastern Cape and Western Cape provinces. Discussions on the COP include skills gap analysis of Honeybush value chain and market and also transformation in the Honeybush industry.

Economic transformation

At the beginning of his first term of office, Premier of the Eastern Cape, Oscar Mabuyane, said his term will have a focus on economic transformation in the province with particular focus on the province's agriculture, automobile and tourism industries. Different sectors and industries have different transformation targets. Currently there is no consolidated portal that shows different levels of transformation across different sectors over the years. Below, the department gives a snapshot of transformation in three areas: auto industry, agro and liquor.

In the auto sector, the review of the APDP in 2015 has seen a gradual shift away from numerical targets towards greater focus on job creation, localisation support and transformation. The component sector with higher employment multipliers, is a sector that has been identified as a priority for deepening the automotive value chain and seeing real economic transformation. The revised Broad Based Black Economic Empowerment (BBBEE) came into effect in May 2015 and have placed transformation and compliance in the spotlight for the automotive industry. Industry has come out with concern over the implementation of the revised BBBEE codes, with locally based multinational manufacturers such as Volkswagen indicating they will find it impossible to achieve a Level 4 rating, as they cannot score on the ownership criteria. This would entail some form of ownership transaction and for multinationals this is a tough ask as they are unwilling to dilute their ownership. NAAMSA has indicated that they are considering an Automotive Industry Sector Charter due to the difficulty compliance is creating. OEMs have indicated that the thresholds and targets for automotive industry are unachievable and all OEMS but General Motors could possibly reach Level 8 with General Motors achieving a Level 7 (Cokayne, 2016).

VWSA undertook a Black Supplier Day in Uitenhage to find nationally black owned manufacturers in any sector who could move into automotive manufacturing. The results of the nationally advertised event were the identification of 41 companies. This fell way short of the VWSA's needs as it requires 500 suppliers to comply. Transformation and meeting the revised codes has been identified as a key challenge for the industry going forward. VWSA has implemented actions around the creation of a trust with an incubator to help develop future suppliers. There is however expected to be more pressure on existing suppliers

to change their ownership structures so as to continue supplying (IOL, 2016).

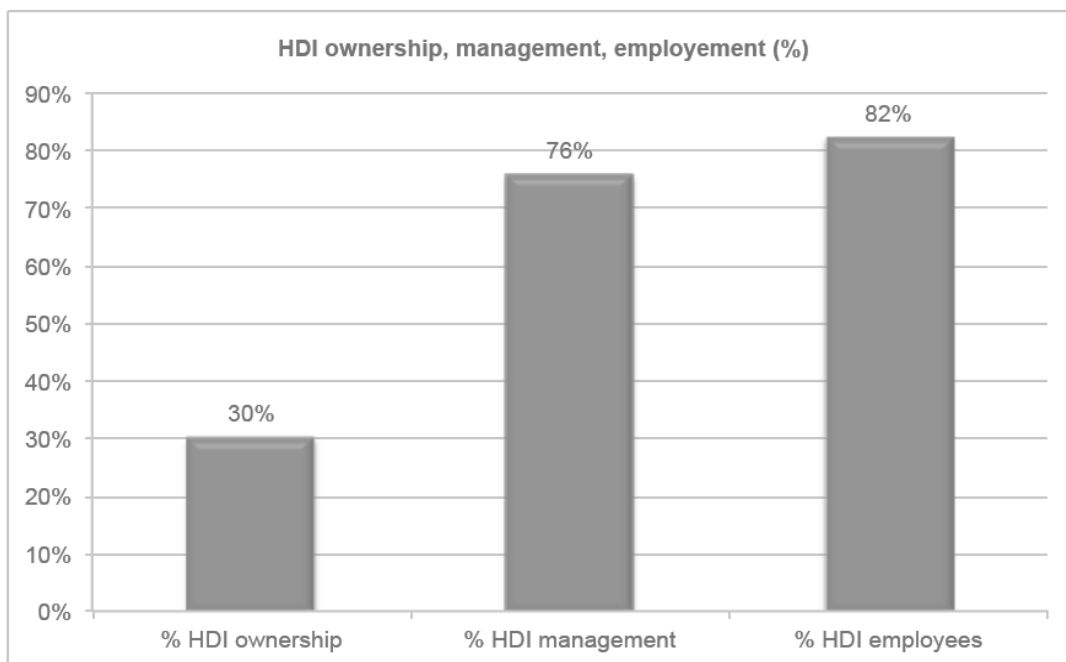
A number of supplier development models are being piloted. AIDC Gauteng has undertaken an Automotive Incubation Centre approach of which its first incubate graduated in 2016. The centre was established to develop and support Black-owned businesses during the first critical phase of their development and to move on to perform value-added sub-assembly work for Tier 1 suppliers on the Ford Ranger assembly (AIDC, 2016). Other initiatives that have been undertaken include education and awareness building on BBBEE codes with component manufactures as undertaken by ECAIF.

All the sectors of the economy should be transformed. Tracking and supporting these will be

part of the economic development agenda going forward. Some areas are totally untransformed, e.g. the fact that currently only 1.7% of formally marketed citrus is produced by black producers remains an indictment on the rate of transformation in the agro-industry and is a call for a step-change in the transformation agenda. (<https://www.bizcommunity.com/Article/196/358/159055.html>)

In the liquor industry, ownership is at 30% in the Eastern and yet, this should be a retail sector with little barriers for entry. The following profile prevails although the employees are pre-dominantly HDI:

Figure 10: HDI ownership, management, employment (%) – Wholesale / retail trade in liquor industry



Source: Strategic EDGE Solutions Survey of the Eastern Cape Liquor Industry (2014)

Liquor & gambling regulation

Through the ECGB, the province has licenced gambling operators who generate about R200 million in revenue to the provincial fiscus every year. These are divided into casinos, route operators and independent site owners.

Table 16: Eastern Cape casino operators per zone

District Municipality	Zone	Casino	Location	Expiry Date	Term of License
Nelson Mandela Bay Metropolitan Municipality	Zone 1	Emfuleni Resorts (Pty) Ltd t/a The Boardwalk Casino	Gqeberha	2025	15 Years
Buffalo City Metropolitan Municipality	Zone 2	Tsogo Sun Emonti (Pty) Ltd t/a Hemingways Casino	East London	2026	15 Years
Chris Hani District Municipality	Zone 3	Zitolor (Pty) Ltd t/a Queens Casino	Queenstown	2037	20 Years
OR Tambo District Municipality	Zone 4	Mayfair Casino (Pty) Ltd (2014/147296/07) t/a Mayfair Casino	Mthatha	2038	20 Years
Alfred Nzo District Municipality	Zone 5	Transkei Sun International Ltd t/a Wild Coast Sun Casino	Mzamba Bizana	2041	20 Years

Source: ECGB, 2021

Table 17: Eastern Cape casino statistics

Description	Bizana: Wild Coast Sun Casino	Gqeberha: Boardwalk Casino	East London: Hemingways Casino	Queenstown: Queens Casino	Mthatha: Mayfair Casino
Date Opened	September 2021	October 2010	September 2011	December 2017	December 2018
Operator	Wild Coast Sun International Ltd	Emfuleni Resorts (Pty) Ltd	Tsogo Sun Emonti (Pty) Ltd	Zitolor (Pty) Ltd t/a Queens Casino	Mthatha Casino (Pty) Ltd
Management Company	Sun International Management Ltd	Sun International Management Ltd	Tsogo Sun Casino Management Company	African Pioneer Gaming (Pty) Ltd	No management company
Total Capital Investment (Rm)	R2.6 Billion	R2 Billion	R400 Million	R151 Million	R141 Million
Total Employees	138	135	127	52	42
Slot Machines	548	792	537	191	80
Tables	18	60	16	10	7
Electronic Player Terminals	8	8	-	8	16

Source: ECGB, 2021

Table 18: Route operators:

Description	Vukani Gaming Eastern Cape (Pty) Ltd	Pioneer Slots (Pty) Ltd
Date License Issued	29/03/2012	01/03/2013
Date License Expires	31/03/2027	29/02/2028
Number of Sites Licensed	125	71
Registered Employees	374	308
Total Slot Machines	870	882

Source: ECGB, 2020

Table 19: Independent site owners:

District Municipality or Metro	Licensed ISO	Location of ISO in the province	LicenseDate License Issued	Date License Expiry	Employment Created	No. of LPMs	Investment Value
Nelson Mandela Bay Metro	Spin & Win Uitenhage	Kariega	29/03/2018	28/03/2038	24	30	No new investment ³
	Royale Aces	Bay West, Gqeberha	27/09/2019	26/09/2039	12	30	R5.6 Million
Alfred Nzo District	Spin & Win Mbizana	Mbizana	29/03/2018	28/03/2038	14	30	No new investment ⁴
	Spinners Mount Frere	Mount Frere	01/11/2019	31/10/2039	16	40	R2.3 Million
Joe Gqabi District	Golden Palace Sterkspruit	Sterkspruit	07/11/2019	06/11/2039	19	40	R928,974.69
Total					76	170	R8.8 Million

Source: ECGB, 2021.

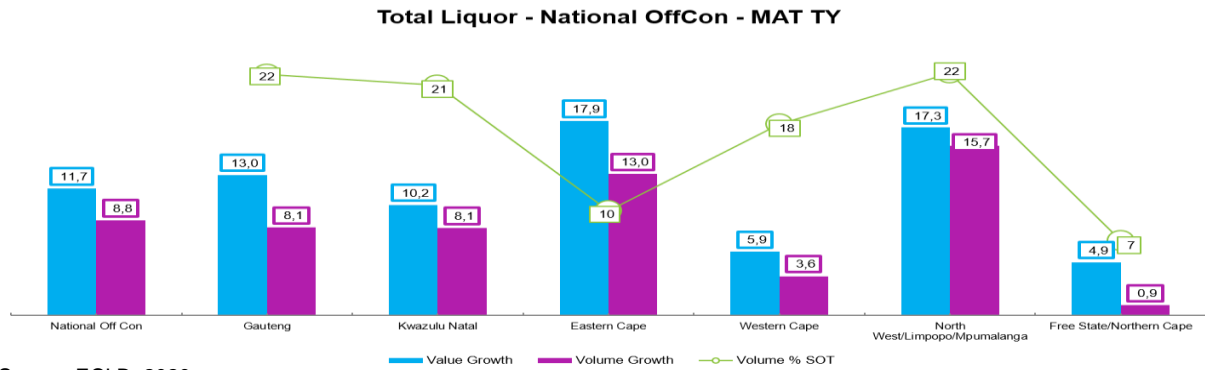
In terms of the liquor industry, the Nielson is growing ahead in the liquor category in value and volume at 10% share of trade; the Eastern Cape has spent R6 billion in the past year. This reveals that the liquor industry is a strong force in the South African

economy and society although frequently in the limelight for the associated negative social consequences of the overconsumption of alcohol. Secondly, the liquor industry is an important economic driver and supplier of employment.

Figure 11: Growth of liquor trade value and volume

EASTERN CAPE IS GROWING AHEAD OF LIQUOR CATEGORY IN VALUE AND VOLUME AT 10% SHARE OF TRADE

WC & FS/NC are growing behind the liquor category



Source: ECLB, 2020

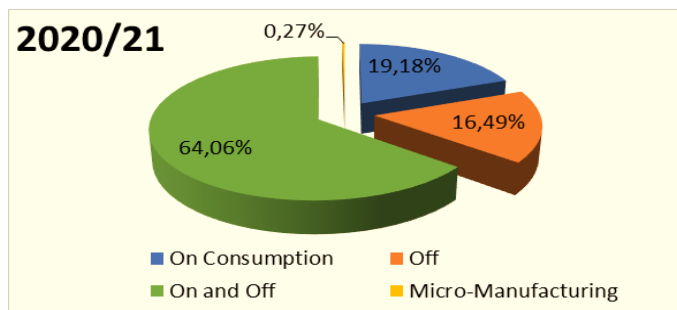
In light of the above facts, the ECLB has to work hard to ensure that it promotes a responsible liquor industry through a rigorous process of issuing liquor licenses. As licenses are issued, the ECLB is also seized with the responsibility of enforcing compliance with trading conditions that impact on communities. There is also the proliferation of unlicensed liquor outlets throughout the Province, which is a concern because if they are not licensed it simply means that they sell alcohol without any conditions, which puts communities at a huge risk. They also represent an unfair competition to the licensed liquor outlets and loss of state revenue. The ECLB is however working tirelessly with its stakeholders to try to nip this problem in the bud. A total of 450 illegal liquor traders were issued with the

Notice to Appear in Court with an Option to Pay a Fine (J534) amounting in total to R414 220.00 while liquor to the value of about R398 309.00 was confiscated from these illegal outlets and will be disposed of once the criminal proceedings have been finalized. Illegal trading activities result in an excess of R1.5 million in revenue lost by the province each year.

The total number of active licenses as at 31 March 2019 was 7 176 with most licenses being on and off consumption licenses of which 772 were new licenses approved in the 2018/19 financial year. These licences have contributed R23 364 545 which was paid into the provincial revenue fund during the 2018/19 financial year.

The table below reflects on active licenses by categories.

Table 20: Active liquor licences by categories



2020/21		%
On Consumption	1422	19,18%
Off	1223	16,49%
On and Off	4750	64,06%
Micro-Manufacturing	20	0,27%
Total Number of Licences	7415	

Source: ECLB, 2021

The ECLB's contribution to the economy's GDP is through the registrants licensing fees. As the liquor

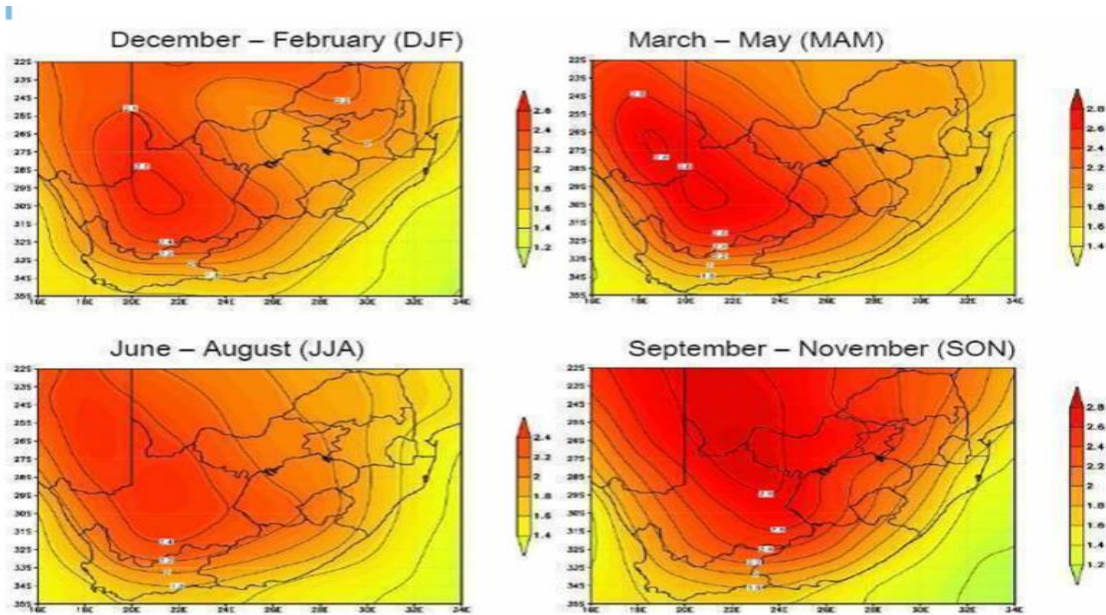
regulator in the Province, the entity works hard to ensure that it fulfils the mandate of promoting a

responsible liquor industry through a rigorous process of issuing liquor licences. As at 31 March 2021, the entity had a total of 7 415 active licences in the province that comprise of different types, such as on-off consumption, on-consumption, off-consumption, and micro-manufacturing. The figure below provides the detailed categorization of licences.

Climate change

The Eastern Cape is expected to experience highest temperature increases towards the northwest interior, while lowest increases are likely along the coast (Figure 22). Associated with the higher temperature will be increases in evaporation rates and increased intensity of droughts.

Figure 12: Temperature mapping



With the drought and heat, bush fires are likely to occur. This impacts on flora and fauna of the province. Lack of water is also a challenge as a result of climate change. This also impact on normal functioning societies and industries. The department will therefore activate its climate change response strategy. Although there is limited funding, the department will explore partnerships and try to leverage resources from other departments and

entities such as the Global Environmental Facility (GEF).

Services

The tertiary sector share of GDP_R contribution has been shrinking in the Eastern Cape province. This is a sector that should be growing at a faster rate and should be promoted. Trade in services is increasingly becoming easier owing to increased connectivity between individuals, households and companies.

Table 21: Tertiary Sector GDP_R Contribution by Province, 2010-2020

	2010		2015		2020	
	[% share]	Rank	[% share]	Rank	[% share]	Rank
WC	14.7	3	14.8	3	14.8	3
EC	9.0	4	8.6	4	8.6	4
NC	1.8	9	1.8	9	1.7	9
FS	5.1	7	5.0	7	5.0	7
KZN	15.8	2	15.8	2	15.7	2
NW	4.9	8	4.8	8	4.8	8
GP	37.1	1	37.7	1	38.0	1
MP	5.3	6	5.2	6	5.2	6
LP	6.3	5	6.2	5	6.2	5

Source: Coega calculation based on Quantec Research data

The following mandate aligned situation analysis in relation to the external environment is presented. Opportunities in *italics* means these opportunities have a high probability of materialising with higher potential impact on the positive outcomes of the Department. Threats in *italics* means these threats have a high probability

of occurring with potential severity in preventing the Department from achieving its outcomes. The external environment should be read in conjunction with the regular publication of the Department called Socio-Economic Review and Outlook (SERO, 2020).

Table 22: Opportunities and Threats

External Analysis	Opportunities	Threats
Political	<ul style="list-style-type: none"> - <i>New leadership in Departments being appointed</i> - <i>New energetic leadership at national and provincial level</i> - No political infighting - Accountable government through clusters - Fresh political mandate to run over 5 years - Province establishing twinning arrangements with other countries and cities - Clear political directives (x12) 	<ul style="list-style-type: none"> - <i>Government institutions have no capacity especially at local government level</i> - Cluster system not functional to achieve the desired results - Governance has deteriorated - <i>Poor coordination of activities across Departments and with private sector</i> - <i>Cue from the 6th Administration: Effective policy implementation</i> - <i>Mandate management by local municipalities i.e electricity, waste removal, street cleaning. Political unrest if not managed – lead to Investment reduction – no service delivery – social unrest – lack of trust in all government spheres.</i> - <i>Collaboration of municipal and provincial entities - entities generate revenue, e.g alignment in policies such as EC Liquor Board and those of municipalities</i> - <i>Global political instability</i>
Economic	<ul style="list-style-type: none"> - <i>3 Universities and other institutions of higher learning</i> - Vast coastline - <i>Pristine environment & biomes (x7)</i> - <i>Natural beauty of the Province</i> 	<ul style="list-style-type: none"> - Unreliable Electricity Supply - Deterioration of infrastructure such as electricity networks, rail and communications infrastructure due to theft and vandalism. - Economic Consequences of COVID19 Disaster.

External Analysis	Opportunities	Threats
	<ul style="list-style-type: none"> - Funding at national level (e.g. R1 billion for business incubation) - Funding in the private sector (R1.4 trillion in cash not invested) - <i>Emergence of sustainable energy e.g. wind farms through REIPPP</i> - Modularize and diversify product mix - Integrated Resources Plan for energy - EC Automotive Masterplan 2035 - Changes in BBBEE act – sectoral transformation requirements; - <i>LED Procurement framework</i> - <i>South African Automotive Masterplan (SAAM) 2035 and Auto sector response strategies;</i> - <i>EC Maritime Manufacturing localization support programme – Ocean’s economy</i> - <i>Competitiveness enhancement through industrial cluster support programmes (PtSA, ECAIF and NAM)</i> - Agro Industry Development Action Implementation Plan developed - <i>Technology Innovation Agency openness for collaborating with the Department</i> - National Treasury and World Bank potential support for industry development support (value chain development mainstreaming in government sector Departments programmes - <i>Leverage on resources of other stakeholders</i> - Partnerships with communities. - <i>Market opportunities e.g global markets</i> - <i>South Africa Digital hubs programme linked to State-owned Industrial Parks</i> - <i>Upgrade signature events (Berlin, Buyelekhaya, Makhanda National Arts Festival) through advertising and branding.</i> - SLA to expand routes and economic opportunities - Implementation of Provincial Investment Council - Establishment of the InvestSA One Stop Shop in the EC. - Strong national focus on infrastructure led economic recovery. - Africa Continental free trade area - National and Provincial investment conference 	<ul style="list-style-type: none"> - Changing nature of the auto sector presents risks to investments in the EC - Trade wars between USA and China have negative impact on Province - Low incomes - <i>Competition among partners wastes resources</i> - <i>Unstable investment climate</i> - Limited innovation support - Distressed industries - Lack of incentives for investments - Limited power generation - Highly indebted consumers - <i>Land Tenure in Former Homelands impact on investments in wind farms</i> - <i>Inadequate product packaging (routes, heritage sites, etc).</i> - <i>Government funding is decreasing</i> - Agriculture based economy being impacted by drought/ climate change - <i>labour intensive sectors are declining and shedding jobs;</i> - Economic infrastructure poorly maintained and deteriorating - Access to finance is limited - Low productivity - Poor investment in grid transmission infrastructure - Uncompetitive products - Delays in payment of suppliers/ SMMES - <i>Logistics is poor</i> - <i>Level of entrepreneurship in the Province is low</i> - <i>Red tape</i> - Poor implementation of economic policy - Limited access to technology - Tax burden - Lack of coordination of economic activities - Purchasing power of the EC is low - Business confidence is low - <i>Low economic growth (0.8%)</i> - <i>High unemployment (29%) especially for youth (54%)</i> - Economy not diversified (dominated by the auto sector) - <i>Poor entrepreneurship ecosystem</i> - Low investment levels (approx. 18% of GDP) - Economy concentrated in the Metros - Ease of doing business is poor - Resource utilities and access under strain– e.g. water, waste - Limited transformation - Increased competition for funding from national level - Lack of comparative and competitive advantage of the region - Limited investment in industrial infrastructure - Lack of market development - Limited industrial capability - Manufacturing sector declining - <i>Limited access to markets</i> - Exorbitant cost to access the Eastern Cape

External Analysis	Opportunities	Threats
		<ul style="list-style-type: none"> - Economic reconstruction and recovery plan – investment in infrastructure, no fiscal support to fund that. - Informal sector support – difficult, if they are not registered, they must be tracked. - Government cannot invest in enterprises that are not compliant - Depreciating Rand – Moodys and Fitch lower ratings – reduce FDI – in SA – National, Provincial and Local government is negatively affected – management of perceptions. - Speedy Authorizations, Green Economy, Job Creation, Environmental Education for COVID-19 relief for informal Sector - War between Russia and Ukraine
Social	<ul style="list-style-type: none"> - <i>Demographic shifts towards younger population</i> - <i>Strong cultural assets</i> - <i>Deep levels of unemployment exacerbated by the COVID19 disaster.</i> 	<ul style="list-style-type: none"> - Social unrest – strikes at municipal level - Invasion of properties - <i>Limited Skills (mismatch, critical skills and immigrating of skill to other provinces and countries)</i> - <i>Consumers are highly indebted and consumptive expenditure patterns</i> - Youth mostly impacted by unemployment - <i>High crime and corruption rate</i> - <i>Undocumented immigrants</i> - <i>Littering and waste</i> - Urbanization increasing and presenting pressure on services - Absence of safety and security - <i>Net outward migration (20% of skilled) impacts on equitable share</i> - <i>Lack of collaboration and partnerships with neighboring countries/ other Departments</i> - The government sector dominates employment - Living standards gone down - More people in need of housing - Poverty rates are high (between 24 – 40%) - <i>High inequality (gini coefficient- 0.68)</i> - Low buying power - Career path in higher education not aligned to industry needs - Job losses - High Unemployment - Social unrest - Skills shortage – capacity building - Skills migration – to entice them - Climate Change vulnerability and unsustainable land uses and pollution of the Environment - Drought and flooding
Technological	<ul style="list-style-type: none"> - <i>Investments & potential in wind and gas energy</i> - <i>High penetration rate of cellphones</i> - Pockets of technology excellence, e.g. MBSA - Digitalisation is here to stay. This should be the 5th basic service. Technology is proving to be critical for e-commerce and online meetings. - E-learning has improved 	<ul style="list-style-type: none"> - <i>Rate of technology (4IR) impacting on employment and others</i> - Emergence of e-commerce impact on brick-and-mortar businesses e.g., banks closing branches - Less use of technology when transacting - <i>Broadband penetration is low</i> - E-learning not accessible to everyone - <i>Low recycling of waste</i> - <i>EC not fully ready with 4IR</i> - Limited innovation centers in the Province

External Analysis	Opportunities	Threats
		<ul style="list-style-type: none"> - Limited R&D funding - Manufacturing in 2nd and 3rd tier level on technology - Load shedding and Energy Constraints - Rollout of broad band – slow progress – to drive technological infrastructure. –WC model implementation – replication - Drones to improve efficiency as well as real time satellite, aging infrastructure - Scam emails and SMSs
Legal	<ul style="list-style-type: none"> - <i>New legislation on waste processing can stimulate alternative economy</i> - SEZ Act being reviewed to enhance operations - Number of Acts of entities being reviewed to enhance their operations and governance - Competition laws can be enhanced - Improved Consumer Protection law to enhance protection of rights of consumers - <i>Good National environmental legislation</i> 	<ul style="list-style-type: none"> - Trade regime changes e.g., AGOA, BREXIT - No changes to employment laws - <i>Incomplete revisions to some Acts, e.g. ECPTA, ECDC</i> - Increased litigious environment - <i>Licensing delays</i> - <i>High compliance requirements with legal and regulatory environment</i> - Increased influx of counterfeit and hazardous goods which are not compliant with laws - Tourism industry – renting out of space by ECDC – affected by Covid19 – enterprises not generating income, yet department expects rentals. High risk - Consistency is required to cover the MEC in case of litigation - Non- compliance for relevant legislation for business - Outdated provincial environmental legislation
Environmental	<ul style="list-style-type: none"> - <i>Environmental assets opportunities in the biodiversity economy</i> - Good representation of biomes in the Eastern Cape - High attention to environmental management - Consistent application of Environmental laws - Technology –Virtual working – less cars on the road – good for the environment. Paperless. - VCOs and HNCOs 	<ul style="list-style-type: none"> - Climate change denialists - <i>Increase in poaching</i> - <i>Increase in clearing indigenous vegetation</i> - <i>Increase in unlawful coastal development</i> - Land and wetlands degradation - <i>Poor air quality</i> - <i>A high number of environmental crimes</i> - Deteriorating environmental quality - <i>Large volumes of waste going to landfills (2017=1,4 million tons)</i> - <i>Alien and Invasive plants especially in waterways</i> - <i>Plastic pollution</i> - <i>Weak enforcement of environmental laws at local level</i> - Waste Management rules (chemical producers); - Environmental – Social – Economic (Balance) not hamper the environment - Climate change – high temperatures, drought, floods – less predictable. Infrastructure decay – needs to be addressed
Geographic	<ul style="list-style-type: none"> - <i>Long coastline – opportunities in oceans economy</i> 	<ul style="list-style-type: none"> - Long coastline can be a security threat - <i>Distance from major markets (EU, US, Asia)</i> - <i>Huge province – requires a lot of investment infrastructure & is a challenge for logistics</i>

3.2 Internal Environment Analysis

The following mandate aligned situation analysis in relation to the internal environment is presented. Strengths in *italics* means these strengths have a high probability of enduring with higher potential positive impact on the achievement of outcomes

of the Department. Weaknesses in *italics* means these weaknesses have a high probability of materialising with potential severity in preventing the Department from efficiently achieving its outcomes.

