

Remarks by MEC for Eastern Cape Department of Economic Development, Environmental Affairs and Tourism during the Presentation of the Report of the Portfolio Committee on Economic Development Environment and Tourism

26 October 2023

**Honourable Speaker,
Deputy Speaker,
Honourable Members of the Legislature,
Senior government officials present;
Ladies and gentlemen,**

Good day.

Honourable Speaker, it is an honour and privilege to stand before this August House. I therefore wish to appreciate the opportunity that has provided for me to give feedback on the issues raised on the Report presented by the Chairperson of the Portfolio Committee.

Honourable Speaker, having analysed the Report, there are critical issues that require our noting as the Department but also as different institutions and structures of government.

Firstly, the report reminds us of the good work that our department and the government in general are doing to change the living conditions of the people.

It highlights the magnitude of financial and nonfinancial support we are providing to our beneficiaries, working together with our entities.

On a different light, the report also exposes deficiencies in the system of government from an intergovernmental relations point of view. Some of the challenges that are experienced by the projects that we are supporting emanate from the fact that we are not working together as the different stakeholders or institutions of government, including as different spheres of government.

The report itself does highlight this deficiency, and it is clear and correct in its general recommendations that government must approach things from a District Development Model (DDM) perspective.

Considering the nature of the concerns raised by the Committee, and also to complement the DDM approach, DEDEAT will consider reestablishing the District Economic Development Forums, at which all economic development agencies and relevant departments converge to strengthen the role out of economic development support programmes.

Secondly, District and Local municipalities must come to the party and their role with regards to the local economic development must be felt by the coops and small businesses that are located within their spaces, and this leads to my third point...

There seems to be a confusion from those we are rendering our services to, in as far as the mandates that we have been given as different institutions. And you cannot blame them, if only we were working from the same plan and complimenting each other well, there would be clarity in terms of these

mandates. This aspect reveals that there is a great need for us to conduct awareness sessions for our key stakeholders to communicate our mandates, especially the different institutions that give related service or support.

Honourable Speaker, you will identify what I am raising as I attempt to respond to some of the findings and recommendations stated in the Report.

I must highlight though that recommendations stated on the Report are noted and will be considered, and a detailed report in that regard will be provided to the Committee within the prescribed timeframe of 30 days.

1. Blue Crane Local Municipality EPWP Waste Management Project

Honourable Speaker, the Blue Crane Local Municipality EPWP Waste Management Project is a typical example of a project that requires a multi stakeholder support, and where the issue of mandates must be noted.

The municipality has a responsibility to develop a waste management plan. As the regulatory authority, DEDEAAT is mandated to adopt that plan.

WE have availed funds to the value of R5.7 million for waste management activities, including the rehabilitation of the waste disposal sites to the value of R2.6 million. In this regard, we have since signed a Service Level Agreement with the affected municipalities.

In as far as the development of by-laws, DEDEAT is a participatory party in the process that should be led by COGTA. They are mandated to support development of municipal bylaws. Ours would be to participate in providing content and relevant regulatory framework. I must add that

the District municipality must also provide support to all local municipalities in this regard.

2. Bafazi Phambili Women Primary Cooperative

Honourable