Table 23: Strength and Weaknesses

Internal Analysis	Strengths	Weaknesses
Financial resources & assets	<ul style="list-style-type: none"> - <i>R1,134 billion budget vote</i> - Revenue generation in excess of R23 million - <i>Gambling revenue projected to exceed R218 million by 2023</i> - Industrial estates valued in excess of R10 billion - <i>Specialty funds in place e.g., LRED,</i> - Fair financial management - Rental stock available - Funding availability dtic, DEFF and others e.g., black industrialists programme 	<ul style="list-style-type: none"> - <i>The DEDEAT group portion of the equitable share is small (1%) in relation to the expected role of DEDEAT in growing the economy.</i> - Rental income is low - <i>Mismatch of human and financial resources</i> - Funding requirements have increased and cannot be met - Limited resources to implement regulatory functions - <i>Budgets cuts</i> - <i>Dilapidated property portfolio</i> - <i>Small and declining loan book for SMME development</i> - No resources for Oceans Economy
Culture	<ul style="list-style-type: none"> - <i>Diverse culture in the organisation</i> - Flexibility 	<ul style="list-style-type: none"> - <i>Slow change processes</i> - <i>Slow adaptation to digital transformation</i>
Services	<ul style="list-style-type: none"> - Range of services provided - <i>Good technical capacity of staff in various portfolios</i> - High quality service support - Six public entities - DEDEAT present in six Districts - <i>New services with partners and Departments</i> 	<ul style="list-style-type: none"> - <i>Absence of business intelligence</i> - Some services not available in some regions - SOPs are limited - Concentration of services in the Metros - <i>Capacity to take up services in local areas is limited</i> - <i>Limited capacity to do strategic environmental assessments</i> - <i>Limited research capacity</i> - Indicators not pitched at impact level
Management	<ul style="list-style-type: none"> - <i>SMS staffing in place</i> - Communication systems in place - <i>Strong political leadership</i> 	<ul style="list-style-type: none"> - Centralisation of some functions - <i>Functionality of IGR structures is low</i> - <i>Accountability is low</i> - Service Delivery Model that is not effective
Physical resources	<ul style="list-style-type: none"> - <i>Industrial assets</i> 	<ul style="list-style-type: none"> - <i>Inadequate office space</i> - Inadequate working tools, e.g. vehicles - Some entities not available in all regions - <i>Scattered office space makes coordination difficult</i> - Building challenges faced by the department <ul style="list-style-type: none"> - working space available in regions and entities. The spaces are not allocated to ensure service delivery. - Entities and Regional Offices working in silo but there is space that can be shared at regional offices.
Staff	<ul style="list-style-type: none"> - New organisational structure (567 posts) - General capability is satisfactory - <i>Staffing level at +90%</i> 	<ul style="list-style-type: none"> - <i>Staff morale is low</i> - Recruitment is centralised and negatively impacts the Department

Internal Analysis	Strengths	Weaknesses
	<ul style="list-style-type: none"> - The excess staff can be absorbed in entities and retrained to do core function. - Tap into the capability and skills of entities. - DEDEAT to take leadership on addressing Human Resources absorption opportunities. - Funds to entities to follow resources 	<ul style="list-style-type: none"> - <i>Increasing CoE costs</i> - <i>Ineffective organogram and structure</i> - The structure was approved with excess staff, warm bodies to be utilised and not optimally utilised. - Entities require capacity and are not able to absorb staff from the DEDEAT group due to the Public Service Regulation and the legislative requirements. - Person to post matching challenges. - The annual budget not fully utilised for filling vacant position due to PCMT which delays the process for recruitment. - Programme 1 as a service delivery enabler and not a gate keeper
Processes and systems.	<ul style="list-style-type: none"> - <i>A few functional systems, e.g. BAS, Persal, evaya, ePermitting, video conferencing, Microsoft teams, Online share point</i> - <i>ICT uptime averages above 96%</i> - Governance structures in place - Functional boards at public entities - <i>Cloud computing services e.g. One Drive system for backup</i> - Assist the entities to deliver more by sharing the electronic platforms - Developing electronic system for Risk Management and Governance and at the press of the button the HOD/MEC can identify emerging risks. - Develop the reporting system that will consolidate reports for the department and entities. - Embracing technology. - IT system that will bridge a gap in rural places as a community centre. - Artificial intelligence to be embraced – e.g. Call centres. - Integrated process to enhance holistic governance. - Monitoring and Reporting - Alignment of processes – regions collaborating - Assist the entities to deliver more by sharing the accommodation platforms - Developing database of all available accommodation and try to reallocate for the department and entities. - Alignment of processes - Reset our planning process - Zero based budgeting with entities - Collaboration with public entities on planning. - Reduction of a salary bill across the board - Reduce personnel cost - Reduction of utilising consultants - Recommitment and oversight - Master Plan - Improved sourcing of goods and services 	<ul style="list-style-type: none"> - Compliance to processes is not adequate - Erratic and slow IT services - <i>Absence of business intelligence</i> - <i>Limited integrated ICT systems</i> - <i>No performance management system</i> - Limited and fragmented Knowledge management - <i>Inefficiencies, duplication, wastage within the DEDEAT Group</i> - <i>Governance is low</i> - <i>OMF operationalisation is low</i> - <i>Absence of backup system of data</i> - Cyber threats - Gap of not working with OTP on 4IR - Financial systems are slow - <i>Lot of paperwork, e.g. LRED application</i> - Disjointed policies - Provision of working ICT tools, laptops to officials has been a challenge. - The ICT contract not addressing the requirements timeously during the lockdown period resulting in delays. - Coordination challenges and duplication of planning processes. - Review all KPA's and targets and ensure in alignment between Department and entities - No focus of prioritising technology, access to resources, training, and sharing resources. - Resource sharing not realised since 2016 - Slow pace of procurement before tender awarded - Relationship challenges with entities - Projects running concurrently and overlapping - Areas of governance challenges identified
Stakeholders	<ul style="list-style-type: none"> - <i>Vast number of stakeholders in both public and private sector</i> 	<ul style="list-style-type: none"> - <i>Limited effective collaborations e.g. SOEs grappling with governance and financial issues</i> - <i>Limited effective coordination e.g. in LED, cooperatives, SMMEs</i> - Governance & IGR are weak

Human Resources

Developed in 2020, the Department's 2020/21 – 2024/25 MTEF Human Resource Plan seeks to align human resources to the strategic objectives of the department based on supply and demand of capacity and skills.

The table below shows that the department currently has a vacancy rate of 12% (66 posts). Most vacancies are in the Highly Skilled Supervision (Levels 9-12) category where 31 posts are yet to be filled. The organisational structure has 535 posts in total.

Table 24: Current Employment and vacancies by programme as on 31 March 2022

Programme	Posts on approved establishment	Filled	Vacant ¹	% vacant
ADMINISTRATION	249	223	26	10%
ECONOMIC DEVELOPMENT	108	93	15	14%
ENVIRONMENTAL AFFAIRS	178	153	25	14%
Total	535	469	66	12%

¹ Please note that only funded vacant posts are reflected, as per DPSA directives

Source: Persal, 31 March 2022

The Department plans to fill 46 posts in the 2022/23 as per the Annual Recruitment Plan (ARP), which can be summarised in the table below.

Table 25: Annual Recruitment Plan 2022/23

Non-core posts:	5	(10.8%)
Core posts: <i>Of which:</i>	41	(89.2%)
Prog. 2:	20	(43.5%)
Prog. 3:	21	(56.5%)
Head office posts: <i>Of which:</i>	7	(15.2%)
Prog. 1:	2	
Prog. 2:	3	
Prog. 3:	2	
Regional posts: <i>Of which:</i>	39	(84.8%)
Prog. 1:	3	
Prog. 2:	17	
Prog. 3:	19	

Source: DEDEAT Annual Recruitment Plan, March 2022

In support of its service delivery mandate, the Department chose to improve capacity at

professional and technical levels, hence the ARP is focused at that level and biased towards core

programmes, which account for 41 of the 46 posts. A total of 39 posts at targeted at regional level, the majority of which belongs to programme 3.

levels 9 to 15) had to undergo Job Evaluation (JE) and there has been no evaluation done in 2020/21 financial year as the department is still implementing the approved structure and the approved JE system was cancelled by DPSA.

The approved organisational structure has 535 posts and of those only mandatory posts (salary

Considering the age profile of the Department, the average age of employees is 45 years. With “youth” representation (<35 years) being below 11%, translating to the fact that the Department is not employing enough young people. Juxtaposed to employees older than 55 years (21%) there is a risk that these skilled employees will exit the Department through attrition without having passed on the skills, expertise and knowledge to the “younger generation”, noting though that 87% of those approaching retirement are at skilled technical or semi-skilled occupational classifications. The highest proportion (71%) of youth are employed in Environmental Affairs as Environmental Officers. There are no youth employed at SMS level. The Department is in the process of implementing a career pathing policy to create a pool of youth who will be able to take up SMS positions as they become vacant.

Table 26: Current age profile

OCCUPATIONAL CLASS	AGE RANGE											TOTAL
	< 20	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	>64	
Top Management	0	0	0	0	0	0	0	1	2	0	0	3
Senior Management	0	0	0	0	3	8	5	6	4	2	0	28
Professionals	0	0	0	0	10	18	14	7	12	0	0	61
Skilled technical	0	0	12	36	51	40	30	30	19	6	0	224
Semi-skilled	0	0	0	0	3	1	2	2	4	0	0	12
Unskilled	0	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	0	0	12	36	67	67	51	46	41	8	0	328
% of employees	0	0	4%	11%	20%	20%	16%	14%	13%	2%	0	100%

Source: Persal, 08 March 2022

For the planning period, the key Human Resource Priorities have been lifted as follows:

- Full implementation of the organisational structure and review same to cater for organisational needs
- Finalise job evaluation of posts
- Implementation of the Employment Equity Plan to ensure equitable representation and diversity in the workplace
- Management of employee turnover through implementation of the Attraction and Retention Strategy to ensure stability in the Department and support service delivery
- Aging workforce – Develop strategies to ensure replacement and skills transfer
- Finalise current RPL programme and implement Skills Development Strategy
- Develop appropriate policies, guidelines and standard operating procedures to guide process and to ensure consistency
- Enhance the performance management system to better align individual and organisational performance

Part C: Measuring Our Performance

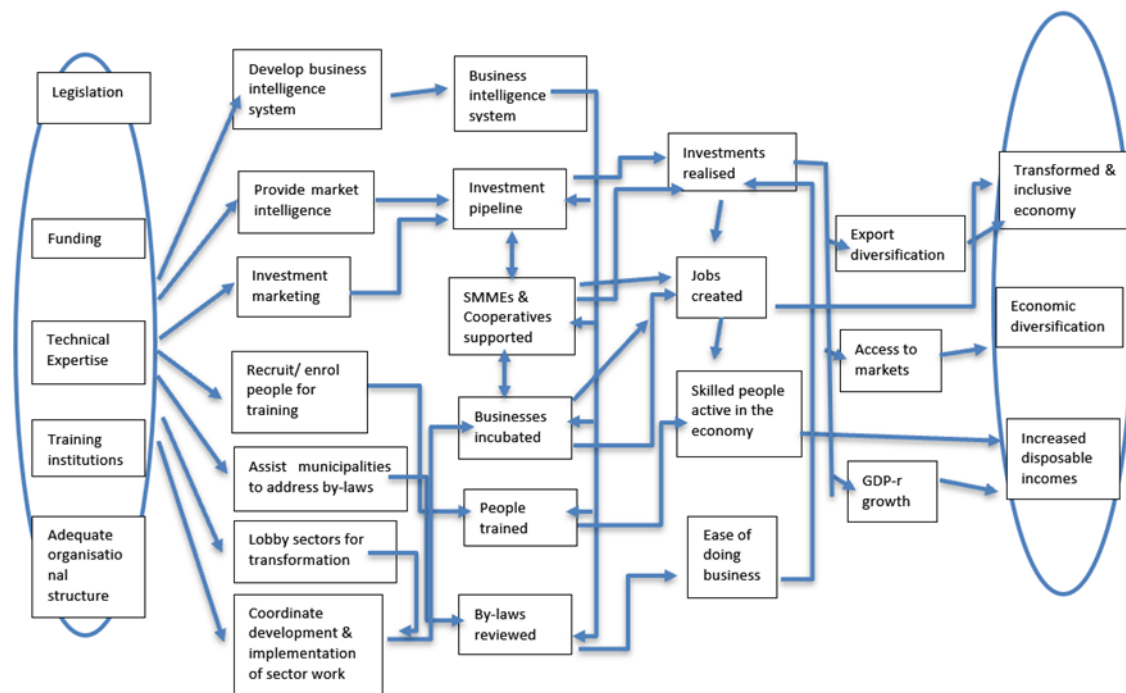
Theories of Change/ Causal Pathways

The Department has three key areas where *theories of change (TOC)* have been developed. These are *Economic Development, Tourism Development and Environmental Management*. The theories of change take into consideration the situation analysis (mostly problems and opportunities), stakeholders, past performance, future expected performance, key policies and legislation, resources and capabilities within the DEDEAT Group. Any omissions do not necessarily mean the department will not perform certain functions. These will be embraced and factored in operational plans, individual plans of public entities of the department and specific strategies within individual portfolios in line with the

mandate of the department. The TOCs mirror key programming of the department as agreed to by management. Notwithstanding the impact of COVID19, the Department is steadfast in its belief that outcomes and impacts as outlined in the Strategic Plan (2020 – 2024) will be realised as planned. For 2022/23 financial year, at a minimum, all three theories of change make assumptions that COVID19 will recede, a new normal will prevail where digitalisation takes centre stage, business operations risk increase due to reduced disposable incomes, funding dwindle further, new opportunities emerge post COVID19.

Economic Development

Figure 13: Economic Development theory of change



Assumptions	Assumptions	Assumptions	Assumptions	Assumptions	Assumptions
<ul style="list-style-type: none"> Adequate funding will be made available by Treasury Adequate and skilled staff 	<ul style="list-style-type: none"> Correct selection of activities Correct selection of subjects Collaboration with partners according to plans 	<ul style="list-style-type: none"> Correct selection of subjects and targets 	<ul style="list-style-type: none"> Targeted groups are not hindered by the operating environment 	<ul style="list-style-type: none"> Local and global economy is growing 	<ul style="list-style-type: none"> Dynamic economy Wider support by various stakeholders

Economic Development Theory of Change

The above theory of change has been constructed based on the understanding of management on the key requirements of alignment with the NDP, MTSF, PMTSF, Provincial Priorities and the ruling party's

priorities over the next 5 years. Importantly the inputs through to impacts reflect the intersection of ideas and aspiration of both DEDEAT's stakeholders and management plus staff of the department.

Economic Development Theory of Change Narrative

Economic development in the Eastern Cape has many role players from national to local level. This poses a coordination challenge given the limited resources at the disposal of the department. In some cases, the stakeholders, clients and customers are served by other complimentary and competitor entities and departments. Economic Development is focused on individuals, public entities boards, clients, regulators and funders, delivery partners, SAPS, Financial Services Centre, Treasury, organisations and companies in the Eastern Cape. Other important stakeholders include SMMEs, SARS, National SOCs- Eskom, Transnet, CEF,

NERSA, IPP Office, SAMSA, National departments- department of Energy, dtic, department of Energy, AIDC, CDA, CHDA, BCMDA, Transnet, IDC, NEF, DBSA, NERSA, SAMSA, SAIMI, CSIR, department of Science and Technology, TVETs, BCMC, NMBMC, AIDC, ECAIF, NAMC, ECTI, SALGA, TIA, SAFCOL, DSB, Organized business – Chambers, Associations, institutions of higher learning, aspirant entrepreneurs, economic development partners, municipalities and consumers of goods and services. The department interacts with various non state actors such as UNDP, public entities, and NGOs as well.

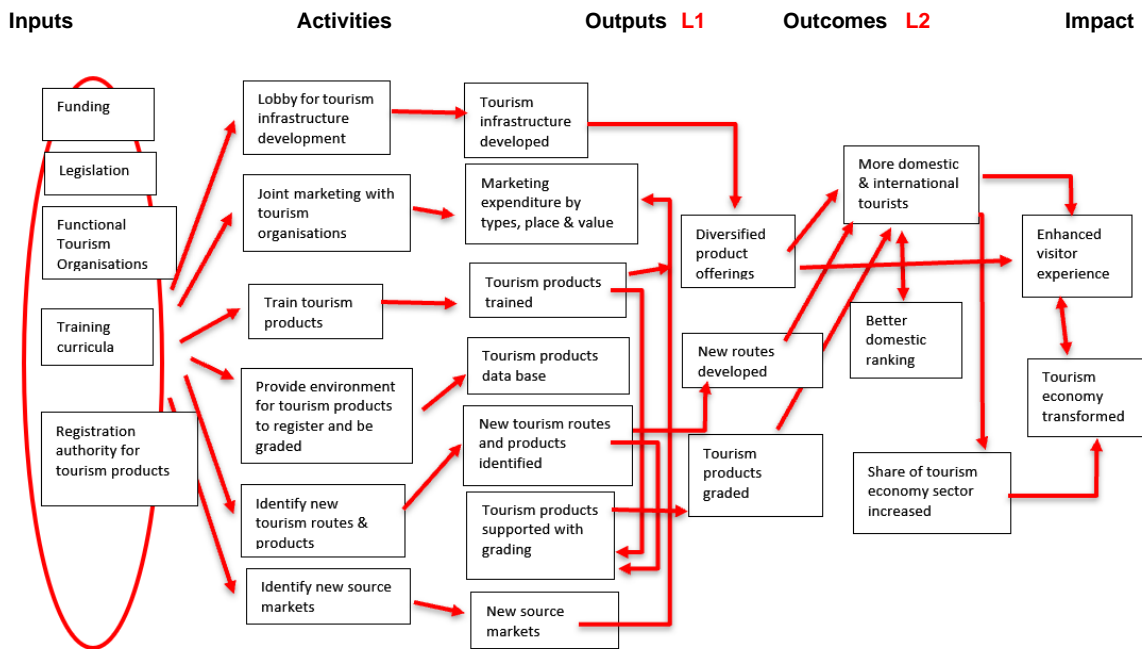
For the theory of change to achieve the desired results, the following should be in place:

- *Alignment with government and citizens' priorities*
- *Leadership*
- *Accountability*
- *Adequate financial and human resources*
- *Adequate systems*
- *Research and business intelligence*
- *Trust and collaborations*
- *Skilled implementers*
- *Dedicated and active citizens*
- *Embrace change*
- *Constant interaction and communication*
- *Regulatory Permits & licenses*
- *Lobbying & Advocacy [Political Championing]*

Tourism Development

Figure 14: Tourism theory of change

Tourism Theory of Change



Assumptions	Assumptions	Assumptions	Assumptions	Assumptions	Assumptions
<ul style="list-style-type: none"> Adequate funding will be made available by Treasury Functional tourism systems 	<ul style="list-style-type: none"> Willing participants Access to products and communities Collaboration with partners according to plans Functional logistics and connectivity 	<ul style="list-style-type: none"> Correct selection of subjects and targets Support from other departments and agencies 	<ul style="list-style-type: none"> Targeted groups are not hindered by the operating environment Functional systems National and global economy is functional 	<ul style="list-style-type: none"> Local and global economy is growing Other provinces marketing rate stays within range Economy grows 	<ul style="list-style-type: none"> Dynamic economy Wider support by various stakeholders Diverse products and quality thereof Stable currency and earnings

The above theory of change has been constructed based on the understanding of management on the key requirements of alignment with the NDP, MTSF, PMTSF, Provincial Priorities and the ruling party's

priorities over the next 5 years. Importantly the inputs through to impacts reflect the intersection of ideas and aspiration of both DEDEAT's stakeholders and management plus staff of the department.

Tourism Development at a national level has 5 pillars which are cascaded to the Provincial level. These are:

1. *Effective Marketing*
2. *Facilitate Ease of Access*
3. *The Visitor Experience*
4. *Destination Management*
5. *Broad Based Benefits*

Tourism Theory of Change Narrative

In terms of domestic tourism trips by destination province, the Eastern Cape is ranked number 1 among the 9 Provinces in 2020 with 3 798 971. This is rapid progression when compared to 2 096 776 (8th) achieved in 2019. The Eastern Cape offers some of the best tourism products in the country. However, there is a need to improve and rejuvenate the current products as well as diversification and development of new routes to offer a wider variety. The aim is to enhance the visitor experience. The infrastructure leading to tourism attractions mainly in the rural areas is poor, thus preventing the province

from realising its full tourism potential. Furthermore, the issue of crime against tourists compounds the situation. Skills development, registration of tourism products and the maintenance of standards will be key in the quest for desired outcomes. Key role players in the tourism sector include the ECPTA, all citizens, Local Tourism Organisations (LTOs), institutions of higher learning, National Department of Tourism, Private Sector (tourism associations, business chambers), Traditional Leaders, Communities, Military Veterans, Media (National Geographic, Gateway & Travel Publications).

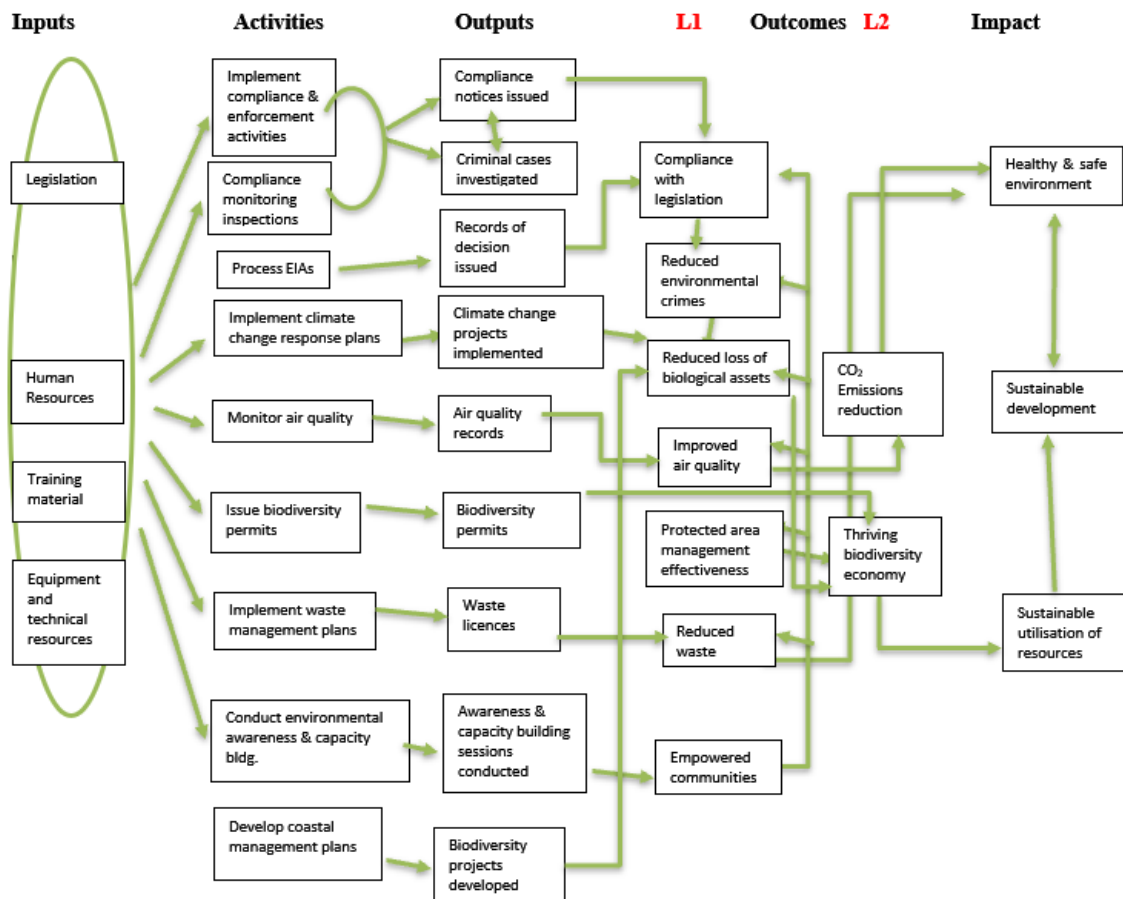
For the theory of change to achieve the desired results, the following should be in place:

- *Alignment with government and citizens' priorities*
- *Leadership*
- *Accountability*
- *Adequate financial and human resources*
- *Adequate systems*
- *Collaborations*
- *Research and business intelligence*
- *Skilled implementers*
- *Dedicated and active citizens*
- *Embrace change*
- *Constant interaction and communication*
- *Lobbying & Advocacy [Political Championing]*

Environmental Management

Figure 15: Environmental Management theory of change

Environmental Management Theory of Change



Assumptions	Assumptions	Assumptions	Assumptions	Assumptions	Assumptions
<ul style="list-style-type: none"> Adequate funding will be made available by Treasury Non-conflicting legislation and policies Convergence of social, economic and environmental agenda 	<ul style="list-style-type: none"> Willing participants Access to communities Collaboration with partners according to plans Functional systems Voluntary participation 	<ul style="list-style-type: none"> Correct selection of subjects and targets Support from other departments and agencies Systems for recording and accounting in place 	<ul style="list-style-type: none"> Targeted groups are not hindered by the operating environment Functional economy Favourable climatic conditions 	<ul style="list-style-type: none"> Strong ethics Sustainability focused participants 	<ul style="list-style-type: none"> Reduced poverty levels Dynamic economy Wider support by various stakeholders Demand and supply balanced

The above theory of change has been constructed based on the understanding of management on the key requirements of alignment with the NDP, MTSF, PMTSF, Provincial Priorities and the ruling party's priorities over the next 5 years. Importantly the inputs through to impacts reflect the intersection of ideas and aspiration of both DEDEAT's stakeholders and management plus staff of the department.

Environmental Affairs Theory of Change Narrative

The Environmental Management outcomes are situated within the context of a robust legislation through NEMA. The Province has been impacted by illegal developments, environmental degradation, pollution, poor waste management, theft of environmental assets among others. Citizens need to be aware of environmental issues in order to manage the environment sustainably.

There are several role players in the field of environmental management. These are in both government and the private sector. These include National department of Environment, Forestry and Fisheries (DEFF), National Prosecutions Authority, department of Water Affairs, South African National Biodiversity Institute (SANBI), WESSA among others.

For the theory of change to achieve the desired results the following should be in place:

- *Alignment with government and citizens' priorities*
- *Leadership*
- *Accountability*
- *Adequate financial and human resources*
- *Adequate systems*
- *Collaborations*
- *Skilled implementers*
- *Dedicated and active citizens*
- *Embrace change*
- *Constant interaction and communication*
- *Lobbying & Advocacy [Political Championing].*

4 Institutional Programme Performance Information

Programme: Administration

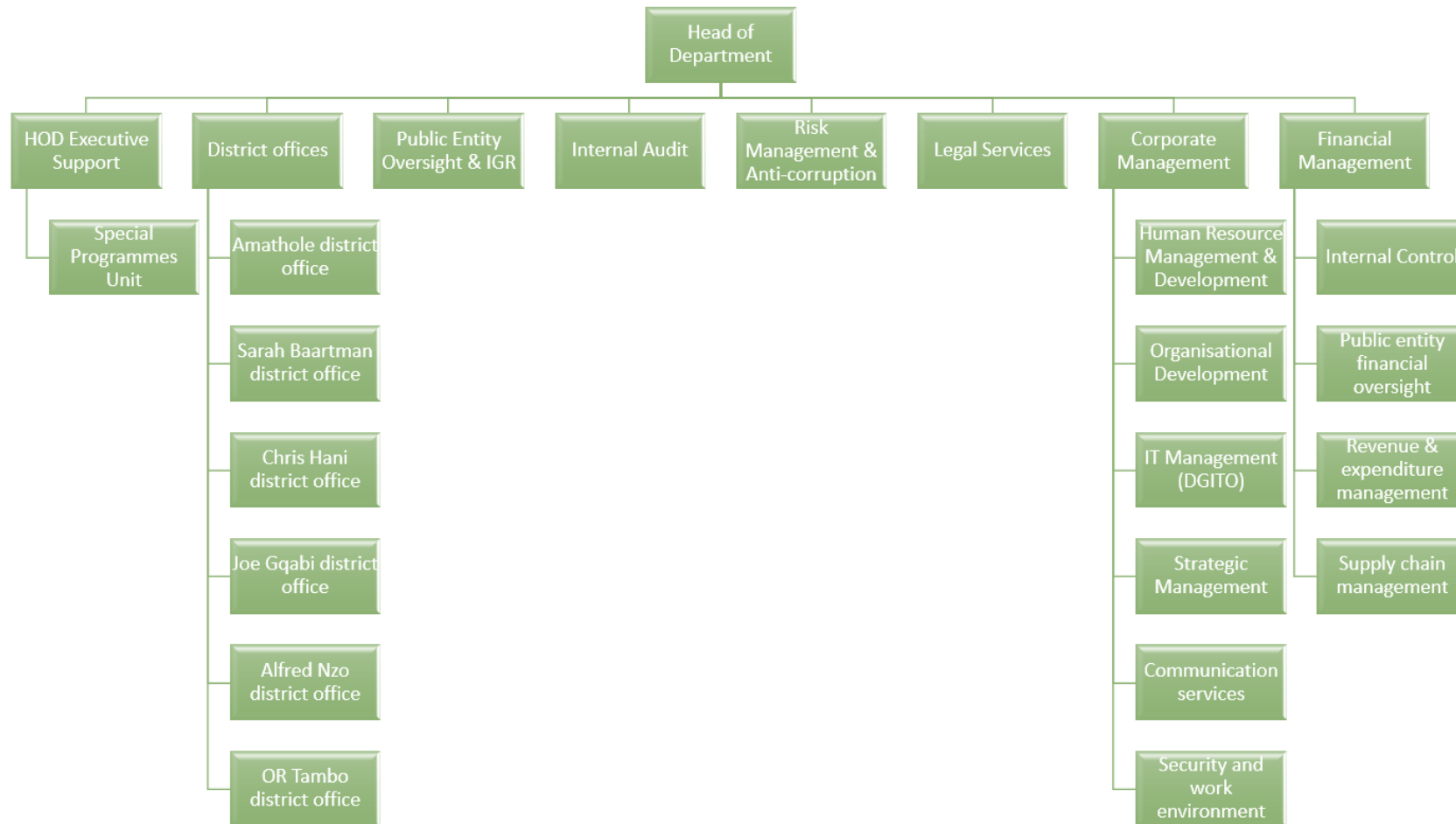
Purpose: To provide the Department with strategic leadership and management, as well as overall administrative and performance oversight.

Sub-Programmes:

Sub-Programme	Sub-Programme Purpose
1.1: Office of the MEC	<i>Provide overall political and policy leadership for the Department</i>
1.2: Office of the HOD	<i>Provide effective and efficient leadership to the Department through public entity oversight, legal services, risk management, and transversal programmes.</i>
1.3: Financial management	<i>Establish and maintain appropriate financial management systems.</i>
1.4: Corporate Management	<i>Ensure adequate provision of institutional capacity through effective human capital management, IT & knowledge management services, communication, organisational development interventions and strategic management services.</i>

Programme Structure:

Figure 16: Administration Organisational Structure



PROGRAMME 1: Administration

The table below reflects a staff complement of 249, of which 223 are filled. The vacancy rate stands at 10% representing 26 posts to be filled in line with the annual recruitment plan. Most vacancies are in the Highly Skilled Supervision (Levels 9-12) category, with 13 posts vacant.

Table 27: Posts filled vs vacant posts

Programme	Posts on approved establishment	Filled	Vacant ¹	% vacant
OFFICE OF THE HOD ²	26	23	3	12%
FINANCIAL MANAGEMENT	97	80	17	18%
CORPORATE MANAGEMENT	126	120	6	5%
Total	249	223	26	10%

1 Please note that only funded vacant posts are reflected, as per DPSA directives

2 Includes Office of the HOD, IGR, PMO, Public Entity Oversight, Risk Management & Anti-Corruption, Internal Audit, Legal Services

4.1 Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited Performance			Estimated Performance	MTEF Period		
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Enabled, simplified and responsive business processes	Network uptime	% network uptime	96%	98.6%	99.4%	99.5%	99.5%	99.7%	99.9%
	Public entities validation & engagements	Public Entities Accountability index	8.9	8.5	9.5	10	10	10	10
	Suppliers paid on time	% of suppliers paid within 30 days ¹	23	18	100%	100% ²	100%	100%	100%
	Effective & efficient implementation of PFMA & other laws	Annual audit outcome	Unqualified	Unqualified		Unqualified	Clean	Clean	Clean
	Provide platform for staff training	% implementation of the work skills plan	100%	151%	105%	90%	90%	90%	90%
	Staff contracts and reviews	% of staff complying with all PMDS processes (contracts and reviews)	90%	63.8%	56.5%	95%	90%	90%	90%

¹ Prior to 2020, the indicator was measuring the average number of days to pay suppliers.

² Previously the indicator was measuring number of days to pay suppliers. From 2021 the measure is focusing on % of suppliers paid within 30 days.

4.1 Output Indicators: Annual and Quarterly Targets

Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
% network uptime	99.5%	99.5%	99.5%	99.5%	99.5%
Public Entities Accountability index	10	-	-	-	10
% of suppliers paid within 30 days	100%	100%	100%	100%	100%
Annual audit outcome	Clean	-	-	Clean	-
% implementation of the work skills plan	90%	-	90%	90%	90%
% of staff complying with all PMDS processes (contracts and reviews)	90%	90%	90%	90%	90%

Explanation of planned performance over the medium-term period

Network uptime is key for the productivity of the department. Although a 99.5% target is set, this may be difficult to achieve in the next 2 years because of power challenges being experienced at ESKOM. The department will go further and measure not just the uptime, but the productivity and functionality of the network. A functioning network is key for connectivity and enablement of work of all components of the department.

With the Public Entities Accountability index, the score of 10 is desirable. This is equivalent to 100% performance on all aspects of the contents of the SLA. All compliance and achievements must be reported. Performance of the public entities of the department is intricately linked to the performance of the department on all key outcomes.

The government has made it clear that all suppliers with valid invoices must be paid within 30 days. The department aims to pay consistently within 30 days. Timely payment of suppliers stimulates business activities and employment creation. This will lead to better disposable incomes that allow our communities to thrive.

A clean audit is aimed for during this period. This will create a conducive environment for good corporate governance and systems to prosper that generates goodwill allowing our partners to trust us and invest in us in order to yield better outcomes for citizens.

The department embraces the principles of King IV report on corporate governance, PFMA and Legislative requirements of the Public Entities reporting to the MEC. The department provides financial performance oversight, and risk

management processes on a quarterly basis through MEC/Chairpersons Forum to discuss strategic matters escalated to the MEC and governing bodies. For execution of the Strategic Plans and the Annual Performance Plans, the HOD enters into Service Level Agreements with Chief Executive Officers. The HOD/CEO Forum is conducted on a quarterly basis to discuss issues regarding performance oversight, financial oversight, risk management, special programmes, as outlined in the Public Entity Oversight Framework.

To ensure governance improvement, on an annual basis, the entities are rated through the public entity accountability index and board assessments are done to ensure board functionality. The department reviews legislation for public entities and attend to all matters relating to compliance with legislation and the PFMA. The department facilitates board appointments for necessary skill requirements of the board and process board remuneration for board members.

The oversight function is aligned to the oversight requirement of the Eastern Cape Legislature through responses to the Portfolio Committee resolutions. The department ensures that public entities' funds and resources are properly safeguarded and are used economically, efficiently, effectively, with due propriety, and in accordance with the statutory or other authorities that govern their use.

Lastly, a high degree of work skills plan implementation as well as staff compliance with PMDS processes will create sufficient capacity for staff to discharge their functions with vigour. It also allows staff morale to be boosted. This has

immediate and long-term boost to efficient execution of all tasks in different portfolios of the organisation.

The Administration Programme will prioritise the following during MTEF period:

1. PCMT discussion on filling the positions
2. Letter to the Boards Chairperson/CEOs on excess staff.
3. Planning with entities on how to address ICT
4. Budgeting for ICT requirements.
5. ICT Governance discussion at DEDEAT Group level.
6. Office Accommodation requirements.
7. Accommodation discussion at DEDEAT Group level.
8. Need political directive to ensure integration
9. Integrated planning process.
10. Integrated Reporting and Monitoring system for the DEDEAT Group
11. Integrated Risk Management System

The following collaborative efforts will also be pursued:

1. Sharing offices with entities at Head-Office level and all six regions
2. Sharing of resources with entities at Head-Office level and all six regions
3. Sharing of the ICT infrastructure.
4. The task team to be reconstituted and resume its duties.
5. Political support

Together with the Economic Development Programme and public entities, efforts will be made to facilitate digital transformation as the new normal post COVID19 requires innovation and achieving more with less resources.

5 Programme Resource Considerations

Table 28: Summary of payments and estimates: Programme 1- Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates			% change from 2021/22
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25	
1. Office Of The Mec	3 345	1 446	312	1 683	903	903	1 561	1 643	1 717	72,9
2. Office Of The Hod	55 408	64 129	24 638	35 593	28 424	28 462	31 135	31 113	35 687	9,4
3. Financial Management	108 774	114 033	84 369	112 195	84 196	84 196	104 013	98 093	107 167	23,5
4. Corporate Services	57 361	58 464	85 699	103 725	104 765	104 727	112 234	104 217	108 897	7,2
Total payments and estimates	224 888	238 072	195 018	253 196	218 288	218 288	248 943	235 066	253 468	14,0

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates			% change from 2021/22
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25	
Current payments	211 494	223 624	183 753	236 125	203 017	203 017	227 745	217 797	230 753	12,2
Compensation of employees	115 193	117 238	113 582	133 142	118 737	118 737	135 551	141 366	150 889	14,2
Goods and services	96 301	106 386	70 171	102 983	84 280	84 280	92 194	76 431	79 864	9,4
Interest and rent on land	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1 689	4 169	2 088	3 488	3 488	3 488	3 425	2 940	3 072	(1,8)
Provinces and municipalities	-	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-	-
Households	1 689	4 169	2 088	3 488	3 488	3 488	3 425	2 940	3 072	(1,8)
Payments for capital assets	11 705	9 972	9 107	13 583	11 783	11 783	17 773	14 329	19 643	50,8
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	11 705	9 972	9 107	13 583	11 783	11 783	17 773	14 329	19 643	50,8
Heritage Assets	-	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	307	70	-	-	-	-	-	-	-
Total economic classification	224 888	238 072	195 018	253 196	218 288	218 288	248 943	235 066	253 468	14,0

Table 31 above shows the summary of payments and estimates per sub-programme and per economic classification from 2018/19 to 2024/25. Expenditure for the programme decreased from R224.888 million in 2018/19 to a revised estimate of R218.288 million in 2021/22 due to internal reprioritisation. In 2022/23, it increases by 14 per cent to R248.943 million due to provision for purchasing of office furniture and equipment for new offices in Bhisho.

Compensation of Employees increases from R115.193 million in 2018/19 to a revised estimate of R118.737 million in 2021/22. In 2022/23, the budget increases by 14.2 per cent to R135.551 million to fund the filing of critical vacant posts and the provision of the wage agreement additional allocation of the cash gratuity.

Goods and Services decreased from R96.301 million in 2018/19 to a revised estimate of R84.280 million in 2021/22 due to reprioritisation towards

supporting the core programmes. In 2022/23, the budget increases by 9.4 per cent to R92.194 million due to the purchasing of minor office furniture and computer equipment for the relocation to the new offices in Bhisho.

Transfers and Subsidies increased from R1.689 million in 2018/19 to a revised estimate of R3.488 million in 2021/22 due to payment of leave gratuities emanate from natural attrition and retirement packages. In 2022/23, the budget slightly decreases by 1.8 per cent to R3.425 million.

Payments for Capital assets increased from R11.705 million in 2018/19 to a revised estimate of R11.783 million in 2021/22. In 2022/23, the budget increases to R17.773 million or 50.8 per cent due to provision for purchasing of major office furniture and computer equipment for the relocation to the new offices in Bhisho.

Key Risks and Mitigations from the Strategic Plan (Updated)

#	Outcomes	Key Risks	Risk Mitigations
1.	Enabled, simplified and responsive business processes.	<ul style="list-style-type: none"> Business interruption caused by inaccessible system resulting to delays in processing important transactions 	<ul style="list-style-type: none"> Testing of the Disaster Recovery Plan (DRP) Implementation of data center maintenance plan Conduct testing of the backups.
2.	Implementation of aligned initiatives to Organisational Strategy.	<ul style="list-style-type: none"> Misalignment of ICT with the organisational strategic objective caused by implementation of mis-aligned initiative. 	<ul style="list-style-type: none"> Implement the ICT strategy and master systems plan/ government wide enterprise architecture (GWEA) framework. Implement Departmental CGICT Policy and Charter. Implement Governance and Management of ICT Framework Implement ICT Portfolio Management Framework Implement Change Management Plan for the implementation of CGICT and GICT
3.	Good corporate governance	<ul style="list-style-type: none"> Inadequate corporate governance and accountability uncertainty of public entities caused by non-adherence to King iv and other legislative prescripts resulting in financial loss and non-delivery of mandate. 	<ul style="list-style-type: none"> Implementation of the compliance checklist Ensure adherence to Companies Act and King IV (through annual board assessment, participation in the public entities annual general meeting). Report on public entities performance as per the legislative mandate Develop and implement Board of Directors framework in respect of public entities. Facilitate the appointment of boards and accounting authorities in line with the corporate governance principles. Analyse the outcomes from Auditors general report and make a follow up on implementation by public entities. Conduct Oversight visits on project implementation. Establish and implement the governance review committee. Escalate the matter to the HOD and MEC.
4.	An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship	<ul style="list-style-type: none"> Interest on late payments due to non-compliance with National Treasury Regulations (NTR) section 8.2.3 resulting to Fruitless and Wasteful expenditure 	<ul style="list-style-type: none"> Staff training on fruitless and wasteful expenditure. Implement National Treasury Practice Note no. 4 of 2008/2009. Implement and enforce Irregular Expenditure policy and any sanctions imposed by the Head Department. Development of internal instruction on enforcement of fruitless and wasteful expenditure policy.
5.	Effective performance management	<ul style="list-style-type: none"> Underperformance caused by inadequate implementation of the Performance Management Development System resulting to weaker performance of project and programme delivery 	<ul style="list-style-type: none"> Ensure alignment of performance contracts and workplan to the operational plan for officials reporting to HOD. Align the individual performance review portfolio of evidence with the quarterly performance review reports and portfolio of evidence of the directorate Monitor seating of committees in line with the established governance structures and report as per the

#	Outcomes	Key Risks	Risk Mitigations
			<p>government structure.</p> <ul style="list-style-type: none"> • Ensure the review of delegations' frameworks (Finance, HRM, SCM, Information management & Environmental) • Conduct routine project management training to staff. • Develop and implement programme management methodology and conduct training.
6.	Departmental accountability	<ul style="list-style-type: none"> • Ineffective governance caused by non-compliance with the reporting requirements resulting to tarnished reputation 	<ul style="list-style-type: none"> • Include compliance monitoring in the employees' performance contracts and assessments. • Communicate and implement the Portfolio of evidence framework. • Implement the performance management and development policy. • Review the Service Level Agreements to include consequence management and strengthen accountability. • Develop systems to monitor operations and relations of public entities, e.g. Performance Monitoring, evaluation and Reporting. • Manage the disclosure of financial interests. • Enforce seating of committees in line with the established governance structures. • Review governance systems to meet the Management Performance Assessment Tool (MPAT) standards - KPA 2: Governance and Accountability. • Ensure that delegations (Finance, HRM, SCM, Information management & Environmental Affairs) are reviewed and aligned to the latest legislation

Programme: Economic Development & Tourism

Purpose: The Economic Development and Tourism Programme is primarily responsible for promoting and administering sustainable economic development and job creation.

Sub-Programmes:

Sub-Programme	Sub-Programme Purpose
<i>2.1: Integrated Economic Development Services</i>	<ul style="list-style-type: none"> To support and develop business enterprises. To promote economic growth and development of local economies with partnerships with key stakeholders by aligning Local and Regional Economic Development (LRED) initiatives with government programmes. To facilitate the process of empowerment and creation of an enabling business environment for PDIs.
<i>2.2: Trade and Sector Development</i>	<ul style="list-style-type: none"> To facilitate trade promotion, retention and attraction of investment in priority sectors. To facilitate implementation of National and Provincial Priority Programmes. To create an enabling environment for the sustainable economic growth and development in prioritised and emerging sectors in the Eastern Cape. To drive implementation of programmes in these prioritised sectors: agroindustry, sustainable energy, automotive, light manufacturing, oceans economy and tourism.
<i>2.3: Business Regulation and Governance</i>	<ul style="list-style-type: none"> To lobby for provision of a regulatory framework that addresses barriers in the broader business environment To promote good corporate governance principles, stability and efficiency in doing business. To develop, implement and promote measures that ensure the rights and interests of all consumers. To promote and maintain an effective and efficient system for regulation of business, industries and sectors.
<i>2.4: Economic Planning</i>	<ul style="list-style-type: none"> To develop evidence based provincial policies and strategies which inform decision making processes. To ensure accessible scientific information to inform economic policy and planning processes.
<i>2.5: Tourism</i>	<ul style="list-style-type: none"> To create an enabling tourism environment through legislation, policy and strategy development To create demand and supply for tourism To ensure sustainability and tourism sector transformation

Programme Structure:

Figure 17: Economic Development & Tourism Organisational Structure



PROGRAMME 2: Economic Development and Tourism

The Programme has a vacancy rate of approximately 14%, with the largest proportion (2 vacancies) at senior management level. In total, 15 out of 108 posts are vacant. Posts are being filled in line with the annual recruitment plan (2022).

Table 29: Posts filled vs vacant posts

Programme	Posts on approved establishment	Filled	Vacant ¹	% vacant
INTERGRATED ECONOMIC DEVELOPMENT ²	65	58	7	11%
TRADE AND SECTOR DEVELOPMENT ³	12	10	2	17%
BUSINESS REGULATIONS AND GOVERNANCE ⁴	31	25	6	19%
Total	108	93	15	14%

1 Please note that only funded vacant posts are reflected, as per DPSA directives

2 Includes Enterprise Development, LRED, Office of Chief Director, Integrated Economic Development (district offices)

3 Includes Agro-processing, Manufacturing, Sustainable Energy, Tourism, Trade & Investment Promotion

4 Includes Business Regulation and Office of the Consumer Protector

Outcomes, Outputs, Performance Indicators and Targets

Indicators highlighted in green are included here to show completeness of the theory of change and will not be reported by the department. Instead, these indicators will be reported by the respective public entity as indicated in the consolidated indicator list at the end of this document. Each public entity (ECGB, ECLB, ECDC, ELIDZ and Coega) will develop its own output indicators (aligned to the mandate of the department and legislation) which will be tracked by the department. Business intelligence systems developed is indicated as an output in the theory of change. This is not carried forward to the table below for output indicators due to funding and capacity constraints. The department will however work in the background to ensure business intelligence systems are developed. All work and output of the department will consciously work to promote women, youth and disabled categories of the provincial population. Where targeting of women, youth and disabled is not possible, reporting thereof (if applicable) will be made.

#	Outcome	Outputs	Output Indicators	Annual Targets							
				Audited Performance			Estimated Performance	MTEF Period			
				2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
1.	Investments realised	Investment pipeline	# of sustainable energy initiatives facilitated	6	4	3	4	3	3	3	
2.			# of manufacturing initiatives facilitated	7	7	6	5	5	5	5	
3.			# of agro-processing initiatives facilitated	4	3	3	3	3	4	4	
4.			# of trade and investment promotion initiatives facilitated	-	-	-	-	3	3	3	
5.			Value of investment secured in the province	R1,805 billion	R3,257 billion	R1,0313 billion	R950 million	R1,260 billion	R1,590 billion	R1,590 billion	
6.			Number of investments secured in the province	13	24	14	15	13	15	15	
7.			Rand value of exports facilitated in the province					R100 million	R120 million	R120 million	
8.			Business friendly laws & policies	# of policies reviewed	3	3	2	1	1	1	1
9.		# of socio-economic intelligence reports produced		4	4	4	5	5	5	5	
10.	GDP growth	SMMEs supported	# of SMMEs supported		233	256	70	200	200	200	

#	Outcome	Outputs	Output Indicators	Annual Targets						
				Audited Performance			Estimated Performance	MTEF Period		
				2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
11.			# of qualifying economic development projects funded at local and regional levels	16	4	13	10	10	10	10
12.		Cooperatives supported	# of cooperatives provided with non-financial support	94	121	22	120	120	130	150
13.		Businesses incubated	# of business incubation programmes supported	6	3	1	2	2	2	2
14.	Jobs created	Economic infrastructure supported	# of Provincial Economic Stimulus Fund projects monitored	N/A	14	15	12	10	10	10
15.			Value of funds spent on the Jobs Fund	N/A	R6,8 mil	R9 mil	R9 mil	R9 mil	R9 mil	R9 mil
16.			Procurement spend on businesses owned by women, youth and people with disabilities	N/A	W: R 620 000 Y: R 490 000 D: R120 000	W:R620 000 Y:R580 000 D: R320 000	W:R620 000 Y:R580 000 D: R320 000	W:R620 000 Y:R580 000 D: R320 000	W:R620 000 Y:R580 000 D: R320 000	W:R620 000 Y:R580 000 D: R320 000
17.	More domestic & international tourists	Tourism marketing	Value spent on tourism marketing	N/A	N/A	R10 mil	R11 mil	R18mil	R19mil	R20mil
18.		Tourism organisation functionality ³	Tourism Transformation	N/A	N/A	Changed	8.2	8.2	8.2	8.2
19.		Tourism experience diversification ⁴	Tourism experience diversification ⁵	N/A	N/A	Changed	36.0	36.0	36.0	36.0

³ Changed in 2021 from # of tourism products trained.

⁴ Changed in 2021 from Tourism routes identified.

⁵ Changed in 2021 from # of new tourism experiences identified & packaged

#	Outcome	Outputs	Output Indicators	Annual Targets						
				Audited Performance			Estimated Performance	MTEF Period		
				2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
20.		Defend source markets ⁶	# of trade engagements in defence of source markets ⁷	N/A	N/A	2 (India and South Africa (focus domestic))	80	80	80	80
21.		Tourism infrastructure	Provincial Nature Reserve promotion ⁸	N/A	N/A	Changes	18.0	18.0	18.0	18.0
22.			Status report on implementation of tourism sector policies / strategies	2	2	2	2	2	2	2
23.	Skilled people active in the economy	People trained	# of people trained	7009	7946	15815	3228	3612	4837	5328
24.			# of consumer education programmes implemented ²⁴	6	6	6	6	6	6	6

⁶ Changed in 2021 from New source markets.

⁷ Changed in 2021 from # of new source markets identified

⁸ At this time the focus is on ECPTA Nature Reserves. Funding is coming from the Provincial Economic Stimulus Fund.

5.1 Output Indicators: Annual and Quarterly Targets

Indicators highlighted in pink are included here to show completeness of the theory of change and will not be reported by the department. Instead, these indicators will be reported by the respective public entity as indicated in the consolidated indicator list at

the end of this document. All work and output of the department will consciously work to promote women, youth and disabled. Where targeting of women, youth and disabled is not possible, reporting thereof (if applicable) will be made.

#	Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
1.	# of sustainable energy initiatives facilitated	3	-	-	-	3
2.	# of manufacturing initiatives facilitated	5				5
3.	# of agro-processing initiatives facilitated	3	-	-	-	3
4.	# of trade and investment promotion initiatives facilitated	3	-	-	-	3
5.	Value of investment secured in the province	R1,260 billion				
6.	Number of investments secured in the province	13	4	3	3	3
7.	Rand value of exports facilitated in the province	R80 million				
8.	# of policies reviewed	4	-	-	-	3
9.	# of socio-economic intelligence reports produced	5	2	1	1	1
10.	# of SMMEs supported	200	40	60	40	60
11.	# of qualifying economic development projects funded at local and regional levels	10	-	-	-	10
12.	# of cooperatives provided with non-financial support	120	30	30	30	30
13.	# of business incubation programmes supported	6				
14.	# of projects supported by the Provincial Economic Stimulus Fund	10	10	10	10	10
15.	Value of funds spent on the Jobs Fund	R9 mil	-	-	-	R9 mil
16.	Procurement spend on businesses owned by women, youth and people with disabilities	W:R620 000 Y:R580 000 D: R320 000	-	-	-	W:R620 000 Y:R580 000 D: R320 000
17.	Value spent on tourism marketing	R18mil	-	-	-	R18mil
18.	Tourism Transformation ⁹	8.2	12.9	8.2	12.9	8.2
19.	Tourism experience diversification	36.0	36.0	36.0	36.0	36.0
20.	# of trade engagements in defence of source markets	80	-	-	-	80
21.	Provincial Nature Reserve Promotion	18.0	18.0	18.0	18.0	18.0
22.	Status report on implementation of tourism sector policies / strategies	2	-	1	-	1
23.	# of people trained	4252	-	-	-	4252
24.	# of consumer education programmes implemented	6	1	1	1	3

⁹ Changed in 2021 from number of tourism products trained.

5.2 Explanation of planned performance over the medium-term period

The high unemployment and high poverty levels in the Eastern Cape are such that more aggressive action is required to alleviate that. Government has to be more robust in ensuring that as these challenges are addressed through creating an environment conducive to sustainable job creating; inclusion and addressing of the imbalances of the past is addressed as well. More so, in relation to women, youth and people who are not able bodied as well as rural communities.

It has been proven in many European countries such as Germany that, large multi-nationals are not the biggest job contributors, however, the biggest job creators were small, micro and medium enterprises. It is also evident that small enterprises in the province have a challenge in accessing funding and markets. Therefore, it becomes essential that DEDEAT provides financial and non-financial support to small enterprises, in order for them to be competitive and sustainable.

DEDEAT developed the Local and Regional Economic Development (LRED) fund to enable pre-start-ups, start-ups and existing small enterprises to create employment in the local and regional economies of the Eastern Cape. Through support of the enterprises, the financial support is meant to empower those who are operating or admire to operate in the prioritised sectors such as Auto, Manufacturing, Tourism, Agro-industry, Oceans economy and Sustainable energy. These are sectors that have proven to be job creators and where the

Proposal packaging from DEDEAT's regional offices is also vital. LED officials must utilise the tools at their disposal and visit rural communities, hand holding them, ensuring that quality proposals are packaged and submitted. Inclusivity also involves communities, once rural communities are economically active, less people will migrate to the urban areas seeking for jobs, jobs will be available in their neighbourhoods.

The automotive industry in the Eastern Cape dominates the provincial manufacturing landscape. The Eastern Cape host six of the nine Original Equipment Manufacturers (MBSA, VWSA, Isuzu, FAW, BAIC, Ford) in the province. In terms of exports, EC OEMs accounts for approximately 51% of all commodity exports from the Province. Based on the newly adopted South African Auto Sector 2035 masterplan, the auto sector plans to ramp up volumes to R 1.39 mil vehicles per annum.

province has a comparative advantage, sectors where there are opportunities not only in the urban areas but also in the rural and peri-urban areas.

What has been noteworthy in the implementation of both funds is the state of readiness of the applicants, this has opened up the fund to some applicants who are not genuine entrepreneurs. Which then requires reformation and review of the policies to ensure that those who genuinely deserve the funding support are able to access it and partner with government in growing the economy of the province. Stringent measures are required to ensure that the correct utilisation of the funding is done, the department's project steering committee is entrusted with that role of ensuring that the funds are well utilised, and jobs are created for the communities.

Funding to small enterprises is crucial in driving the economy, if government is intentional about economic development and job creation more support should be provided to small businesses. Appropriate review of the policies is essential in order for the policies to be implementable and sustainability. Workshops that were held with the rural communities, have indicated that people in the deep rural communities feel that support from government is unattainable. It is meant for a selected few, the requirements make it difficult for them to qualify. Therefore, as the review processes are taking place, ease of implementation is importance so that beneficiaries are not only from urban areas.

Within this context, the province needs to respond to enhance localisation, driving transformation and support the creation of employment opportunities within this industry. Due to the magnitude of the EC Auto sector, The manufacturing unit supports "2" special purpose vehicles namely the Eastern Cape Automotive Industry Forum (ECAIF) and the Automotive Industry Development Centre (AIDC) to maximise participation of the EC Auto sector in the roll-out of SAAM 2035 in South Africa. Both institutions have developed sector business strategies and roadmaps to respond to key elements of the SAAM vision. The manufacturing unit provides institutional support to enable the delivery of aspects of these roadmaps.

With respect to light manufacturing DEDEAT has partnered with Non-Automotive Manufacturing sectors – chemicals and plastics sector in Buffalo

City Metro and Metals sector in Nelson Mandela Bay Metro through a special purpose vehicle known as the Non-Automotive Manufacturing (NAM) Cluster. The aim is to drive initiatives that will improve efficiencies and enhance supplier development aspects in this sector. Through the Economic stimulus fund, the Non-Automotive sector has been provided support to establish an advance

prototyping facility to enable companies in this sector to develop new products and fast track commercialization in this sector. This facility will provide the needed equipment to industry to improve innovation and research and development efforts within this sector. The manufacturing provides institutional support towards the implementation of this initiative.

The province sees manufacturing sectors as key to curb unemployment however the provincial economy is trapped in a low growth environment which results in the eminent closure of manufacturing companies across the province. This has a major impact on the province's objective to create new jobs and retain industrial capacity. To curb this trend, the manufacturing unit have implemented a manufacturing support centre (MSC) linked to a distress fund to curb the closure of these entities. The intervention provides financial and non-financial support to companies based on their individual circumstances. This intervention will be support across the MTSF period.

The dtic through its Special Economic Zones and Economic Transformation Division has conducted a scoping exercise for all industrial parks located in the old industrial areas across South Africa. This has resulted in the introduction of the dtic's "Industrial Parks Revitalisation programme". The province hosts numerous in various state of despair. These parks need to be upgraded to provide "world class" services to current and future industrial investors in the province. Through support from dtic and the provincial economic stimulus fund, funding of R 178,8mil have been allocated for the critical upgrading of infrastructure at these parks. A phased approach are being followed to support infrastructure upgrades in these parks. Some of the projects have already commenced in Komani-, Dimbaza- and Vulindlela Industrial park and others to start in the new financial year. The manufacturing unit is responsible to facilitate and coordinate this initiative in the province.

With regards to the ocean's economy, the maritime manufacturing sector remained underdeveloped in the province. There are pockets of excellence in particular the boat building sector and requires the province to work closely with stakeholders in this sector to enable this sector further. For the past year, DEDEAT has worked closely with key stakeholders to develop a localisation support programme for this sector in particular. The programme is now in implementation phase and intends to create an enabling environment to ensure sector growth and needed job opportunities in the province.

With regards to local procurement general support, Many SMMEs cannot form part of the mainstream economy due to not being compliant to mandatory SANAS product standards and or systems standards namely ISO 9001 or others which is deemed important for specific sectors namely automotive sector – IATF (International Automotive Task Force) standards: TS16949 and others. The costs to implement these standards are very high hence affecting SMMEs to grow in the province. In most cases, SMMEs are rejected by provincial funding institution for not demonstrating their compliance to mandatory quality standards hence affecting these companies' ability to secure funding for green fields and brown fields projects. To address these challenges, DEDEAT have developed an EC Quality Management programme which aims to incentivise SMMEs to obtain these mandatory standards. The programme has commenced and is currently supporting 14 companies in various sectors.

Under the DTIC's revitalisation of Industrial Parks – To enhance digital transformation in the rural and township economy, the DTIC are rolling out digital hubs across South Africa which is closely linked to the revitalisation of industrial parks programme. Through support from various entities, two digital hubs proposals are currently being developed. These are Digital hub in Komani Industrial Park driven by CHDA and an ICT Hub in the ELIDZ. Department will be working closely with the DTIC and these entities in the new financial year to ensure these proposals come to a reality.

In pursuit of rolling out the implementation of the Provincial Economic Development Strategy with a vision of a growing and inclusive provincial economy, the Department continues to drive the development of the priority sectors with agro industry included

among the sectors. The sector prioritization is linked to its interconnectedness with the rural space and urban space thus providing an opportunity for developing integrated value chains. The Department is mainly responsible for the development of the

agro-processing component of the agro industry, which is a secondary activity in the value chain however with a market pull factor for primary production component. The primary agricultural production sector has been battling to pass the 2% contribution to the provincial economy for the past 10 years whilst the agro-processing sector has been contributing in excess of 4% to the provincial economy. The agro-processing sector has been sustained by imported primary products from other provinces and this goes with the resultant job creation and revenue generation lost opportunities for the province.

In 2019, a Provincial Agro Industry Development Action Implementation Plan has been approved by the Cabinet and this is intended to provide for the collaboration and alignment of agricultural related development activities of various sector players in order to build the local priority value chains such as

the livestock industry, grain, horticulture, etc. The strengthening of the local value chains is critical as it will provide for the sustenance and further development of the local food, textile and furniture industrial sub-sectors through informed local market linkages for primary producers thus reducing the imports of primary agriculture products especially those that can competitively produce by the province. As such the Wild Coast SEZ, an agro focused industrial platform has been approved by the dtic, but as a State-owned industrial park which will follow an incremental development towards the SEZ designation upon maturity with at least R1.5 billion investments on site and advance stage pipeline (implementation ready). This will provide the much-needed local demand pool for local producers thus increasing the production capacity of the Eastern region of the Province, coupled with job creation

The department will continue with the support of the agro-processing initiatives aimed building the local value chains coupled with a transformation agenda for broader participation in the sector of the previously disadvantaged individuals. Innovation within the agro industry sector will remain as one of the drivers for competitiveness as well as diversification thus providing for new entrants within the traditional value chains. As such the Department has established collaborations with national bodies such as the Technology Innovation Agency to support innovation in the province. This is also critical for the development of local industries when considering the possibilities that are related to the industrial cannabis and especially hemp which has received for commercial production linked with the Cannabis Industry Masterplan.

The Eastern Cape Province has some of the best wind energy resources in the world, has good quality solar resources, has prospects for indigenous gas in the long term, and the correct port and infrastructure conditions for Liquid Natural Gas to Power projects, linked to gas pipelines in later phases. The socio-economic benefits that will accrue to the province from these possibilities

Much of this new build could be located in the Province should the necessary institutional and infrastructure hurdles be overcome. A key area of the intervention relates to the constraint to energy facilities in the former homeland areas do to challenges with long term land lease on State Owned Land. Other challenges to wind and solar farms in the former homelands are the caps on the maximum size of wind farms due to existing settlement patterns, risks of vulture collisions with wind turbines, and unfavourable loan terms from DFIs for local community ownership.

Through its SMME in Energy and Municipal Support Programmes, DEDEAT will be continuing to work closely with municipalities, developers and the local

depends on the extent to which the Province creates an enabling institutional environment

The 2019 integrated resource plan outlines a national new generation mix of primarily wind, solar and gas over the next 10 years. The value of this new build exceeds R400 Billion in investment.

community to ensure the socio-economic success of energy facilities.

With confirmation that municipalities in good standing may generate or procure energy included IPP and embedded generation, much work and support in the municipal space will be required going forward.

Eastern Cape Mini Grid Project: The Province has championed the Eastern Cape Minigrid Project, which is being implemented in the Raymond Mhlaba Local Municipality. The project represents a model for supplying high quality energy to deep rural villages which are not due to be connected to the national electricity grid within the next five to ten years. This represents a first of kind technical and institutional model for rural electrification. The

project is not only about electrification. It is also about crowding in training, livelihood development and local enterprise development with contributions from multiple partners both from South Africa and Germany. It is a holistic village development concept with high quality local energy as the backbone. The Project has been constructed and is

operating. An additional wind energy project is currently being added under a programme funded by the United Nations Development Programme. The balance of the operational system is being transferred to the municipality for ongoing ownership, maintenance and operations.

In order to achieve growth in terms of domestic and international tourists' arrivals, the Eastern Cape requires attention to the following key outputs:

- *Facilitation of tourism oriented developmental and catalytic interventions; and*
- *Provision of destination marketing leadership*

The interventions required will focus on development of tourism support infrastructure such as access roads, upgrading of tourist facilities, diversification of product offerings, skills development to improve the service standards as well as addressing safety concerns. Funding for tourism infrastructure projects has been leveraged in order to improve the tourism infrastructure more specifically within the protected areas and there is a dedicated effort at ensuring the implementation that has been detrimentally affected by the COVID-19 outbreak.

Some of these new infrastructure upgrade projects will benefit the women, children and people with disabilities e.g. some of the accommodation facilities at Dwesa Nature Reserve have been upgraded with a specific focus on offering universal accessibility targeting this market and this will apply to all the new infrastructure including public amenities such as beaches. Ultimately this kind of responsible tourism

practice should impact positively on all citizens thereby enjoying the product offerings.

From an international tourism marketing perspective, more effort will be placed on the development of new source markets with specific focus on India. Notwithstanding the impact of COVID-19, this is expected to enhance the efforts to increase the international segment since there is a decline from the traditional source markets in Europe.

The national department of small business Development has facilitated the process of the review of the principal act no.14 of 2005 that governs the legislation of co-operatives through a stakeholder consultative engagement across all nine provinces. This process led to the enactment of the amended co-operatives act no 6. of 2013 that has been proclaimed by the President in March 2019.

EC Provincial Co-operative Strategy and implementation plan: 2019-2024: has four strategic pillars that inform that APP and Operational plans:

- a) *Institutional support:*
- b) *Creating demand for co-operative products and services:*
- c) *Increase financial support for co-operatives:*
- d) *Research, database and Knowledge Management:*

The targets set in the APP and OPs plan are linked to the strategic pillars identified above. The activities are performed at regional level for non-financial support. For financial assistance the function is carried out at the entity level through the Imvaba fund. Other tasks and activities are handled at Head office level with regards to MOUs and roll out of cooperative development centres.

The Economic Development Programme will prioritise the following during MTEF period:

1. Ethical and developmental state: Use of live technology – to pick up state employees. Clear, awareness, campaigns and precise policies. Sometimes people do not know what is wrong, no ambiguity.
2. Enable job creation not a job creator. Instruments need to be transformed – to ensure economic transformation.
3. Encourage big businesses, incentives to empower the marginalized groups and smaller sectors.
4. Bring in FDI, promote our areas of investments, municipal co-ordination – e.g Ones Stop Shop.

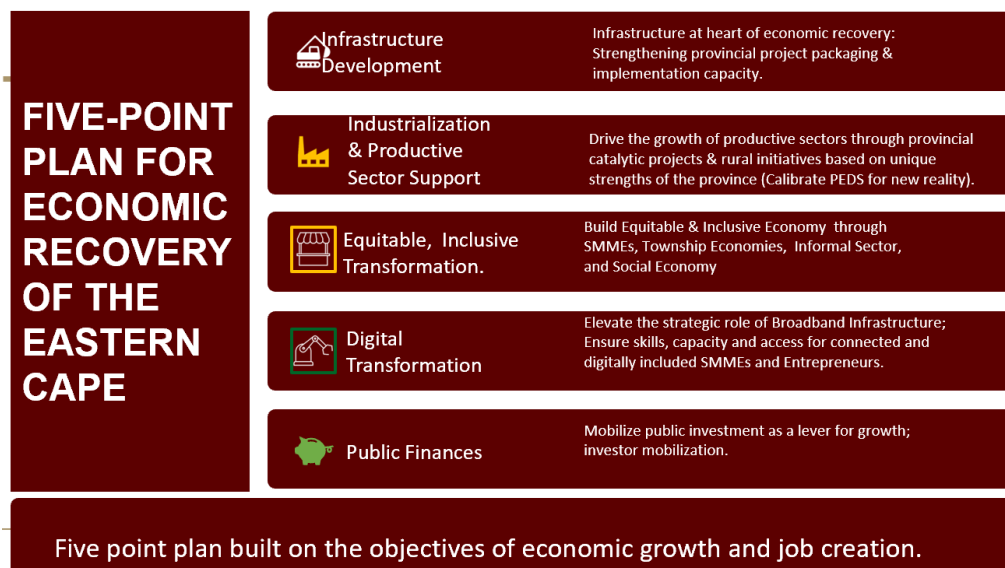
- Note: difficult to monitor implementation of economic transformation e.g Fronting (difficult to monitor). Clear program to monitor fronting.
5. Skills – to generate income, e.g. cellphone repairs. Provide Starter packs to do such, welding, robotics, value chain funding approach – a portion from our funding instrument for skills development working with Department of Labour.
 2. Industrial development – at a local level
 3. Failure of municipalities in supporting entities
 4. Reinforcement of policies, aligning municipal laws to those of agencies as well as national
 5. Enhanced stakeholder relationships with municipalities and regulators to promote compliance within the Regulatory Framework
 6. Appreciation by municipalities - Institutions of higher learning - value addition

In addition, DEDEAT will actively implement the post COVID19 recovery plan which was developed by the Provincial government. The plan is outlined as follows:

The following collaborative efforts will also be pursued:

1. Must also include development of communities – basic needs

Table 30: Five Point Plan for Economic Reconstruction and Recovery



Source: EC Provincial Government, 2020.

This plan is aligned to the PEDS that was developed by the department in 2015. Some of the enablers to be pursued include leveraging blended finance opportunities and establishment of the Provincial Growth Fund. At a sectoral level, the department’s contribution will be on:

- Support to the informal sector
- Business incubation strategy implementation including leveraging blended finance opportunities to enhance enterprise development support
- Catalysing township and rural economic development
- Support implementation of climate change adaptation strategies; and
- Harnessing innovation for applicability across various sectors (including PPP arrangements)

6 Programme Resource Considerations

Table 31: Summary of payments and estimates: Programme 2- Economic Development & Tourism

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates			% change from 2021/22
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25	
1. Integrated Economic Development :	229 216	49 944	141 322	141 826	143 974	143 974	158 494	134 050	137 443	10,1
2. Trade And Sector Development	217 738	572 983	503 075	745 107	594 396	594 396	397 785	299 884	294 787	(33,1)
3. Business Regulation & Governance	138 667	140 697	145 969	155 500	150 665	150 665	170 111	172 207	176 660	12,9
4. Economic Planning	2 498	4 998	4 115	7 799	7 799	7 799	8 375	8 855	9 222	7,4
5. Tourism	10 489	10 158	9 361	11 953	13 247	13 247	12 399	12 390	12 947	(6,4)
Total payments and estimates	598 608	778 780	803 842	1 062 185	910 081	910 081	747 164	627 386	631 059	(17,9)

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates			% change from 2021/22
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25	
Current payments	75 246	69 812	62 774	78 819	118 509	118 509	84 951	84 943	88 803	(28,3)
Compensation of employees	58 572	57 902	55 209	68 244	63 594	63 594	71 985	74 595	77 989	13,2
Goods and services	16 674	11 910	7 565	10 575	54 915	54 915	12 966	10 348	10 814	(76,4)
Interest and rent on land	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	522 036	708 968	733 303	983 366	791 572	791 572	662 213	542 443	542 256	(16,3)
Provinces and municipalities	770	-	-	500	500	500	300	200	209	(40,0)
Departmental agencies and accounts	501 396	707 188	711 148	963 066	771 272	771 272	646 316	521 405	522 898	(16,2)
Higher education institutions	-	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	19 870	1 780	22 155	19 800	19 800	19 800	15 597	20 838	19 149	(21,2)
Non-profit institutions	-	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 326	-	7 765	-	-	-	-	-	-	-
Buildings and other fixed structures	1 326	-	7 445	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	320	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-	-
Total economic classification	598 608	778 780	803 842	1 062 185	910 081	910 081	747 164	627 386	631 059	(17,9)

Table 34 above shows the summary of payments and estimates per sub-programme and per economic classification from 2018/19 to 2024/25. The expenditure for the programme increased from R598.608 million in 2018/19 to the revised estimate of R910.081 million in 2021/22 due to allocation for the PESF and the implementation of COVID-19 economic recovery plan funding. This is followed by a 17.9 per cent reduction to R747.164 million in 2022/23 due to the PESF coming to an end.

Compensation of Employees slightly increases from R58.572 million in 2018/19 to a revised estimate of R63.594 million in 2021/22 due to filling of the critical vacant posts to strengthen the functional programme performance. The budget increases by 13.2 per cent to R71.985 million in 2022/23 due to internal reprioritisation of funds for the filling of critical vacant posts to accelerate service delivery as well as the provision of the wage agreement additional allocation of the cash gratuity

Goods and Services increases from R16.674 million in 2018/19 to revised estimates of R54.915 million in 2021/22 mainly due the implementation of the informal business support programme and operational activities. In 2022/23, the budget decreases to R12.966 million or 76.4 per cent due to ceasing of once off implementation of informal business support programme.

Transfers and Subsidies increases from R522.036 million in 2018/19 to a revised estimate of R791.572 million in 2021/22 due to the allocation for PESF and implementation of economic recovery plan and reengineering post COVID-19 pandemic. In 2022/23, the budget decreases by 16.3 per cent to R662.213 million due to the PESF coming to an end.

Payment for Capital Assets decreases from R1.326 million in 2018/19 to no allocation in 2021/22 and over 2022 MTEF.

Key Risks and Mitigations from the Strategic Plan (Updated)

#	Outcomes	Key Risks	Risk Mitigations
1.	Decent employment through inclusive economic growth	<ul style="list-style-type: none"> Projects failure caused by Lack of skills and/or inability by project owners to manage the projects, resulting to non-achievement of economic transformation targets 	<ul style="list-style-type: none"> An independent service provider to provide an objective report of funded enterprises must be appointed. Upskill officials on post funding activities and monitoring of fund, and implementation of the terms and conditions of the MOA. Independent service provider to provide an objective report of funded enterprises must be appointed. Sittings of Project Steering Committee (PSC) including virtual, meetings to ascertain monitoring and enforcement of the implementation of the signed Memorandum of Agreement by DEDEAT. The parties involved in the PSCs include the beneficiary, DEDEAT, Eastern Cape Development Corporation, Small Enterprise Development Agency, local municipalities. Review the LRED Policy to ensure that there is clarity on what happens with the assets purchased with LRED funds, should a dispute arise among the members, in the event of death and non-continuation or business partners parting ways or the business being sold, all assets acquired from the LRED fund shall be returned to the department for donation to a similar deserving enterprise operating in the Eastern Cape. Implement collaboration agreement with other partners such as Small Enterprise Development Agency to ensure non-financial support is provided to LRED beneficiaries to ensure sustainability and viability of their businesses.
2.	Decent employment through inclusive economic growth	<ul style="list-style-type: none"> Inadequate economic policy coordination 	<ul style="list-style-type: none"> Identify relevant themes and host economic policy dialogues. Economic Planning to provide guidance on research activities in the department. Inputs into the terms of reference (TORs) of DEDEAT research projects. Assist with desktop research and data needs where possible.
3.	Skilled and capable workforce to support an inclusive growth path.	<ul style="list-style-type: none"> Limited tourism sector transformation Poor service levels 	<ul style="list-style-type: none"> Approval of the ECPTA Bill 2019 Provide feedback on the implementation of the tourism industry transformation support programme championed by the ECPTA. Support the implementation of the tourism service excellence programme through provision of training of Tourism Officers at Mthatha VIC and Wild Coast Sun VIC.
4.	Productive Local Economies	<ul style="list-style-type: none"> Infrastructure underdevelopment due to limited economic development provincial budget allocation and ageing infrastructure Unreliable electricity supply due to restrictions to energy generation and supply in the province, resulting in low productivity levels. 	<ul style="list-style-type: none"> Participation in Oceans Economy and infrastructure development Platforms. Support revitalization of EC state-owned industrial park. Implementation of the EC Economic Stimulus Fund. Independent Power Producer Support Processes and support to SMMEs in the Energy Sector Rural renewable energy mini-grid and Support to Municipal Embedded Generation Support to the Provincial Gas and Bunkering localization programme.

#	Outcomes	Key Risks	Risk Mitigations
5.	Decent employment through inclusive economic growth	<ul style="list-style-type: none"> • Stunted Tourism Industry Growth and Development caused by limited access and poor product diversification • Discrimination • Failure of co-operative enterprises 	<ul style="list-style-type: none"> • Support of Tourism Stimulus Fund projects to stimulate domestic tourism. • BBBEE awareness sessions with business owners / Supply Chain Management (SCM) practitioners for purposes of compliance with the provisions of the amended act. • Roll out of the informal business implementation framework. • Implementation of the Township/villages economies framework.

Programme: Environmental Management

Purpose: The programme administers environmental policies that are cascaded from national level in line with the mandate of the Department. Importantly, it regulates environmental management through instruments such as the environmental impact assessments, compliance and enforcement, air quality, waste and biodiversity management tools.

The Programme is responsible for monitoring and evaluating the work of the Eastern Cape Parks and Tourism Agency (ECPTA), the public entity tasked with implementing biodiversity management systems in Protected Areas and promoting private sector investment in Provincial Parks as well as Tourism development and transformation.

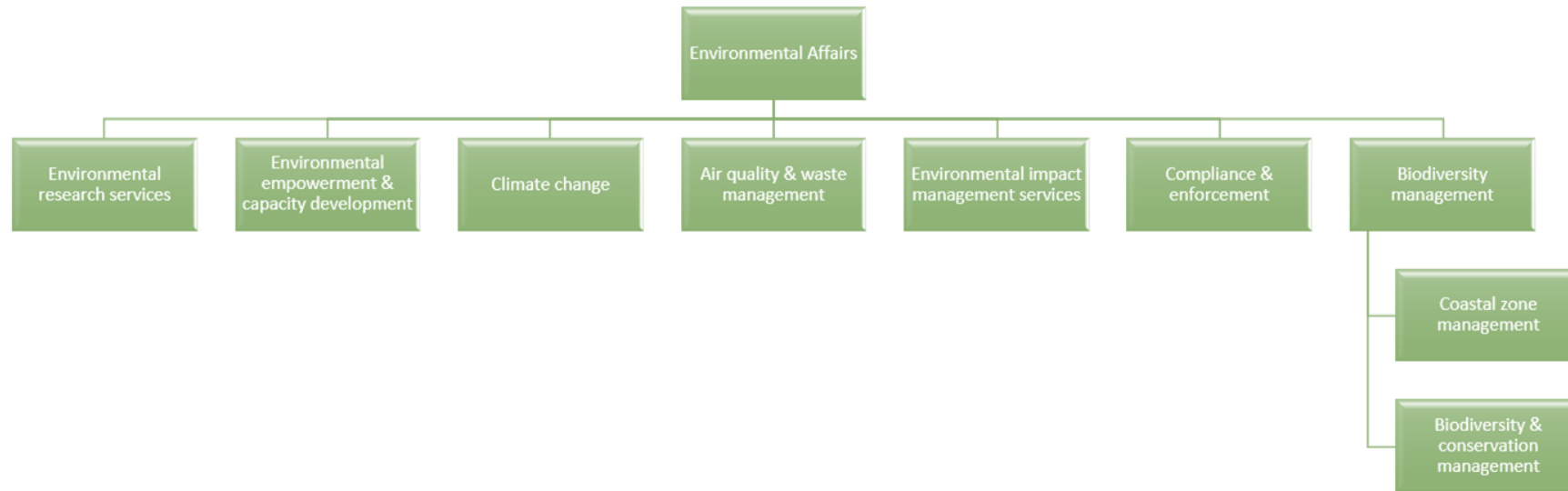
The Programme delivers on its mandate through the following sub-programmes:

Sub-Programmes:

Sub-Programme	Sub-Programme Purpose
3.1: Environmental Policy, Planning and Coordination	<ul style="list-style-type: none"> To establish legislation, policies, programmes, procedures and systems that will effectively empower and support the core functional programmes.
3.2: Compliance and Enforcement	<ul style="list-style-type: none"> To ensure that environmental legislation is effectively used to protect the environment and its resources from unlawful and unsustainable exploitation and negative impact.
3.3: Environmental Quality Management	<ul style="list-style-type: none"> To strive towards a safe and healthy environment through effective environmental impact assessment, air quality management, waste and pollution management for the people of the Eastern Cape.
3.4: Biodiversity Management	<ul style="list-style-type: none"> To conserve the diversity of landscapes, ecosystems, habitats, biological communities, populations, species & genes and promote conservation and sustainable use of natural resources in the Eastern Cape.
3.5: Environmental Empowerment Services	<ul style="list-style-type: none"> To empower and capacitate the external stakeholders of the Department to meaningfully participate in and contribute to effective environmental management.

Programme Structure:

Figure 18: Environmental Affairs Organisational Structure



PROGRAMME 3: Environmental Management

The Programme has a vacancy rate of 14%, similar to that of programme 2. A total of 25 out of 178 posts are vacant. Most vacant posts are at Highly Skilled Supervision (Levels 9-12) category, with 13 posts still to be filled. Outstanding posts will be filled in line with the annual recruitment plan.

Table 32: Posts filled vs vacant posts

Programme	Posts on approved establishment	Filled	Vacant ¹	% vacant
ENVIRONMENTAL MANAGEMENT ²	9	7	2	22%
IMPACT, AIR QUALITY AND WASTE MANAGEMENT	39	34	5	13%
ENVIRONMENTAL RESEARCH SERVICES	5	2	3	60%
COMPLIANCE AND ENFORCEMENT	35	32	3	9%
ENVIRONMENTAL EMPOWERMENT SERVICES	17	16	1	6%
BIODIVERSITY AND COASTAL ZONE MANAGEMENT	73	62	11	15%
Total	178	153	25	14%

1 Please note that only funded vacant posts are reflected, as per DPSA directives

2 Includes Office of Chief Director, Environmental Management (district offices)

6.1 Outcomes, Outputs, Performance Indicators and Targets

The ECPTA will develop its own output indicators (aligned to the mandate of the department and legislation) which will be tracked by the department. All work and output of the department will consciously work to promote women, youth and disabled categories of the provincial population. Where targeting of women, youth and disabled is not possible, reporting thereof (if applicable) will be made. Sector indicators that are not reflected below will be carried in the APP of the ECPTA who will account on their performance.

#	Outcome	Outputs	Output Indicators	Annual Targets						
				Audited Performance			Estimated Performance	MTEF Period		
				2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
1.	Improved air quality	Climate change projects implemented	# of climate change response interventions implemented	-	-	-	-	1	1	1
2.		Air quality records	Number of government-owned ambient air quality monitoring stations meeting minimum data requirements	Not measured	Not measured	2	3	3	3	3
3.			Compliance with Annual Ambient Air Quality Standards	Not measured	0.9	0	NAQI less than 1	NAQI less than 1	NAQI less than 1	NAQI less than 1
4.		Atmospheric Emission Licenses	% of complete Atmospheric Emission Licenses issued within legislated timeframes	100%	100%	100%	100%	100%	100%	100
5.	Protected area management effectiveness	Compliance inspections conducted	# of compliance inspections conducted	77	66	69	90	90	92	92
6.		Compliance notices issued	# Number of administrative enforcement notices issued for non-compliance with environmental management legislation	64	51	55	75	77	80	80
7.			# of completed criminal investigations handed to the NPA for prosecution	57	60	59	56	57	56	56

#	Outcome	Outputs	Output Indicators	Annual Targets						
				Audited Performance			Estimated Performance	MTEF Period		
				2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
8.		EIA record of decisions issued	% of complete EIA applications finalized within legislated timeframes	99.2%	95%	79%	100%	100%	100%	100%
9.	More waste recycled	Waste licenses	% of complete Waste License applications finalised within legislated time-frames	100%	50%	0	100%	100%	100%	100%
10.			% increase in volume of waste recycled	Not measured	-	0	4.0%	4.2%	4.2%	4.2%
11.	Thriving biodiversity economy		# of legislated tools developed	1	0	1	1	2	2	2
12.			# Number of inter-governmental sector programmes implemented	19	1	1	1	1	1	1
13.			# of environmental research projects completed	-	0	-	1	2	2	2
14.			# of functional environmental information management systems maintained	0	0	0	0	0	0	0
15.		Biodiversity permits	Percentage of complete biodiversity management permits issued within legislated timeframes.	-	-	-	-	80%	80%	80%
16.		work opportunities created through environmental programmes	# of work opportunities created through environment sector public employment programmes	363	734	757	970	550	600	750
17.		Environmental awareness activities conducted	# of environmental awareness activities conducted	33	34	21	24	24	24	24
18.		Environmental capacity building	# of environmental capacity building activities conducted	32	35	14	24	24	24	24
19.	Coastal projects developed	# of Coastal projects developed	Not measured	Not measured	0	1	1	1	1	

6.2 Output Indicators: Annual and Quarterly Targets

Indicators highlighted in blue are included here to show completeness of the theory of change and will not be reported by the department. Instead, these indicators will be reported by the respective public entity as indicated in the consolidated indicator list at the end of this document. All work and output of the

department will consciously work to promote women, youth and disabled categories of the provincial population. Where targeting of women, youth and disabled is not possible, reporting thereof (if applicable) will be made.

#	Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
1.	# of climate change response interventions implemented	1				1
2.	Number of government-owned ambient air quality monitoring stations meeting minimum data requirements	3	3	3	3	3
3.	Compliance with Annual Ambient Air Quality Standards	NAQI less than 1	-	-	-	NAQI less than 1
4.	% of complete Atmospheric Emission Licenses issued within legislated timeframes	100%	-	-	-	100%
5.	# of compliance inspections conducted	90	25	25	20	20
6.	# Number of administrative enforcement notices issued for non-compliance with environmental management legislation	77	20	20	20	17
7.	# of completed criminal investigations handed to the NPA for prosecution	57	14	16	16	11
8.	% of complete EIA applications finalized within legislated timeframes	100%	100%	100%	100%	100%
9.	% of complete Waste License applications finalised within legislated time-frames	100%	-	-	-	100%
10.	% increase in volume of waste recycled	4.2%	-	-	-	4.2%
11.	# of legislated tools developed	2	-	1	-	1
12.	# Number of inter-governmental sector programmes implemented	1	-	1	-	-
13.	# of environmental research projects completed	2	-	1	-	1
14.	# of functional environmental information management systems maintained	0	-	-	-	0
15.	% of complete biodiversity management permits issued within legislated timeframes.	80%	80%	80%	80%	80%
16.	# of work opportunities created through environment sector public employment programmes	550	-	-	-	550
17.	# of environmental awareness activities conducted	24	6	6	6	6
18.	# of environmental capacity building activities conducted	24	6	6	6	6
19.	# of Coastal projects developed	1	-	-	-	1

6.3 Explanation of planned performance over the medium-term period

South African National Biodiversity Institute released a National Biodiversity Assessment 2018 towards the end of 2019, and they provided a succinct summary of pressures on biodiversity in the Eastern Cape. It highlights changes in hydrological regime and poor water quality as major pressures on biodiversity in inland aquatic, estuarine, coastal ecosystems and selected terrestrial ecosystems. The over-abstraction of water and building of dams (primarily for crops, human settlement and mining) results in direct negative impacts through the disruption of important ecological processes such as sediment supply to the coast. Pollution of inland aquatic ecosystems from a combination of mining, industrial and urban wastewater, and agricultural

return flows negatively impact water quality. In contrast, the primary pressure in the terrestrial realm is habitat loss as a result of land clearing for croplands (12% of the province), plantation forestry (1%), infrastructure & settlements (4%) and mining (<1%). Rates of habitat loss are generally higher in the eastern parts of the province driven by expanding human settlements, agriculture and plantations. However, there are also areas showing very high rates of habitat loss in the western parts of the province; around Nelson Mandela Bay Metro (driven by urban expansion) and in the Sundays River and Gamtoos River valleys (driven by expansion of irrigated crops and citrus).

The Environmental Impact Management Directorate in conjunction with the Office of the Premier developed process flows for both Basic Assessment and Scoping/Environmental Impact Reporting processes in order to streamline and expedite the reviewing of applications. The Directorate will finalise 100% of Environmental Impact Assessment (EIA) applications with all the required information for a decision to be taken on quarterly basis.

The Directorate holds regular quarterly technical meetings with Head Office and all regional offices to discuss and resolve challenges relating to reviewing of applications. This platform also affords best performing regions with an opportunity to share best practices with regions. On a quarterly basis the Directorate holds meetings with the Environmental Assessment Practitioners (EAPs) to discuss the EIA applicable legislative framework that regulates the process including challenges and possible solutions to ensure that high standards of profession are sustained.

There is legislated requirement on the part of Environmental Assessment Practitioners to register with a National Regulatory Body with the aim of improving the quality of reports that are submitted to the Department for review.

Through the implementation of the Eastern Cape Provincial IWMP, provision for an effective and financially viable waste management service will be attained by increasing the refuse collection rate in all municipalities, clear illegal dumping and facilitate primary recycling infrastructure in the Province.

The co-ordination of the air quality function in the Eastern Cape by the Department will ensure that the

The Department performs the AEL function for those District Municipalities who do not have capacity to perform this function for themselves. The Department also coordinates and ensures that Municipalities perform the Auditing function as is required as per the National Atmospheric Emission Inventory System. The Department disseminates information and coordinates the function through the Air Quality and Climate Change Forum. The

local authorities perform their duties in compliance with the national standards so as to maintain a safe ambient air quality to advance a healthy and thriving society. Air Quality is an executive responsibility of Local Municipalities. Metros and District Municipalities are responsible for monitoring ambient air quality, issuing of Atmospheric Emission License and registering Controlled Emitters as well as monitoring compliance with the licence conditions and emissions stands. In this respect the Province provides technical assistance with regards to monitoring as and when the Municipalities require assistance. The Department oversees that the monitoring stations are performing adequately through collecting enough quality data.

Department participates in the development of the Regulations, Strategies and Management roles as discussed in MINTECH Working Group Two that deals with Air Quality Management in terms of National Environmental Management: Air Quality Management Act.

Climate Change is already triggering large-scale spatial, temporal and compositional shifts in

biodiversity. Species population-level changes are being translated into community-level reorganisations, even regime shifts which can impair ecological function. Intact biodiversity supports ecosystem functioning and can increase resilience to climate change impacts in both natural and managed systems with significant benefits for people under all likely climate scenarios this century (NBSAP2018). Currently South Africa awaits the finalization of the Climate Change Bill. The Eastern Cape Provincial Climate Change Response Strategy will be reviewed in alignment with the Climate Change Act inclusive of full costing implications for its implementation by various stakeholders.

Currently the Department needs to develop capacity to implement and monitor the implementation of all Municipal and Provincial Climate Change work. The Department has established an Air Quality and Climate Change Forum which co-ordinates the activities of the different Municipalities as well as sister Departments to discuss adaptation and mitigation initiatives implementation. The Department participates in the development of the Strategies and Management roles as is required for MINTECH Working Group Ten that discuss Climate Change issues.

The Programme will continue to organise and host environmental capacity building and awareness activities in various Districts with different annual environmental themes as an informed citizen is an empowered decision maker. School environmental competition will be held on an annual basis with different environmental themes that seeks to call into action youth for each year. We will continue to support other institutions that are implementing environmental management initiatives by participating in their planned events or activities. We will continue to participate in the governance structures of department's environment EPWP funded projects implemented by different municipalities as they focus on employing 60% youth, 65% women and 2% people with Disability. National Environmental Days with international

themes will be celebrated in different Regions on an annual basis in line with the Country's commitment to International Conventions that we are a signatory to.

The Environmental Affairs Programme will prioritise the following during MTEF period:

1. EIA's
2. Waste recycling
3. Climate Change- facilitation and mainstreaming
4. Game Transformation.
5. Environmental Awareness and capacity building
6. Bioprospecting
7. Enforcement collaboration across the spectrum
8. Collaboration with other departments and Municipalities.
9. National Departments planning processes-engagement
10. Education of informal sectors role players to prevent pollution
11. Biodiversity Offset agreements for the Next ten years. N2 EOA
12. Collaboration with Agriculture erosion Control
13. Supporting Municipalities with Waste Management
14. Support coastal management
15. Process and issue Biodiversity permits
16. Collaborate with other departments and institutions in environmental research

The following collaborative efforts will also be pursued:

1. Environmental and Climate Change is trans formal across Departments and Municipal Departments
2. Enforcement collaboration across the spectrum
3. Collaboration with other departments and Municipalities.
4. National Departments planning processes-engagement
5. EPIP
6. Green Climate Fund
7. Game Transformation

We will continue to enforce the environmental legislation to ensure compliance with environmental decisions and those who transgress the law will be brought to book through the justice system. Operation Phakisa Enforcement 5 planning and operations will be attended and executed with other organs of state that are involved. Organised environmental crime syndicates investigations will be diligently followed to the latter as to minimise the committing of such crimes within the borders of the province or be used for such illegal activities.

7 Programme Resource Considerations

Table 33: Summary of payments and estimates: Programme 3- Environmental Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates			% change from 2021/22
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25	
1. Environmental Policy, Planning And	24 282	31 571	33 873	44 394	50 218	50 218	40 941	37 835	39 535	(18,5)
2. Compliance And Enforcement	49 890	51 176	48 513	52 612	49 001	49 251	50 837	50 969	53 436	3,2
3. Environmental Quality Management	20 162	21 354	20 148	22 441	22 219	22 219	28 317	27 688	28 931	27,4
4. Biodiversity Management	230 463	219 714	228 245	242 179	240 479	240 479	212 207	210 293	219 735	(11,8)
5. Environmental Empowerment Servio	12 103	12 899	9 379	12 617	12 913	12 663	9 873	10 421	10 888	(22,0)
Total payments and estimates	336 900	336 714	340 158	374 243	374 830	374 830	342 175	337 206	352 525	(8,7)

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates			% change from 2021/22
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25	
Current payments	95 374	100 193	89 863	106 496	100 899	100 899	109 247	110 497	115 636	8,3
Compensation of employees	83 808	87 823	85 112	93 270	91 905	91 905	94 834	97 338	101 887	3,2
Goods and services	11 566	12 370	4 751	13 226	8 994	8 994	14 413	13 159	13 749	60,3
Interest and rent on land	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	241 526	236 521	250 217	267 747	273 731	273 731	232 878	226 709	236 889	(14,9)
Provinces and municipalities	12 680	18 956	23 918	29 287	36 968	36 968	25 600	21 659	22 632	(30,8)
Departmental agencies and accounts	227 271	216 046	226 299	236 763	236 763	236 763	207 278	205 050	214 257	(12,5)
Higher education institutions	-	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 575	1 427	-	1 697	-	-	-	-	-	-
Households	-	92	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	78	-	200	200	50	-	-	(75,0)
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	78	-	200	200	50	-	-	(75,0)
Heritage Assets	-	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-	-
Total economic classification	336 900	336 714	340 158	374 243	374 830	374 830	342 175	337 206	352 525	(8,7)

Table 36 above shows the summary of payments and estimates per sub-programme and per economic classification from 2018/19 to 2024/25. The expenditure for the programme increased from R336.900 million in 2018/19 to the revised estimate of R374.830 million in 2021/22 due to reprioritisation for the environmental management EPWP projects such as Waste Management, Waste Greening and Cleaning and Alien plants eradication. This is followed by 8.7 per cent reduction to R342.175 million in 2022/23 due to impact of data update in the Equitable Share formula and fiscal consolidation.

Compensation of Employees increases from R83.808 million in 2018/19 to a revised estimate of R91.905 million in 2021/22 due to the filling of posts for environmental and law enforcement officers. In 2022/23, the budget slightly increases by 3.2 per cent to R94.834 million for provision of critical post for environmental officers.

Goods and Services decreases from R11.566 million in 2018/19 to a revised estimate of R8.994 million in 2021/22 due to lockdown restrictions resulting from the COVID-19 pandemic. In 2022/23, the budget increases by 60.3 per cent to R14.413 million for implementation of environmental programmes such as Biodiversity programmes, Wetlands programmes and Environmental implementation of the Biodiversity Conservation Strategy Action Plan.

Transfers and Subsidies increased from R241.526 million in 2017/18 to a revised estimate of R273.731 million in 2021/22 due to funding for environmental awareness and biodiversity and conservation programme for job creation across regional and local municipalities. In 2022/23, the budget decreases by 14.9 per cent to R232.878 million due to once off allocation for the game reserve upgrade that was funded through PESF.

Payment for Capital assets expenditure increased from R78 thousand in 2019/20 to a revised estimate of R200 thousand in 2021/22. In 2022/23, it decreases to R50 thousand, which will be utilised for the animal cages.

Key Risks and Mitigations from the Strategic Plan (Updated)

#	Outcomes	Key Risks	Risk Mitigations
1.	<p>Protect and enhance our environmental assets and natural resources (Improved ecosystems and decrease in carbon footprint and decrease in sea level rise)</p> <p>Empowered public. Skilled and competent personnel</p>	<ul style="list-style-type: none"> Climate change 	<ul style="list-style-type: none"> Implement the Expanded Public Works Programme - environment sector Empower the public on Environmental education and legislation. Train staff on relevant technical skills. Compliance monitoring inspections.
2.	<p>Protect and enhance our environmental assets and natural resources (Improved ecosystems and decrease in carbon footprint and decrease in sea level rise).</p>	<ul style="list-style-type: none"> Harm to biodiversity 	<ul style="list-style-type: none"> Implement National Environmental Management Biodiversity Act (NEMBA), regulations (a. Convention on International Trade of Endangered Species of wild fauna and flora Threatened or protected species Bio-prospecting access and benefit sharing) relevant and policies. Continuously include biodiversity education in the environmental empowerment services. Rehabilitating ecosystems/habitats - by means of eradicate the alien and invasive species through EPWP.
3.	<p>Improved data management and reports.</p>	<ul style="list-style-type: none"> Over exploitation of environmental resources 	<ul style="list-style-type: none"> Conduct stakeholder education on importance of protecting environment. Co-operate (capacity building) with the stakeholders to ensure implementation of the environmental empowerment initiatives. Roll out of honorary environmental officers (volunteers)

Name of Public Entity	Mandate	Outcomes
Eastern Cape Development Corporation (ECDC)	The Eastern Cape Development Corporation was established in terms of the Eastern Cape Development Corporation Act, 2 of 1997. The object of the Corporation as established in terms of the ECDC Act is to plan, finance, co-ordinate, market, promote and implement the development of the Province and all its people in the fields of industry, commerce, agriculture, transport and finance. A White Paper on the Eastern Cape Development Corporation is being developed which will inform the Eastern Cape Development Corporation Bill to align with the Economic Policy direction of the country and the province.	<ol style="list-style-type: none"> 1. Competitive and sustainable SMME Sector 2. A growing diversified and inclusive economy 3. A viable ECDC that offers competitive products and services
East London Industrial Development Zone (ELIDZ)	The IDZ Regulations to the Manufacturing Development Act (MDA), Act.187 of 1993 was the basis for the establishment of the ELIDZ to pursue the aims and objectives of the Industrial Development Zone (IDZ) Programme. The ELIDZ is now guided by the Special Economic Zones Act, 16 of 2014 (SEZ). The main mandate is to secure the attraction of strategic investments for purposes of promoting the export competitiveness of South African manufactured products/services; strengthening, expanding and diversifying the local and regional economy; enabling exploitation (via beneficiation of regional natural resources); securing advanced foreign production and technology methods; and encouraging skills transfer and local intellectual capital development.	<ol style="list-style-type: none"> 1. High-performing, competitive and resilient industries 2. Technology-led innovation and industrial modernisation 3. Sustainable operational efficiencies and global best practices
Coega Development Corporation (CDC)	The Coega Development Corporation (Pty) Ltd ("CDC") was established in 1999 from the derivatives of Regulations promulgated in terms of the Manufacturing Development Act 187 of 1993. The CDC is now guided by the Special Economic Zones Act, 16 of 2014 (SEZ). The main mandate is to secure the attraction of strategic investments for purposes of promoting the export competitiveness of South African manufactured products/services; strengthening, expanding and diversifying the local and regional economy; enabling exploitation (via beneficiation of regional natural resources); securing advanced foreign production and technology methods; and encouraging skills transfer and local intellectual capital development.	<ol style="list-style-type: none"> 1. Achieved Financial Sustainability 2. Increased Market Share 3. Grow the SEZ by Increasing Developed Land 4. Increased Economic Impact 5. Increased SMME participation in economic activities to yield procurement spent of 35% 6. Job Creation 7. Skills Development
Eastern Cape Parks and Tourism Agency (ECPTA)	The Eastern Cape Parks and Tourism Agency was established in terms of the Eastern Cape Parks and Tourism Agency Act, 2 of 2010. The Act is being revised and the Eastern Cape Parks and Tourism Bill, 2019 has been presented to the Executive Council for approval. The ECPTA's mandate is to develop and manage protected areas and promote and facilitate the development of tourism in the Province. The legislation provides for the establishment of an Eastern Cape Tourism Development Fund to empower and develop previously disadvantaged individuals in the tourism sector; and for an Eastern Cape Biodiversity Conservation and Development Fund to empower and develop previously disadvantaged individuals and to promote biodiversity conservation in Protected Areas.	<ol style="list-style-type: none"> 1. Adaptive management of biodiversity sustains ecological services. 2. Marginalised individuals and communities actively benefit from biodiversity and tourism. 3. The province is the premier destination connecting people to authentic experiences. 4. The organisation sustains its clean audit status.
Eastern Cape Gambling Board	The Eastern Cape Gambling Amendment Act, 2015 (Act No. 1 of 2015) amended the Eastern Cape Gambling Act, 1997 (Act No. 5 of 1997) and came into operation on 1 August 2016. On the 19 th February 2018 the Honourable Premier published a Proclamation bringing into operation section 4 and section 5 of the Eastern Cape Gambling Amendment Act, 2015 (Act No. 1 of 2015). These sections provide that the juristic person will be known as the Eastern Cape Gambling Board. The ECGB was mandated to oversee all gambling and betting activities in the Province and establish, develop and maintain the Board as an effective and efficient regulatory agency. The oversight functions	<ol style="list-style-type: none"> 1. Transformed and Sustainable Gambling Industry in the Province. 2. Compliant and protected gaming industry 3. Educated, Informed and Responsible Punters and General Public. 4. Empowered communities located in areas where there

Name of Public Entity	Mandate	Outcomes
	<p>extend to casino operations, horse racing, route and site operations based on limited pay-out machines (LPMs), bingo halls and clubs, licensing of gaming equipment manufacturers and suppliers, registration of gambling and betting personnel and curbing illegal gambling operations. The Regulations in terms of the Act were published for comment and comments are being considered. It is envisioned that they will be implemented during 2019/2020.</p>	<p>is a gambling footprint as well as impoverished areas.</p> <ol style="list-style-type: none"> 5. Informed policy decision-making based on Research and Evaluation Outcomes. 6. Effective governance with an enabling work-place environment.
<p>Eastern Cape Liquor Board (ECLB)</p>	<p>The Eastern Cape Liquor Board was established in terms of the Eastern Cape Liquor Act 10 of 2003 with the following mandate: To regulate the registration of retail sales and micro-manufacturing of liquor in the province; to encourage and support the liquor industry in the management and reduction of the socio-economic and other costs of excessive alcohol consumption by creating a conducive environment in which new entrants into the liquor industry is facilitated; measures are taken against those selling liquor outside of the regulatory framework; those involved in the liquor industry attain and maintain adequate standards of service delivery; ward committees and communities are encouraged to participate in the consideration of applications for registration certificates; and address the challenges facing the liquor industry in the Province. The Eastern Cape Liquor Authority Act, 2018 (Act No. 4 of 2018) was assented to and published in the Provincial Gazette during March 2019. Regulations in terms of the Act will be drafted and will be published for comment once the Hon Premier promulgates the Act.</p>	<ol style="list-style-type: none"> 1. Reduction in alcohol abuse and behavioural change towards alcohol consumption 2. Compliant liquor trading and regulated access to alcohol 3. Efficient licensing 4. Economically active and sustainable liquor traders 5. Empowered liquor traders 6. Good Corporate Governance

8 Infrastructure Projects

No.	Project name	Programme	Description	Outputs	Start date	Completion date	Total Estimated cost	Current year Expenditure
<i>The department currently does not have infrastructure projects. Infrastructure projects are developed and/or supported through the department's public entities. These are listed in their respective corporate plans/ annual performance plans.</i>								

9 Public Private Partnerships

PPP name	Purpose	Outputs	Current Value of Agreement	End-Date of Agreement
<i>The department does not have Public Private Partnerships as defined by the National Treasury.</i>				

Part D: Technical Indicator Descriptions (TIDs)

The following TIDs were developed within the context of not fully matured data gathering systems for various portfolios. Extreme care will be taken to target women, youth and people with disabilities (W, Y and PWDs) in lieu of applicable laws and good development practice. Where it was not practical to target W, Y and PWDs, under information asymmetry, the department will endeavour to delineate W, Y and PWDs through reporting.

PROGRAMME 1: ADMINISTRATION

Indicator title	1. % network uptime
Definition	Refers to the uptime of the network at head office and regional offices (both intranet and internet). Analysis should be made of network and server monitoring (routers and switches), bandwidth analysis, firewall log management, configuration management, IP address and switch port management, fault management, Giga Bytes (GB) transferred, blocked urls, etc.
Source of data	SITA automated network reports; DEDEAT ICT automated network report
Method of Calculation or Assessment	Calculate the time within each 24 hours' period when the network is running according to agreed test parameters. Generate a report that averages the uptime rate over a reporting period e.g. for a quarterly report, calculate based on hours in a 3-month period.
Means of verification	ICT generated report on network uptime and downtime from SITA or the OTP. Narrative report on network functionality covering issues such as network and server monitoring (routers and switches), bandwidth analysis, firewall log management, configuration management, IP address and switch port management, fault management, Giga Bytes (GB) transferred, blocked urls, etc. or the applicable.
Assumptions	N/A
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Non-Cumulative
Reporting cycle	Quarterly
Desired performance	100% network functionality is desirable
Indicator responsibility	Senior Manager: DGITO

Indicator title	2. Public Entities Accountability Index
Definition	Refers to an aggregate score of compliance in relation to the SLAs for all Public Entities of the Department, i.e. ECLB, ECGBB, ECPTA, ECDC, ELIDZ and COEGA. The score takes into account the responsibilities of both the department and public entities using a defined instrument. The assessment takes into account planning, transfers and accountability among others in line with the provisions of the SLAs.
Source of data	Records from Public Entities and Programme 2 Manager
Method of Calculation or Assessment	Using binary scores of 1 or 0, each entity is scored based on the provisions in the SLA using a defined instrument. Each entity score is expressed as a percentage of total which gives a maximum potential score of 100%. The scores of all entities are added up and divided by the number of entities under consideration. The final score is divided by 10 which gives a maximum score of 10.
Means of verification	Signed schedule /narrative (sub-programme manager and programme 2 manager) score sheet of the Public Entities Accountability Index. In addition to a consolidated score sheet for all entities, a score sheet for each public entity should be provided.
Assumptions	The index is assessed by both the department and public entities

<i>Disaggregation of Beneficiaries (where applicable)</i>	<i>Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A</i>
<i>Spatial Transformation (where applicable)</i>	<i>N/A</i>
<i>Calculation type</i>	<i>Non-cumulative</i>
<i>Reporting cycle</i>	<i>Quarterly</i>
<i>Desired performance</i>	<i>It is desirable to have a higher public entity accountability score</i>
<i>Indicator responsibility</i>	<i>Senior Manager: Public Entities Oversight</i>

Indicator title	3. % of suppliers paid within 30 days
<i>Definition</i>	<i>Refers to % of suppliers with valid invoices who are paid within 30 days</i>
<i>Source of data</i>	<i>DEDEAT Finance Section</i>
<i>Method of Calculation or Assessment</i>	<i>Divide the total number of valid invoices paid within 30 days by the total number of valid invoices that were processed for payment during each quarter and multiply by 100.</i>
<i>Means of verification</i>	<i>Finance records</i>
<i>Assumptions</i>	<i>Suppliers submit their invoices timeously. There is capacity to process in the department</i>
<i>Disaggregation of Beneficiaries (where applicable)</i>	<i>Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A</i>
<i>Spatial Transformation (where applicable)</i>	<i>N/A</i>
<i>Calculation type</i>	<i>Non-Cumulative</i>
<i>Reporting cycle</i>	<i>Quarterly</i>
<i>Desired performance</i>	<i>100% payment within 30 days</i>
<i>Indicator responsibility</i>	<i>Senior Manager: Financial Management</i>

Indicator title	4. Annual Audit Outcome
<i>Definition</i>	<i>Refers to financial audit outcome issued by the Auditor General at the end of the audit cycle.</i>
<i>Source of data</i>	<i>Auditor General</i>
<i>Method of Calculation or Assessment</i>	<i>Audit outcome is based on the audit criteria used by the Auditor General</i>
<i>Means of verification</i>	<i>Report of the Auditor General</i>
<i>Assumptions</i>	<i>The outcome is based on a sample. If the sample is not chosen correctly, it may obscure the correctness of the audit results</i>
<i>Disaggregation of Beneficiaries (where applicable)</i>	<i>Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A</i>
<i>Spatial Transformation (where applicable)</i>	<i>N/A</i>
<i>Calculation type</i>	<i>Non - Cumulative</i>
<i>Reporting cycle</i>	<i>Annually</i>
<i>Desired performance</i>	<i>Clean Audit outcome is desirable</i>

Indicator responsibility	Chief Financial Officer
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Indicator title	5. % Implementation of the Work Skills Plan
Definition	A work skills plan is produced annually in line with policy and legislation. The work skills plan has deliverables for the year of implementation. The idea is to measure the extent to which those deliverables are implemented during the year. Examples of deliverables in the work skills plan include annual training plan.
Source of data	Personal Development Plans (PDP's); HRD; Work Skills Implementation Plan reports
Method of Calculation or Assessment	Calculate the degree to which all deliverables have been implemented in the WSP. Add the total and divide by the total number of deliverables in the WSP for the reporting year and multiply by 100.
Means of verification	Signed Workplace Skills Plan (WSP) implementation reports Signed Work Skills Plan statistics.
Assumptions	N/A
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Non-Cumulative
Reporting cycle	Quarterly
Desired performance	A higher % of implementation is desirable
Indicator responsibility	Senior Manager: HRD

Indicator title	6. % of Staff Complying with All PMDS Processes (contracts and reviews)
Definition	% of staff out of the total employed staff that complete the following within timeframes: i) contracting by 30 April of each year 2) quarterly and annual performance reviews conducted.
Source of data	PMDS Unit – PMDS reports, Performance Reviews and Performance Agreements
Method of Calculation or Assessment	Add total number of contracts signed timeously (A) and divide by total number of employees who should have signed the agreements. Add total number of reviews completed timeously (R) and divide by total number of employees who should have completed the reviews. Add the two results above and divide by 2 and multiply by 100. (Result of A plus result of R)/2 *100.
Means of verification	Signed report on Performance Agreements and Performance Reviews for all staff for the applicable financial year. Provincial report from the OTP comparing the performance of departments on key HR functions including contracting and performance reviews. Signed contracts and review forms should be kept in files for audit verification.
Assumptions	
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Non-cumulative
Reporting cycle	Bi-annually
Desired performance	100%
Indicator responsibility	Senior Manager: HRD

PROGRAMME 2: ECONOMIC DEVELOPMENT AND TOURISM

Indicator title	1. # of Sustainable Energy Initiatives Facilitated
<i>Definition</i>	<i>Support to projects, institutions and initiatives in the Eastern Cape that directly or indirectly result in the sustainable generation or consumption of energy¹⁰.</i>
<i>Source of data</i>	<i>Records from the Sector Specialist: Sustainable Energy Programme Manager</i>
<i>Method of Calculation or Assessment</i>	<i>Simple count of sustainable energy initiative facilitated.</i>
<i>Means of verification</i>	<i>Signed schedule/ narrative (sub-programme manager and programme 2 manager) of sustainable energy initiatives facilitated listing i) support provided; or ii) institutions and initiatives that support sustainable generation or consumption of energy.</i> <i>Source documents in the form of at least one of the following: meeting agendas, minutes, reports, attendance registers, correspondence or any other relevant documentation, must be provided as part of the PoE.</i>
<i>Assumptions</i>	<i>Demand for sustainable energy will continue to increase</i>
<i>Disaggregation of Beneficiaries (where applicable)</i>	<i>Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A</i>
<i>Spatial Transformation (where applicable)</i>	<i>Province wide</i>
<i>Calculation type</i>	<i>Cumulative year - end</i>
<i>Reporting cycle</i>	<i>Annually</i>
<i>Desired performance</i>	<i>More sustainable energy initiatives together with improved socio-economic outcomes is desirable</i>
<i>Indicator responsibility</i>	<i>Senior Manager: Sustainable Energy</i>

Indicator title	2. # of Manufacturing Initiatives Facilitated
<i>Definition</i>	<i>Support to enterprises, projects, institutions (which includes DEDEAT entities – ECDC, ELIDZ, Coega) and initiatives in the Eastern Cape that directly or indirectly result in the retention or growth of the EC manufacturing sectors namely Automotive-, Non-Automotive-: (Furniture, Plastics, Chemicals, Clothing and Leather, Metals, Electrical and Electronics)- and Agro-Industrial Manufacturing sectors.</i>
<i>Source of data</i>	<i>Records from the Director: Manufacturing</i>
<i>Method of Calculation or Assessment</i>	<i>Simple count of manufacturing initiatives facilitated.</i>
<i>Means of verification</i>	<i>Signed schedule/ narrative (sub-programme manager and programme 2 manager) of manufacturing initiatives facilitated listing i) support provided; ii) institutions and initiatives that result in the retention or growth of the manufacturing sector.</i> <i>Source documents in the form of at least one of the following: meeting agendas, minutes, reports, attendance registers, action plans, correspondence or any other relevant documentation must be provided as part of the PoE.</i>
<i>Assumptions</i>	<i>There is less de-industrialisation</i>

Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Calculation type	Cumulative year - end
Reporting cycle	Quarterly towards annual target
Desired performance	More manufacturing initiatives are desired
Indicator responsibility	Director: Manufacturing

Indicator title	3. # of Agro-Processing Initiatives Facilitated
Definition	Support to enterprises, projects, institutions and initiatives in the Eastern Cape that promote agro-processing.
Purpose/importance	The Eastern Cape has a comparative advantage in terms of agriculture. This advantage is still to be tapped to ensure massive production of various agriculture products. Agro-processing has the potential to tap into agricultural production through the promotion of value chain development approach in the sector. Such value chain development has the potential to propel the local and regional economic development of the Province. Agro-processing is one of the key sectors identified in the Provincial Economic Development Strategy for support and development.
Source of data	Signed schedule/ narrative (sub-programme manager and programme 2 manager) of agro-processing initiatives facilitated listing i) support provided; ii) institutions and initiatives that result in the retention or growth of the agro-processing sector. Source documents in the form of at least one of the following: meeting agendas, minutes, reports, attendance registers, correspondence or any other relevant documentation must be provided as part of the PoE.
Method of Calculation or Assessment	Simple count of agro-processing initiatives facilitated and supported.
Means of verification	Records from the Sector Specialist: Agro-Processing
Assumptions	
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Focus is on the poorer regions of the province
Calculation type	Cumulative year - end
Reporting cycle	Annually
Desired performance	More agro-processing initiatives will be desirable
Indicator responsibility	Senior Manager: Agro-Processing

Indicator title	4. # of trade and investment promotion Initiatives Facilitated
Definition	Support to enterprises, projects, institutions (which includes DEDEAT entities – ECDC, ELIDZ, Coega.), municipalities and initiatives in the Eastern Cape that directly or indirectly result in the retention or attraction of foreign and direct investment in the province.
Source of data	Records from the Director: Trade and Investment Promotion
Method of Calculation or Assessment	Simple count of trade and investment initiatives facilitated.
Means of verification	Signed schedule/ narrative (sub-programme manager and programme 2 manager) of trade and investment promotion initiatives facilitated listing i) support provided; ii) institutions and initiatives that result in the retention or growth of the manufacturing sector.

	Source documents in the form of at least one of the following: meeting agendas, minutes, reports, attendance registers, action plans, correspondence or any other relevant documentation must be provided as part of the PoE.
Assumptions	Recovery of foreign and domestic investments
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Province wide
Calculation type	Cumulative year - end
Reporting cycle	Quarterly towards annual target
Desired performance	More manufacturing initiatives are desired
Indicator responsibility	Director: Trade and Investment Promotion

Indicator title	4. # of policies reviewed
Definition	<p>The ease of doing business is usually negatively affected by repetitive movements, protracted processes, issuing of vague instructions and a demand for unnecessary information which are examples of factors that constitute some of the barriers. This leads to delays and additional expenses that do not add value to decision-making and risk moderation.</p> <p>Sessions refer to interactive engagements which could be in the form of meetings, workshops, focus groups, interviews, enquiries etc. The affected groups are stakeholders who provide services, consumers of such services and those who suffer or are victims of barriers.</p> <p>The indicator is about assessing a range of factors, their impact on achieving business purpose and benefit to adding value instead of creating prolonged, confusing and counterproductive protocols are of importance to realising the goal</p>
Source of data	Business Regulation
Method of Calculation or Assessment	Add number of frameworks developed to enable the ease of doing business.
Means of verification	<p>Signed schedule/ narrative (sub-programme manager and programme 2 manager) of frameworks developed to enable the ease of doing business.</p> <p>Completed and signed framework to enable the ease of doing business.</p>
Assumptions	Barriers to ease of doing business are fairly standard
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Focus on municipalities
Calculation Type	Cumulative year-to-date
Reporting Cycle	Bi-annually
Desired Performance	More policies should be reviewed to improve ease of doing business
Indicator responsibility	Senior Manager: Business Regulation

Indicator title	5. # of socio-economic intelligence reports produced
Definition	Report on the development of key economic and social indicators at the provincial level.
Source of data	Records from the Senior Manager: Research
Method of Calculation or Assessment	Simple count of provincial economic intelligence reports produced during the reporting
Means of verification	Signed schedule/ narrative (sub-programme manager and programme 2 manager) of provincial economic intelligence reports produced. Supporting evidence in the form of completed provincial economic intelligence reports produced, dated and signed off by the lead researcher (internal or external) in form of a hand over letter to the Department (or programme manager for internal research) or any form of declaration that the provincial economic intelligence report has been completed should be attached.
Assumptions	Research data is easily available
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative year-to-date
Reporting Cycle	Quarterly
Desired Performance	More reports are desirable
Indicator responsibility	Senior Manager: Research

Indicator title	6. # of Qualifying Economic Development Projects Funded at Local and Regional Levels
Definition	Refers to local and regional economic development projects provided with funding under the LRED programme using the LED Funding Criteria.
Source of data	Records from DEDEAT regional managers
Method of Calculation or Assessment	Simple count of the LRED projects funded.
Means of verification	Signed schedule/ narrative (sub-programme and programme 2 manager) of LRED projects funded. The schedule should have the following fields: i) # of LRED projects funded, ii) the projected number of jobs to be created, iii) the regions where these LRED projects are located and v) the sector in which the LRED projects are involved in. Source documents such as payment stubs must be attached to the PoE. Signed funding approval letters for LRED projects.
Assumptions	The risk of counting a project more than once if funding provided runs across quarters
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	More projects from depressed regions are desirable
Calculation type	Non-cumulative
Reporting cycle	Annually
Desired performance	It is desirable to fund more local economic development projects
Indicator responsibility	Senior Manager: Local and Economic Development

Indicator title	7. # of cooperatives provided with non-financial support
<i>Definition</i>	<i>This refers to Cooperatives that have been provided with technical assistance, that is, training, mentorship, financial etc. and monitoring of the funded co-operative enterprises.</i>
<i>Source of data</i>	<i>Records from DEDEAT Regional Offices</i>
<i>Method of Calculation or Assessment</i>	<i>Simple count of existing cooperatives supported in each quarter</i>
<i>Means of verification</i>	<p><i>Signed schedule/narrative (manager responsible for the indicator at DEDEAT) of Cooperatives supported during the quarter. The schedule should have the following fields: i) name of Cooperatives supported, ii) the nature of support rendered, iii) the projected number of jobs to be created, iv) the regions where these Cooperatives are located and v) the sector in which the Cooperatives are involved in. vi) the demographics-breakdown in terms Gender, Youth, PWD, vii) copy of a certificate of incorporation, viii) in instances of referrals a signed letter as proof viii) attached M&E form used ix) application form in instances of access to finance facilitated and x) prescribed CIPC forms for regulatory compliance e.g. amendments, address changes, director disclosures, annual returns etc.</i></p> <p><i>Attendance register with members of the cooperatives supported</i> <i>Signed report on the nature of support provided.</i></p>
<i>Assumptions</i>	<i>The risk of counting a cooperative more than once if support provided runs across quarters</i>
<i>Disaggregation of Beneficiaries (where applicable)</i>	<p><i>Target for Women: 30%</i> <i>Target for Youth: 30%</i> <i>Target for People with Disabilities: 7%</i></p>
<i>Spatial Transformation (where applicable)</i>	<i>Province wide with special attention to the eastern half of the province</i>
<i>Calculation type</i>	<i>Cumulative year-to-date</i>
<i>Reporting cycle</i>	<i>Quarterly</i>
<i>Desired performance</i>	<i>It is desirable to support more cooperatives</i>
<i>Indicator responsibility</i>	<i>Senior Manager: Enterprise Development</i>

Indicator title	8. # of Provincial Economic Stimulus Fund projects monitored
<i>Definition</i>	<p><i>The number of strategic projects funded and/or subsequently supported and monitored by the Department through the Economic Stimulus Fund.</i></p> <p><i>Funding, by the Department, of catalytic initiatives that trigger a chain reaction of positive economic outcomes that are far greater than the initial input. Guiding criteria for projects include:</i></p> <ul style="list-style-type: none"> <i>• Alignment to the Provincial Economic Development Strategy Priority Sectors;</i> <i>• Emerging strategic sectors.</i> <i>• Economic Infrastructure as an enabler for economic growth and development;</i> <i>• Socio-economic impacts;</i> <i>• Youth Focus; and</i> <i>• Contributes towards equitable geographic spread.</i> <p><i>Funding Scope:</i> <i>While the initial focus of the stimulus is on initiatives under the ambit of government institutions and agencies, funding of private sector initiatives might be considered subject to processes that are compliant with the PFMA.</i></p>
<i>Source of data</i>	<i>Documents from the office of the General Manager: Economic Development Programme, and/or implementing agencies and/or partners.</i>
<i>Method of Calculation or Assessment</i>	<i>Add up the total number of projects funded and/or subsequently supported and monitored during the year.</i>

Means of verification	List of projects awarded; and Service Level Agreements with awarded projects; or Payment Stubs; or Project follow-up reports. Or Monitoring Report
Assumptions	There will be a pool of credible applications
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Province wide with special focus on poorer regions of the province
Calculation type	Non-cumulative
Reporting cycle	Annually
Desired performance	More projects should be funded
Indicator responsibility	General Manager: Economic Development

Indicator Title	9. Status report on the implementation of sector policies / strategies
Definition	Refers to the half-yearly reports on the implementation of the Tourism Master Plan & Action Plan 2020. These reports monitor and track progress on the legislative review process and identified indicators on the Tourism Master Plan & Action Plan 2020 in relation to achievement of set targets and/or key outputs.
Source of data	Quarterly reports from the ECPTA. Reports from the Department of Tourism. Reports for districts and local municipalities and implementing agencies.
Method of Calculation / Assessment	Add the number of reports produced.
Means of verification	Signed schedule /narrative reports (sub-programme manager and programme 2 manager) on the implementation of the 2020 Tourism Master Plan. Signed schedules and narratives from the ECPTA; where applicable, attendance registers, agendas, presentations and reports on projects/should be attached.
Assumptions	All reports from the ECPTA will be endorsed by the Board of Directors. All reports from other spheres of government will have been verified through their management structures.
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Bi-Annually
Desired performance	Performance as planned
Indicator Responsibility	Senior Manager: Tourism

Indicator title	10. # of Consumer Education Programmes Implemented
Definition	Interventions undertaken to facilitate access to information on consumer protection policy provisions, available redress mechanisms and related consumer responsibility.
Source of data	Records from the Office of the Consumer Protector
Method of Calculation or Assessment	Simple count of consumer education programmes conducted.
Means of verification	Signed schedule/ narrative (sub-programme manager and programme 2 manager) of consumer education programmes implemented. The schedule should list i) name of consumer education programme; ii) The virtual or media platform

	<p><i>utilised; iii) regions where the education programme took place; iv) dates when the virtual or media event took place and v) the target audience.</i></p> <p><i>As an annexure to this register the following must be attached: programme material; and signed facilitators' reports of each of the awareness sessions conducted.</i></p>
<i>Assumptions</i>	<i>There is demand for consumer education and awareness sessions</i>
<i>Disaggregation of Beneficiaries (where applicable)</i>	<p><i>Target for Women: N/A</i></p> <p><i>Target for Youth: N/A</i></p> <p><i>Target for People with Disabilities: N/A</i></p>
<i>Calculation type</i>	<i>Cumulative</i>
<i>Reporting cycle</i>	<i>Quarterly</i>
<i>Desired performance</i>	<i>More awareness workshops or virtual sessions in support of the campaigns are desirable</i>
<i>Indicator responsibility</i>	<i>Senior Manager: Consumer Protector</i>

PROGRAMME 3: ENVIRONMENTAL MANAGEMENT

Indicator title	1. # of Climate Change Response Interventions Implemented
Definition	<i>This refers to interventions implemented to respond to challenges and potential impacts of climate change. These include provincial climate change programmes, green-house gas mitigation responses, vulnerability and adaptation responses.</i>
Source of data	<i>Implementation reports approved by delegated authority (as per target)</i>
Method of Calculation or Assessment	<i>Actual Annual progress reports per tool implemented</i>
Means of Verification	<i>Signed schedule/ narrative (programme 3 manager) of climate change response tools developed (green-house gas mitigation response and adaptation projects). Supporting evidence in the form of climate change response tools developed (signed off by the accounting officer or his delegated authority) must be attached to this report.</i>
Assumptions	
Disaggregation of Beneficiaries (where applicable)	<i>Target for Women: Target for Youth: Target for People with Disabilities:</i>
Spatial Transformation (where applicable)	<i>All Districts</i>
Calculation type	<i>Non-cumulative</i>
Reporting cycle	<i>Annually</i>
Desired performance	<i>Development and implementation of tools to improve mitigation and resilience to climate change.</i>
Indicator responsibility	<i>Sub-Programme Manager: Climate Change</i>

Indicator title	2. # of government-owned ambient air quality monitoring stations meeting minimum data requirements
Definition	<i>This indicator measures the performance of Air Monitoring Stations in terms of data availability and whether they are reporting to SAAQIS.</i>
Source of data	<i>SAAQIS website and/ or raw data from each monitoring station.</i>
Method of Calculation or Assessment	<i>From Walmer, Saltworks, East London and Gompo Stations all data for PM10, SO2 and NO2, emission parameters will be used. The reporting period is a calendar year. Data will be in hourly format. For Each Station where there is hourly data a factor of one will be assigned and where there is no data a factor of 0 will be assigned. The factors will then be added up and divided by 8760 (number of hours in a year) and then expressed as a percentage of station availability. Each Station is required to obtain more than 75% data availability. Those stations who obtain more than 75% qualify to be counted.</i>
Means of verification	<i>Narrative report.</i>
Assumptions	<i>That Data will be made available from the various station owners via SAAQIS to be used to perform the calculations.</i>
Disaggregation of Beneficiaries (where applicable)	<i>Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A</i>
Spatial Transformation (where applicable)	<i>N/A</i>
Calculation type	<i>Non-cumulative</i>
Reporting cycle	<i>Quarterly</i>

Desired performance	That the four stations collect more than 75% data and report it to SAAQIS
Indicator responsibility	Senior Manager: Air Quality and Waste

Indicator title	3. Compliance with Annual Ambient Air Quality Standards
Definition	This indicator measures whether Air Quality is compliant with Annual Ambient Air Quality Standards for PM10; SO2 and NO2. As per GN 1210 of 24 December 2009.
Source of data	Valid data from Walmer, Saltworks and East London.
Method of Calculation or Assessment	For each parameter all the hourly data measurements for a year are added up and divide by 8760 (hours in a year) the answer is compared to the Standard for that parameter. If the data exceeds the standard, then there is non-compliance with the standard. If the answer is smaller than or equal to the standard, then there is compliance to the standard. Data will be subject to a minimum 75% data availability and validity test.
Means of verification	Narrative Report
Assumptions	That Data will be made available from the various station owners via SAAQIS to be used to perform the calculations.
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Non- Cumulative
Reporting cycle	Annually
Desired performance	Compliance with the Standard
Indicator responsibility	Senior Manager: Air Quality and Waste

Indicator title	4. Percentage of Complete Atmospheric Emission Licenses Issued Within Legislated Timeframes
Definition	It shows the percentage of complete air emission license applications where final decisions are made in the reporting period within legislated timeframe
Source of data	Provincial Air emission licences' registers (Record of air emission licences' files), and the National Atmospheric Emissions Inventory System (NAEIS).
Method of Calculation or Assessment	<p>The Formula that talks to how the percentage is calculated</p> $x = \frac{a}{a+b} \times 100; \text{ where:}$ <p><i>x</i> = % of complete AELs Applications finalised within legislated timeframes; <i>a</i> = number of AELs / refusal notices issued within legislated timeframes; <i>b</i> = number of AELs / refusal notices issued outside legislated timeframes;</p> <p>Count the number of AELs issued, every AEL application refused, withdrawn and closed in the reporting period within the legislated timeframe. In addition, express this as a percentage of the total number of applications finalised within legislated timeframe divided by total number of all finalised applications including those finalised outside timeframes. The source document is a manual register as the system continues counting even if the application is returned or additional information is required.</p>
Means of verification	Signed schedule/ narrative (Sub-Programme Manager: Air Quality & programme manager) of Atmospheric Emission Licenses with complete applications issued within legislated timeframes during each quarter. The legislated timeframe should be listed on top of the schedule. The schedule should list i) name of licence; ii) date licence application

	<p>was submitted; and iii) the time (days) taken to issue the license (in which the license was finalized). The schedule should show the calculation of the indicator to two decimal points.</p> <p>Consolidated excel spreadsheet register signed by Senior Manager</p>
Assumptions	N/A
Disaggregation of Beneficiaries (where applicable)	<p>Target for Women:</p> <p>Target for Youth:</p> <p>Target for People with Disabilities:</p>
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative year-to-date
Reporting cycle	Quarterly
Desired performance	100% of all AELs issued within legislated timeframes
Indicator responsibility	Senior Manager: Air Quality Management

Indicator title	5. # of Compliance Inspections Conducted
Definition	Number of inspections conducted to assess compliance with authorisations/permits issued in terms of pollution, waste, air quality, impact assessment, protected areas, biodiversity and integrated costal management requirements. This includes inspections arising from complaints and reports of non-compliance.
Source of data	Signed complete inspection forms from all regions submitted quarterly.
Method of Calculation or Assessment	Actual number of inspections conducted following complaints and / or monitoring compliance with environmental legislative requirements and / or authorizations inspected.
Means of Verification	<p>Signed schedule/ narrative (C&E sub-programme manager) of compliance inspections conducted in the quarter under review. Inspections should be related to authorisations/permits issued. The schedule should highlight i) the regions where these inspections were conducted and ii) the decision of the inspectors. The inspections should be on completed compliance inspection form reflecting the inspection number for the financial year (compliance monitoring inspection number contained in the pre-approved compliance monitoring list. Unplanned compliance monitoring inspections e.g. rhino hunts should be included.</p> <p>Snr Manager: C&E pre-approved compliance monitoring inspection list (Inspections should be related to authorisations/ permits issued.) Supporting evidence in the form of compliance monitoring forms approved for closure by the Regional Manager. For inclusion as POE the attached report should not include annexures.</p>
Assumptions	N/A
Disaggregation of Beneficiaries (where applicable)	<p>Target for Women:</p> <p>Target for Youth:</p> <p>Target for People with Disabilities:</p>
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative year-to-date
Reporting cycle	Quarterly
Desired performance	Number of inspections generally covers all permits/authorisations issued (proactive) as well as complaints/reports of non-compliance (reactive).
Indicator responsibility	Senior Manager: Compliance and Enforcement

Indicator title	6. # of administrative enforcement notices issued for non-compliance with environmental management legislation
<i>Definition</i>	<i>The number of administrative enforcement actions issued (including administrative notices issued, pre-Directives, Directives, pre-Compliance notices, Compliance notices and warning form/letters) in response to non-compliances with pollution, waste, air quality, impact assessment, protected areas, biodiversity and integrated coastal management legislative and regulatory requirements including environmental authorizations, etc. Note: A single case of non-compliance can have multiple enforcement actions issued against it.</i>
<i>Source of data</i>	<i>Quarterly statistics submitted on a register of applications finalised or an excel spreadsheet from all regional offices OBs.</i>
<i>Method of Calculation or Assessment</i>	<i>Add the number of administrative actions issued.</i>
<i>Means of verification</i>	<i>Signed schedule/ narrative (sub-programme manager and programme 3 manager) of enforcement actions finalized for non-compliance with environmental management legislation listing i) name of person or company issued with notice of non-compliance with environmental management legislation; ii) date of issue iii) date when the administrative enforcement was issued or finalised.</i>
<i>Assumptions</i>	<i>Notices will be issued in each region</i>
<i>Disaggregation of Beneficiaries (where applicable)</i>	<i>Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A</i>
<i>Spatial Transformation (where applicable)</i>	<i>N/A</i>
<i>Calculation type</i>	<i>Cumulative year-to-date</i>
<i>Reporting cycle</i>	<i>Quarterly</i>
<i>Desired performance</i>	<i>Less notices should be issued when there is compliance with environmental laws</i>
<i>Indicator responsibility</i>	<i>Senior Manager: Compliance and Enforcement</i>

Indicator title	7. # of completed criminal investigations handed to the NPA for prosecution
<i>Definition</i>	<i>The number of criminal enforcement actions completed for prosecution (finalised investigations in the form of criminal dockets handed to the NPA) in response to non-compliances with pollution, waste, air quality, impact assessment, protected areas, biodiversity and integrated coastal management legislative and regulatory requirements including environmental authorizations, etc.</i>
<i>Source of data</i>	<i>Quarterly statistics submitted on a register of applications finalised or an excel spreadsheet from all regions (also refer to the National Environmental Compliance and Enforcement Report for annual statistics). The entry point is the SAPS charge office/ NPA office</i>
<i>Method of Calculation or Assessment</i>	<i>Actual number of criminal investigations undertaken i.e. finalized and submitted to NPA, criminal dockets and finalized by the province authorised for prosecution by state prosecutors.</i>
<i>Means of Verification</i>	<i>Signed schedule/ narrative (C&E sub-programme manager and programme 3 manager) of completed criminal investigations handed to the NPA through SAPS for prosecution conducted in the quarter under review. The schedule should highlight i) the regions where criminal activity took place ii) SAPS case reference number and iii) OB entry reference</i>

	Supporting evidence in the form of a completed DGF and case docket cover.
Assumptions	The police will accept and process the cases
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative (per quarter) year-to-date
Reporting cycle	Quarterly
Desired performance	Number of criminal enforcement actions sufficient to protect the environment, instil a respect for environmental law in the regulated community and deter would-be offenders. Less actions indicates higher compliance, which is desired.
Indicator responsibility	Senior Manager: Compliance and Enforcement

Indicator title	8. % of Complete EIA Applications Finalized Within Legislated Time-Frames
Definition	An application refers to when the Competent Authority has received an application form and complete information. The indicator shows the percentage of environmental authorisation applications where final decisions are made in the reporting period within legislated timeframes (also included are amendments to authorisations).
Source of data	Provincial EIA register.
Method of Calculation or Assessment	<p><u>FORMULA FOR CALCULATING PERCENTAGE OF COMPLETE EIA APPLICATIONS FINALISED WITHIN LEGISLATED TIMEFRAMES:</u></p> $x = \frac{a+c}{a+b+c} \times 100; \text{ where:}$ <p>x = % of complete EIA Applications finalised within legislated timeframes; a = number of Environmental Authorisations / Refusal Notices issued <u>within</u> legislated timeframes; b = number of Environmental Authorisations / Refusal Notices issued <u>outside</u> legislated timeframes; c = number of EIA Application withdrawn/closed</p> <p>NB: Please note that the complete <u>EIA Applications finalised</u> for the purpose of calculating this percentage includes all Environmental Authorisations and all Refusal Notices issued and closed applications.</p> <p>Count the number of Environmental authorisations (EA) issued, every application refused, withdrawn and closed in the reporting period within the legislated timeframe. In addition, express this as a percentage of the total number of applications finalised within legislated timeframe divided by total number of all finalised applications including those finalised outside timeframes. The source document is the excel spreadsheet register.</p>
Means of Verification	<p>Signed schedule/ narrative (sub-programme manager & programme manager) of EIA applications finalized within legislated time-frames during the quarter under review. The legislated timeframe should be listed at the top of the schedule. The schedule should list i) date when the EIA application was received; ii) the activity to be undertaken; iii) the sector; iv) the regions where the EIA applications are coming from; v) the name of the applicant and vi) the date when the application was finalised.</p> <p>Signed consolidated excel spreadsheet register by Senior Manager</p>
Assumptions	All required document is submitted in time and is free of errors
Disaggregation of Beneficiaries (where applicable)	<p>Target for Women:</p> <p>Target for Youth:</p> <p>Target for People with Disabilities:</p>

<i>Spatial Transformation (where applicable)</i>	N/A
<i>Calculation type</i>	<i>Cumulative year-to-date</i>
<i>Reporting cycle</i>	<i>Quarterly</i>
<i>Desired performance</i>	<i>More applications should be processed on time</i>
<i>Indicator responsibility</i>	<i>Senior Manager: Waste Management</i>

Indicator title	9. % of Complete Waste License Applications Finalised Within Legislated Time-Frames
<i>Definition</i>	<i>The indicator shows the percentage of waste license applications where final decisions are made in the reporting period within legislated timeframes (also included are amendments to authorisations).</i>
<i>Source of data</i>	<i>Waste licences' register (Record of waste licences' files)</i>
<i>Method of Calculation or Assessment</i>	<p><i>The Formula that talks to how the percentage is calculated</i></p> $x = \frac{a}{a+b} \times 100; \text{ where:}$ <p><i>x = % of complete Waste License Applications finalised within legislated timeframes;</i> <i>a = number of Waste licenses /refusal notices issued within legislated timeframes;</i> <i>b = number of waste licenses/refusal notices issued outside legislated timeframes;</i></p> <p><i>Count the number of WMLs issued, every WML application refused, withdrawn and closed in the reporting period within the legislated timeframe. In addition, express this as a percentage of the total number of applications finalised within legislated timeframe divided by total number of all finalised applications including those finalised outside timeframes. In the event of a landfill site application, there is a ninety (90) day waiting period of a record of decision from Department of Human Settlement, Water and Sanitation (DHSWS). The source document is the application forms and decisions kept in files at the Regional Offices and may be availed on request.</i></p>
<i>Means of Verification</i>	<p><i>Signed schedule/ narrative (sub-programme manager & programme manager) of Waste Licenses applications finalised within legislated time-frames. The schedule should list the legislated timeframe at the top. The schedule should list i) the name of the applicant ii) when the waste licence application was received; ii); the type of waste site; iv) the date when the application was finalised and v) the region / location of the waste site. Only applications finalised within applicable legislated time frame upon receipt of all information will be valid.</i></p> <p><i>Consolidated excel spreadsheet register signed by Senior Manager</i></p>
<i>Assumptions</i>	<i>All information is submitted on time and is free of errors</i>
<i>Disaggregation of Beneficiaries (where applicable)</i>	<p><i>Target for Women: N/A</i></p> <p><i>Target for Youth: N/A</i></p> <p><i>Target for People with Disabilities: N/A</i></p>
<i>Spatial Transformation (where applicable)</i>	<i>New areas and poorer regions should apply</i>
<i>Calculation type</i>	<i>Output</i>
<i>Reporting cycle</i>	<i>Cumulative year-to-date</i>
	<i>Quarterly</i>
<i>Desired performance</i>	<i>More waste processing should be done within timeframes</i>
<i>Indicator responsibility</i>	<i>Senior Manager: EIM</i>

Indicator Title	10. % increase in volume of waste recycled
Definition	<ul style="list-style-type: none"> This refers to the amount of waste being converted into new products measured in terms of weight
Source of data	<ul style="list-style-type: none"> Municipalities
Evidence required	<ul style="list-style-type: none"> Records of waste processed
Method of calculation / assessment	<ul style="list-style-type: none"> Add total volume of waste recycled
Assumptions	<ul style="list-style-type: none"> It is easy to measure waste that goes to landfill sites and waste that does not go to landfill sites.
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> Targets for Women: 30% Targets for Youth: 30% Targets for People with Disabilities: 7%
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> Province wide with special emphasis of townships and rural areas
Desired performance	<ul style="list-style-type: none"> More waste should be recycled
Indicator Responsibility	<ul style="list-style-type: none"> Senior Manager: Waste Management

Indicator title	11. # of Legislated Tools Developed
Definition	Shows the number of environmental legislative tools; including regulations, norms and standards, guidelines and environmental management plans developed to inform environmental decision making. Examples of such tools include EMF,SOER/Outlook, SEA, EIP, AQMP, IWMP, Biodiversity Plans, etc.
Source of data	Approved Tools (Signed off by the delegated authority)
Method of Calculation or Assessment	Actual number when approved by the delegated authority
Means of verification	<p>Signed schedule/ narrative (programme 3 manager) of legislative tools developed (in relation to legislation, guidelines, policies, procedures) annually. The schedule should list among other regions and date of review.</p> <p>Comments received from Stakeholders Minutes of BTC and SECSICOM Meetings A Gazetted Annual Hunting Proclamation</p>
Assumptions	Accuracy depends on the reliability and validity of data received that informs the development of the legislative tools.
Disaggregation of Beneficiaries (where applicable)	<p>Target for Women: N/A</p> <p>Target for Youth: N/A</p> <p>Target for People with Disabilities: N/A</p>
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative year-to-date
Reporting cycle	Bi-Annually
Desired performance	More environmental tools should be developed
Indicator responsibility	Programme 3 Manager

Indicator title	12. # of Inter-Governmental Sector Programmes implemented
Definition	Review of sector provincial and municipal tools (e.g. IDPs, PDPs, SDFs, AQMPs, etc.) to facilitate integration of environmental content into tools. The review reports are developed externally but will also include the Environmental Implementation Plan (EIP) Annual Review reports coordinated by the provincial department but involving and in consultation with external stakeholders.
Source of data	Review reports approved and signed off by delegated authority.
Method of Calculation or Assessment	Actual number of municipalities reviewed (tools) in the Province. The documentation should be signed off by the delegated authority.
Means of verification	Signed schedule/ narrative (programme 3 manager) of intergovernmental sector tools reviewed annually. The schedule should list among other regions and date of review. The regional annual narrative reports should cover inter-governmental sector tools reviewed in relation to IDPs, PDGS, SDF etc. Key issues presented and/or highlighted should be evident in the report. Supporting evidence in the form of tools developed (dated and approved by the accounting officer) should be attached to the report.
Assumptions	N/A
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Non-cumulative
Reporting cycle	Annually
Desired performance	Improved integration of environment issues and content into sector provincial and municipal tools.
Indicator responsibility	Programme 3 Manager

Indicator title	13. # of Environmental Research Projects Completed
Definition	The collective number of different types of research projects completed during the reporting period. This includes reviews, scientific research projects, monitoring projects and collaborative projects.
Source of data	Final research and scientific project reports approved by delegated authority.
Method of Calculation or Assessment	A research project is counted when a project has been finalized and approved by the delegated authority or scientific paper been published in the national or international journal. A project is counted only once when finalised irrespective of the number of surveys done or reports compiled on the project during the reporting period.
Means of Verification	Signed schedule/ narrative (programme 3 manager) of environmental research projects undertaken (reviews, scientific research, monitoring and collaborative research), completed or finalised during the year. Supporting evidence in the form of research reports completed/finalised (signed off by the lead researcher who may be an official of the Department or an external researcher if the research was outsourced as well as the Programme Manager as confirmation of completion) should be attached to the report.
Assumptions	N/A
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A

Spatial Transformation (where applicable)	N/A
Calculation type	Non-cumulative
Reporting cycle	Annually
	No
Desired performance	More research tools desired
Indicator responsibility	Programme 3 Manager

Indicator title	14. # of Functional Environmental Information Management Systems Maintained
Definition	It shows the number of relevant environmental knowledge and information management systems developed and effectively maintained by the department (e.g. e-Permit).
Source of data	Reports approved by delegated authority with attached records of operational environmental information management systems that are maintained.
Method of Calculation or Assessment	Count every environmental information management system that is effectively maintained and reported on (Number)
Means of Verification	Signed schedule/ narrative (programme 3 manager) of functional environmental information management systems. The narrative report (on functional environmental information management systems - ePermitting in this case), can be in the form of audit reports on the functionality of systems maintained by the department. The report(s) must list common challenges experienced and measures taken by the Programme Manager to resolve these.
Assumptions	N/A
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Non-Cumulative
Reporting cycle	Annually
Desired performance	More functional systems are desirable
Indicator responsibility	Programme 3 Manager

Indicator title	15. % of complete biodiversity management permits issued within legislated timeframes
Definition	Measure the turnaround time and level of adherence to prescribed timeframes for processing applications for biodiversity permits issued in terms of NEMBA: Threatened Or Protected Species (TOPS) Regulations
Source of data	Provincial permits database
Method of Calculation or Assessment	A count of the Biodiversity permits issued within the legislative timeframes (and service standards where there is no legislative timeframes (Number of permits issued within the timeframes / Total number of completed permit applications finalised) x 100
Means of Verification	Signed schedule/ narrative (sub-programme manager) of all biodiversity permits issued within legislated time-frames during each quarter. The schedule should list at least i) permit recipient ii) permit number iii) date received iv) date issued and v) region / location

	Consolidated excel spreadsheet register of permits issued from Regions and Head Office, Number of permits issued within time frames. Copies of the permits issued in the regions will be available in the respective regions on request. Copies of permits issued at Head Office will be available at Head Office on request.
Assumptions	Climate change does not impact on the population of flora and fauna
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Non-cumulative
Reporting cycle	Quarterly
Desired performance	To finalise and make decisions on all permits applications within timeframes)
Indicator responsibility	Senior Manager: Biodiversity Management

Indicator title	16. # of work opportunities created through environment sector public employment programmes
Definition	To facilitate creation of work opportunities with a focus on women, youth and people with disabilities through environmental programmes and may include internship, learnerships, volunteer programmes, recycling and buy-back centres, nurseries, etc)
Purpose/importance	To track job creation opportunities in the environment sector and to improve socio-economic benefits within the environmental sector
Source of data	Beneficiaries copy of ID, signed contract, daily time sheets from source e.g., Municipalities
Method of Calculation or Assessment	Add number of jobs as per the contracts and IDs for the applicable quarter.
Means of Verification	Signed schedule/ narrative (sub-programme manager (DEDEAT) of work opportunities created through environmental programmes. This is in relation to formal and informal job opportunities created through environmental programmes. The schedule should list at least i) job participants and ii) start date iii) end date. Jobs created through the department such as internships, volunteer programmes, EPWP, recycling, buy-back centres, nurseries, etc. should be covered in the report. Beneficiaries Contracts Beneficiaries Certified ID Copies Daily Attendance Registers and Payment Sheets
Assumptions	Environmental work opportunities will continue to be available
Disaggregation of Beneficiaries (where applicable)	Target for Women: 30% Target for Youth: 30% Target for People with Disabilities: 7%
Spatial Transformation (where applicable)	Mostly rural and poorer regions of the province
Calculation type	Non-cumulative
Reporting cycle	Annually
	No
Desired performance	More jobs are desirable for improved socio-economic benefits within the environmental sector

Indicator responsibility	Sub-Programme Manager: Empowerment Services
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Indicator title	17. # of Environmental Awareness Activities Conducted
Definition	This indicator refers to the 1) environmental commemorative days celebrated, 2) participation in the Greenest Municipality Competition, 3) schools in career programmes 4) communities in environmental programmes 5) environmental media campaigns
Source of data	Attendance registers of commemorative day celebrations; participation certificates for GMC programme; participation certificates for school programme; participation certificates for community programme, newspaper articles; text of radio / TV interviews; time slots of radio / TV broadcasts.
Method of Calculation or Assessment	Add total number of environmental awareness activities conducted
Means of Verification	Signed (sub-programme manager and programme 3 manager) schedule of environmental awareness activities conducted in communities and schools in the Province. The schedule should list i) the type of activities; ii) the number of activities undertaken; and iii) the location where the activities took place. Attendance Register Invitation letter Presentation & Agenda or Programme
Assumptions	There is demand for environmental awareness
Disaggregation of Beneficiaries (where applicable)	Target for Women: Target for Youth: Target for People with Disabilities:
Spatial Transformation (where applicable)	Province wide and special focus on the eastern part of the province
Calculation type	Cumulative year-to-date
Reporting cycle	Quarterly
Desired performance	More environmental awareness sessions should be achieved in order to increase the level of environmental awareness and literacy in the province.
Indicator responsibility	Sub-Programme Manager: EES

Indicator title	18. # of Environmental Capacity Building Activities Conducted
Definition	Refers to the number of activities conducted in order to build stakeholder capacity to implement environmental regulatory framework and/or create work opportunities in environmental programmes and / or improve municipal and community environmental capacity.
Source of data	Activity reports and attendance registers
Method of Calculation or Assessment	Count the total number of separate sessions held on environmental capacity building
Means of Verification	Signed schedule/ narrative (sub-programme manager) of environmental capacity building activities conducted quarterly. The schedule should list i) the names of stakeholders that attended the environmental capacity building activities; ii) type of environmental activity, and iii) location where the activities took place. Attendance Register Invitation letter Presentation & Agenda or Programme
Assumptions	There is demand for capacity building

<i>Disaggregation of Beneficiaries (where applicable)</i>	<i>Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A</i>
<i>Spatial Transformation (where applicable)</i>	<i>Province wide</i>
<i>Calculation type</i>	<i>Cumulative year-to-date</i>
<i>Reporting cycle</i>	<i>Quarterly</i>
	<i>No</i>
<i>Desired performance</i>	<i>More environmental capacity building activities should be achieved for improved sustainable utilization of natural resources and management.</i>
<i>Indicator responsibility</i>	<i>Sub-Programme Manager: EES</i>

Indicator title	19. # of Coastal Projects Developed
<i>Definition</i>	<i>Coastal projects developed and ready for implementation by municipalities and others</i>
<i>Source of data</i>	<i>Biodiversity Management Unit</i>
<i>Method of Calculation or Assessment</i>	<i>Add number of coastal projects developed</i>
<i>Means of verification</i>	<i>Documentation from the Biodiversity Unit</i>
<i>Assumptions</i>	<i>There is funding to develop coastal projects</i>
<i>Disaggregation of Beneficiaries (where applicable)</i>	<i>Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A</i>
<i>Spatial Transformation (where applicable)</i>	<i>Focus on the coast especially in the former Transkei region</i>
<i>Calculation type</i>	<i>Non-cumulative</i>
<i>Reporting cycle</i>	<i>Annually</i>
<i>Desired performance</i>	<i>More coastal projects should be developed</i>
<i>Indicator responsibility</i>	<i>Senior Manager: Biodiversity Management</i>

Annexures to the Annual Performance Plan

The following annexures must be included in the Annual Performance Plans of institutions where applicable:

Annexure A: Amendments to the Strategic Plan

There were no amendments made to the Strategic Plan.

Annexure B: Conditional Grants

Name of Grant	Purpose	Outputs	Current Annual Budget (R'000)	Period of Grant
EPWP	Job creation through EPWP on Environmental Sector projects. Encourage municipalities to improve environmental management services in accordance with the environmental legislation	<p>Improve the scope and standard of environmental management and conservation of biological resources in the Local Municipalities funded, by providing assistance in their respective areas.</p> <p>Ensure that the agreed minimum numbers of jobs are created.</p> <p>Improve the scope and standard of waste management in the Province, by providing assistance to Municipalities</p>	2 823	2022/23

Annexure C: Consolidated Indicators

Institution	Output Indicator	Annual Target	Data Source
Corporate Management			
DEDEAT	% network uptime	99.5%	DGITO
DEDEAT	Public Entities Accountability index	10	HOD's office; all public entities
DEDEAT	% of suppliers paid within 30 days	100%	SCM
DEDEAT	Annual audit outcome	Unqualified	CFO
DEDEAT	% implementation of the work skills plan	90%	HR OD
DEDEAT	% of staff complying with all PMDS processes (contracts and reviews)	95%	HRPP
Economic Development & Tourism			
DEDEAT	# of policies reviewed	1	Business regulation
DEDEAT	# of socio-economic intelligence reports produced	5	Economic planning & research
DEDEAT	# of sustainable energy initiatives facilitated	4	Trade & Industry
DEDEAT	# of manufacturing initiatives facilitated	5	Trade & Industry
DEDEAT	# of agro-processing initiatives facilitated	3	Trade & Industry
DEDEAT	# of trade and investment promotion initiatives facilitated	3	Trade & Industry
ECDC, COEGA, ELIDZ	Value if investment secured in the province	R1,260 billion	ECDC, COEGA, ELIDZ
ECDC, COEGA, ELIDZ	Number of investments secured in the province	13	ECDC, COEGA, ELIDZ
ECDC	Rand value of exports facilitated in the province	R100 million	ECDC
ECDC	# of SMMEs supported	200	ECDC
ECDC, DEDEAT	# of cooperatives provided with non-financial support	120	Enterprise development & ECDC
ECDC, DEDEAT, ELIDZ	# of business incubation programmes supported	2	ECDC, DEDEAT, ELIDZ
DEDEAT	# of projects supported by the Provincial Economic Stimulus Fund	15	GM: Economic Development
ECDC	Value of funds spent on the Jobs Fund	R9 mil	ECDC
DEDEAT GROUP	Procurement spend on businesses owned by women, youth and people with disabilities	W: R620 000 Y: R580 000 D: R320 000	Finance units
ECPTA	Value spent on tourism marketing	R18 mil	ECPTA
ECPTA	# of trade engagements in defence of source markets	80	ECPTA
ECDC, COEGA, ELIDZ	# of people trained	4252	ECDC, COEGA, ELIDZ
Environmental Management			

Institution	Output Indicator	Annual Target	Data Source
DEDEAT	# of climate change response interventions implemented	1	Air Quality
DEDEAT	Number of government-owned ambient air quality monitoring stations meeting minimum data requirements	3	Air Quality
DEDEAT	Compliance with Annual Ambient Air Quality Standards	NAQI less than 1	Air Quality
DEDEAT	% of complete Atmospheric Emission Licenses issued within legislated timeframes	100%	Air Quality
DEDEAT	# of compliance inspections conducted	90	Compliance and enforcement
DEDEAT	# Number of administrative enforcement notices issued for non-compliance with environmental management legislation	77	Compliance and enforcement
DEDEAT	# of completed criminal investigations handed to the NPA for prosecution	57	Compliance and enforcement
DEDEAT	% of complete EIA applications finalized within legislated timeframes	100%	Environmental impact management
DEDEAT	% of complete Waste License applications finalised within legislated time-frames	100%	Waste management
DEDEAT	% increase in volume of waste recycled	4.2%	Waste management
DEDEAT	# of legislated tools developed	2	Environmental Policy, Planning and Coordination
DEDEAT	# Number of inter-governmental sector programmes implemented	1	Environmental Policy, Planning and Coordination
DEDEAT	# of environmental research projects completed	1	Environmental Policy, Planning and Coordination
DEDEAT	# of functional environmental information management systems maintained	0	Environmental Policy, Planning and Coordination
DEDEAT	% of complete biodiversity management permits issued within legislated timeframes	80%	Biodiversity management
DEDEAT	# of work opportunities created through environmental public employment programmes	550	Environmental empowerment
DEDEAT	# of environmental awareness activities conducted	24	Environmental empowerment
DEDEAT	# of environmental capacity building activities conducted	24	Environmental empowerment
DEDEAT	# of Coastal projects developed	1	Biodiversity & coastal management

Annexure D: District Development Model

Areas of intervention	Project description	Budget allocation	Five-year planning period			Project leader	Social partners
			District Municipality	Location: coordinates	GPS		
SMME Development	Roll out of Business Incubation	R80 million ¹¹	OR Tambo	-		DEDEAT – Enterprise Development	SEDA/LM/SETA'S/THE dtic
	Financial literacy	R6 million	JG, CH, SB	-		ECDC	
	EC Youth Entrepreneurship awards	R52,5 million	6 districts and 2 Metro's	-		DEDEAT/ECDC Enterprise Development	SAICA
Wild Coast SEZ	Wild Coast SEZ Development-establishment of an agro industry platform with world class infrastructure for the development of the Wild Coast region	R81 million	OR Tambo	-		DEDEAT	DOT dtic DRDAR DARDLR DPW COGTA COEGA SEZ ECDC ECRDA Private sector Ncise Community
Waste Management	Vulindlela Industrial Park waste management	R2.5m	OR Tambo KSD	31°34'16.20"S 28°47'51.52"E		DEDEAT	KSD; ECDC; OR Tambo DM
SEZ- Agro-processing	Establish & designated WC SEZ Agro-processing zone in Mthatha Airport	R81M	OR Tambo DM KSD	31°33'0.70"S 28°39'52.53"E		DEDEAT HOD	dtic/OR Tambo DM/KSD LM

¹¹ Depends on allocation of funds from the Provincial Treasury.

Areas of intervention	Project description	Budget allocation	Five-year planning period			Project leader	Social partners
			District Municipality	Location: coordinates	GPS		
Biodiversity economy	N2 wild coast road biodiversity offset, protected area expansion and environmental management	R320 M (10 years)	Alfred Nzo & OR Tambo	The project spreads across from Port St Johns to Mthentu River Mbizana		ECPTA	DEDEAT, DEFF, SANRAL, Municipalities affected
LRED	Klaushe: Manufacturing furniture products	R1 490 236.39	OR Tambo ksd	No factory space yet. (31°34'16.20"S 28°47'51.52"E)		DEDEAT	None
	Sobag: Chemical manufacturrere produing clean chemicals	R804 542.61	OR Tambo KSD	31°36'54.44"S 28°44'20.59"E		DEDEAT	None
	Aminachem: Chemical manufacturer producing clean chemicals	R1 348 851.67	OR Tambo KSD	31°34'16.20"S 28°47'51.52"E		DEDEAT	None
	Mthatha River Kyaking: Purchase a customised safari vehicle and Canoe concept combo	R815 974.38	OR Tambo KSD	31°57'7.61"S 29°10'48.43"E		DEDEAT	None
Agro-processing	Fresh produce multi user facility: Support local agriculture fresh produce access to markets	R1 000 000	OR Tambo Akho to confirm	31°34'16.20"S 28°47'51.52"E		DEDEAT	DRDAR;
Provincial Economic Stimulus Fund	EC Provincial Economic Stimulus fund Catalytic projects and programmes to stimulate economic growth and transformation.	R 195 000 000	Province Wide Buffalo City Metro Municipality Nelson Mandela Metropolitan Municipality Sarah Baartman District Municipality Amathole District Municipality Enoch Mgijima Local Municipality	-		DEDEAT	Treasury

Areas of intervention			Five-year planning period				
	Project description	Budget allocation	District Municipality	Location: coordinates	GPS	Project leader	Social partners
			Walter Sisulu Local Municipality Elundini Local Municipality Blue Crane Route LM O.R Tambo District Municipality				
Tourism	Upgrade and construction of hikers huts from Port St Johns to Coffee Bay: Mngcibe site	R11 million	OR Tambo: Port St Johns & Nyandeni Municipalities	31°54'26.01"S 29°14'7.07"E		ECPTA	Department of Tourism; OR Tambo DM & LMs
Environmental Awards	Environmental Awards	R1 418m	Province wide	-		Programme 3	Department of Basic Education; Department of Environment, Forestry and Fisheries; WESSA; Municipalities; Department of Rural development and Agrarian Reform
	Greenest Municipality Competition	R1m	Province wide	-		Programme 3	6 X District Municipalities
Alien species control	Alien and Invasive plant species control	R 2 500 000.00 (two million five hundred thousand)	CHDM. Project to be implemented at Sakhisizwe LM	Sakhisizwe LM, Ward 9		DEDEAT	Chris Hani DM, Sakhisizwe LM, Traditional Leaders, Ward Councillors, Ward Committees, COGTA, DRD&AR, Dept. of Public Works

Annexure E: TIDs for indicators at public entities in alignment with the theory of change

The list of indicators below will be used by the department when conducting performance validation and oversight work with respect to public entities of the department.

Indicator title	1. # of SMMEs supported
Definition	Refers to SMMEs provided with non-financial support, which is business support service provided to enterprises. Business support services include, but not limited to, the following: business planning, quality management including certification support, accreditation, trademark registration, intellectual property registration, environmental planning support, marketing & marketing material, branding, web designs, market access, financial management support and mentorship.
Source of data	ECDC; DEDEAT
Method of Calculation or Assessment	Add number of SMMEs provided with non-financial support in each quarter
Means of verification	Signed schedule/ narrative (manager responsible for the indicator at ECDC) of SMMEs supported during the quarter. The schedule should have the following fields: i) name of SMME supported ii) number of SMMEs supported, iii) the nature of support rendered, iv) the projected number of jobs to be created, v) equity demographics (women, youth and disabled), vi) the regions where these SMMEs are located and vii) the sector in which the SMMEs are involved in. PoE to be kept at source as per the agreed Technical Indicator Descriptors (TIDs) of the ECDC (See ECDC TIDs).
Assumptions	
Disaggregation of Beneficiaries (where applicable)	Target for Women: 30% Target for Youth: 30% Target for People with Disabilities: 7%
Spatial Transformation (where applicable)	Province wide with special emphasis on the eastern part of the province
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired performance	More SMMEs supported is desirable
Indicator responsibility	Senior Manager: Enterprise Development

Indicator title	2. Value of finance provided to SMMEs
Definition	Number of SMMEs received development finance in the form of ECDC's various funding instruments
Source of data	ECDC
Method of Calculation or Assessment	Add number of SMMEs that have received financial support from the ECDC
Means of verification	1. Signed schedule/ narrative (manager responsible for the indicator at ECDC) of SMMEs supported during the quarter. The schedule should have the following fields: i) name of SMME supported ii) number of SMMEs supported, iii) the nature of support rendered, iv) the projected number of jobs to be created, v) equity demographics (women, youth and disabled), vi) the regions where these SMMEs are located and vii) the sector in which the SMMEs are involved in. PoE to be kept at source as per the agreed Technical Indicator Descriptors (TIDs) of the ECDC (See ECDC TIDs).

Assumptions	ECDC will continue to have funding for SMME financing
Disaggregation of Beneficiaries (where applicable)	Target for Women: 30% Target for Youth: 30% Target for People with Disabilities: 7%
Spatial Transformation (where applicable)	Province wide with special attention to the eastern half of the province
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired performance	More funding should be made available to SMMEs
Indicator responsibility	Senior Manager: Enterprise Development

Indicator title	3. # of business incubation programmes supported
Definition	ECDC supports and collaborates with institutions that operate Business Incubation programmes for enterprises. The support is provided through collaboration with the institutions which roll out business incubators in the province
Source of data	Documentation from the ECDC
Method of Calculation or Assessment	Simple count based on reports (supported by agreements)
Means of verification	<p>Signed schedule/ narrative (manager responsible for the indicator at ECDC and ELIDZ) of incubation programmes supported in the applicable quarter. The schedule should outline i) programme aims and outputs; ii) programme duration; iii) programme location; iv) sectors under which the programme operates; v) name of incubation programme; and vi) number of entrepreneurs (SMMEs) in the incubation programme. The narrative should include report on entrepreneurs in the incubation programmes and outline activities in incubators.</p> <p>Supporting source documents should consist of signed agreements/ contracts in respect of incubation programmes, enterprise development / project development plans and productive capacity of the incubates (as defined in agreements with incubation programmes). Additional information to include programme graduation / exit, enterprise turnover, jobs, support to designated groups, geographical spread of programmes / incubated enterprise, as provided by incubation programme reports (as defined in agreements with incubator programmes)</p>
Assumptions	Accuracy of information supplied by the third party can be questioned. Details on incubated enterprises provided by third parties (as defined in agreements with incubator programmes) may not be available
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Province wide
Calculation type	Cumulative
Reporting cycle	Annually with quarterly progress reports on the throughput of business incubators
Desired performance	More incubation programmes should be supported
Indicator responsibility	Development Finance and Business Support Unit at the ECDC

Indicator title	4. Value of funds spent on the Jobs Fund
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<i>Definition</i>	<i>Jobs fund was established by the department and is administered by the ECDC. The fund assists in preserving jobs for companies that are in distress who make a successful application to the fund.</i>
<i>Source of data</i>	<i>ECDC</i>
<i>Method of Calculation or Assessment</i>	<i>Add the total amount of money spent on the jobs fund</i>
<i>Means of verification</i>	<i>List of all projects considered for funding; List of projects awarded; Service Level Agreements with awarded projects; Payment Stubs; Project follow-up reports.</i>
<i>Assumptions</i>	<i>Companies will apply for the jobs stimulus fund when in distress</i>
<i>Disaggregation of Beneficiaries (where applicable)</i>	<i>Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A</i>
<i>Spatial Transformation (where applicable)</i>	<i>N/A</i>
<i>Calculation type</i>	<i>Cumulative</i>
<i>Reporting cycle</i>	<i>Annual</i>
<i>Desired performance</i>	<i>The funds should be spent in full for deserving cases</i>
<i>Indicator responsibility</i>	<i>General Manager: Economic Development</i>

Indicator title	5. Value spent on tourism marketing
<i>Definition</i>	<i>Refers to the amount of money spent by the ECPTA on tourism promotion in the country and outside the country in an effort to bring more tourists</i>
<i>Source of data</i>	<i>ECPTA</i>
<i>Method of Calculation or Assessment</i>	<i>Add all expenditure on marketing</i>
<i>Means of verification</i>	<i>Documentation from the ECPTA on expenditure</i>
<i>Assumptions</i>	<i>Funding will be made available for marketing using different platforms</i>
<i>Disaggregation of Beneficiaries (where applicable)</i>	<i>Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A</i>
<i>Spatial Transformation (where applicable)</i>	<i>N/A</i>
<i>Calculation type</i>	<i>Cumulative</i>
<i>Reporting cycle</i>	<i>Annually</i>
<i>Desired performance</i>	<i>More funding should be spent on tourism marketing</i>
<i>Indicator responsibility</i>	<i>Chief Operations Officer: ECPTA</i>

Indicator title	6. # of tourism organisations supported
<i>Definition</i>	<i>Refers to local and/or district tourism organisations / associations that provide tourism services in the province that will be assisted with capacity building to enhance their business operations</i>
<i>Source of data</i>	<i>ECPTA</i>

<i>Method of Calculation or Assessment</i>	<i>Add number of all organisations / associations supported in each quarter</i>
<i>Means of verification</i>	<i>Attendance registers Training programmes organisations / associations / individual details</i>
<i>Assumptions</i>	<i>All organisations / associations are classified as tourism services</i>
<i>Disaggregation of Beneficiaries (where applicable)</i>	<i>Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A</i>
<i>Spatial Transformation (where applicable)</i>	<i>Province wide</i>
<i>Calculation type</i>	<i>Cumulative</i>
<i>Reporting cycle</i>	<i>Quarterly</i>
<i>Desired performance</i>	<i>More tourism organisations / associations should be supported</i>
<i>Indicator responsibility</i>	<i>Chief Operations Officer: ECPTA</i>

Indicator title	7. # of new tourism experiences identified & packaged
<i>Definition</i>	<i>This refers to a defined new tourism experience that is unique to attract more tourists. The experience is then conceptualised and given to the private sector and other government agencies to marketing e.g. through tour operators, LTOs/DTOs.</i>
<i>Source of data</i>	<i>ECPTA</i>
<i>Method of Calculation or Assessment</i>	<i>Add new experiences identified and packaged</i>
<i>Means of verification</i>	<i>Documentation from the ECPTA including concept of the experience</i>
<i>Assumptions</i>	<i>Different role players participate and contribute to experience identification and packaging</i>
<i>Disaggregation of Beneficiaries (where applicable)</i>	<i>Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A</i>
<i>Spatial Transformation (where applicable)</i>	<i>Province wide with special attention to the eastern part of the province for inclusivity</i>
<i>Calculation type</i>	<i>Cumulative</i>
<i>Reporting cycle</i>	<i>Annually</i>
<i>Desired performance</i>	<i>1 experience should be identified per year</i>
<i>Indicator responsibility</i>	<i>Chief Operations Officer: ECPTA</i>

Indicator Title	8. # of trade engagements in defence of source markets
<i>Definition</i>	<i>In terms of international tourism marketing, the ECPTA concentrates on core markets; namely: BENELUX Countries, Germany and the United Kingdom. Visitor growth from these traditional source markets was muted in 2018, although there was growth from France and Italy. The expansion into new source markets (India) supports South African Tourism's Strategy 2020-2025.</i>
<i>Source of data</i>	<i>South African Tourism Statistics South African</i>
<i>Method of Calculation / Assessment</i>	<i>Count the number of trade representatives engaged.</i>
<i>Means of verification</i>	<i>Reports from the ECPTA</i>

Assumptions	<i>International tourism arrivals from India will grow in line with global trends. South Africa improves in terms of global competitiveness</i>
Disaggregation of Beneficiaries (where applicable)	<i>Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A</i>
Spatial Transformation (where applicable)	<i>Not Applicable</i>
Reporting Cycle	<i>Annually</i>
Desired performance	<i>More international tourist arrivals from the new source market (India) when compared with the previous years</i>
Indicator Responsibility	<i>Chief Operations Officer: ECPTA</i>

Indicator title	9. Value of tourism infrastructure upgrade in the ECPTA Nature Reserves (Economic Stimulus Fund)
Definition	<i>This refers to individuals or companies offering tourism services such as accommodation who will be provided with assistance in order to be graded by the Tourism Grading Council</i>
Source of data	<i>ECPTA</i>
Method of Calculation or Assessment	<i>Add total number of tourism establishments that have been assisted with grading by the Tourism Grading Council</i>
Means of verification	<i>Proof of support by the ECPTA Grading certification</i>
Assumptions	<i>Tourism products are willing to participate in the voluntary registration process</i>
Disaggregation of Beneficiaries (where applicable)	<i>Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A</i>
Spatial Transformation (where applicable)	<i>Province wide</i>
Calculation type	<i>Cumulative</i>
Reporting cycle	<i>Annually</i>
Desired performance	<i>More products should be graded</i>
Indicator responsibility	<i>Chief Operations Officer: ECPTA</i>

Indicator Title	10. Value of tourism infrastructure upgrade in the ECPTA Nature Reserves (Economic Stimulus Fund)
Definition	<i>The amount of budget spent by the ECPTA on upgrading of tourism infrastructure in the ECPTA managed Nature Reserves specifically from the Provincial Economic Stimulus Fund.</i>
Source of data	<i>Quarterly reports from the ECPTA. Reports from the DEDEAT's CFO.</i>
Method of Calculation / Assessment	<i>Budget expenditure trends.</i>
Means of verification	<i>Expenditure reports from both the ECPTA and DEDEAT on the allocated funds</i>
Assumptions	<i>The Project Manager is appointed</i>
Disaggregation of Beneficiaries (where applicable)	<i>Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A</i>

<i>Spatial Transformation (where applicable)</i>	<i>Rural and coastal areas</i>
<i>Reporting Cycle</i>	<i>Quarterly</i>
<i>Desired performance</i>	<i>More expenditure on tourism infrastructure is desirable</i>
<i>Indicator Responsibility</i>	<i>Senior Manager: Tourism</i>

Indicator title	11. # of People Trained
<i>Definition</i>	<i>This refers to the number of people who have received training in areas where businesses or civil servants currently have skills gaps as informed by industry or company research. This could include out-of-school youth, unemployed graduates, semi-qualified individuals, young professionals, etc across all key priority sectors as outlined in various plans such as the National Development Plan, Provincial Industrial Development Strategy (PIDS), Provincial Skills Strategy, etc. This also includes skills for emerging entrepreneurs, in particular those wanting to venture into or expand their footprint in export markets. Another element involves providing skills and capacity building to officials involved in Local Economic Development (LED), Sector Development and Investment Promotion. Skills development training programmes offered by the Department or its implementing agencies, where the intention of the training programme is to enhance the capability and abilities of the person so as to improve their employability (IDZs). People trained include skills development beneficiaries that have been trained through skills initiatives of the Science and Technology Park (STP) at the ELIDZ.</i>
<i>Source of data</i>	<i>Records from ECDC, Coega and ELIDZ</i>
<i>Method of Calculation or Assessment</i>	<i>Simple count of number of people trained</i>
<i>Means of verification</i>	<p>DEDEAT Signed (sub-programme manager and programme 2 manager) DEDEAT oversight report which analyses entity indicator reporting as per the requirements below:</p> <p>ECDC Compulsory Measure Report Signed schedule/ narrative (manager responsible for the indicator at ECDC) of people trained (sector development and strategic initiatives) detailing i) training conducted in investment and trade promotion; ii) number of people trained; iii) regions where training took place and iv) the dates when the training took place.</p> <p>As an annexure to this report the following must be attached: i) attendance registers; ii) the training agendas and material.</p> <p>Coega and ELIDZ Compulsory Measure Report Signed schedule/ narrative (manager responsible for the indicator at ELIDZ and COEGA) of people trained (sector development and strategic initiatives) that includes training initiatives undertaken through the Human Capital Solutions Programme by the Coega IDZ and the intern/ learnership opportunities offered by the ELIDZ. The report should include the following: i) number of people trained; ii) sectors iii) regions or areas where training took place and iv) dates when the training took place; v) equity demographics (women, youth etc)</p> <p>As supporting evidence to above, at least one of the following must be attached: attendance register verified and signed by the third party; ii) the training agendas and material, and/or iii) internship reports, iv) training reports from service provider, v) copies of certificates (where applicable), vi) third party agreements to undertake training, vii) payment of invoices in support of training/ initiatives/ persons or program.</p> <p>Final Quarter Report An integrated report should be dated and signed by the CEOs or delegated representative of the respective entities.</p>
<i>Assumptions</i>	

Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Province wide with particular reference to PDIs
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	It is desirable to train more people in sector development and strategic initiatives.
Indicator responsibility	Chief Operating Officer – Sub-programme 1B: Industrial Development at ELIDZ; Innovation, Trade and Investment Promotion & Co-ordination at ECDC; CSS – HCS at Coega

Indicator Title	12. Value of investment secured in the province
Definition	Total value of investment pledges by investors in the province and SEZs
Source of data	ECDC, COEGA, ELIDZ
Method of Calculation / Assessment	Count the number of trade representatives engaged.
Means of verification	Reports from ECDC, COEGA, ELIDZ
Assumptions	Assumptions , Recovery in the global and domestic environment will lead to increase prospects of securing domestic and foreign direct investment in the province
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Not Applicable
Reporting Cycle	Annually
Desired performance	Increase in the value of investments attracted in the province
Indicator Responsibility	Indicator Responsibility, Executive Manager: Business Development, Trade and Investment Promotion
Indicator Title	13. Number of investors attracted in the province
Definition	Number of new investors that have concluded agreements with ECDC, ILIDZ, and Coega to locate within the province/SEZs
Source of data	ECDC, Coega, ELIDZ
Method of Calculation / Assessment	Simple count of investment/lease agreements
Means of verification	Reports from ECDC, Coega, ELIDZ
Assumptions	Recovery in the global and domestic environment will lead to increase prospects of securing domestic and foreign direct investment in the province
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Not Applicable
Reporting Cycle	Annually
Desired performance	Increase in the number of investments attracted into the province
Indicator Responsibility	Executive Manager: Business Development, Trade and Investment Promotion

Indicator Title	14. Rand value of exports facilitated in the province
Definition	Qualitative measure of the total value of exports facilitated in the province
Source of data	ECDC
Method of Calculation / Assessment	Simple count based on reports (supported by agreements)
Means of verification	Reports from ECDC
Assumptions	Increase in the diversity of exports and new markets
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A

<i>Spatial Transformation (where applicable)</i>	<i>Not Applicable</i>
<i>Reporting Cycle</i>	<i>Annually</i>
<i>Desired performance</i>	<i>Increase in the value of exports in the province when compared with the previous years</i>
<i>Indicator Responsibility</i>	<i>Executive Manager: Trade and Investment Promotion</i>

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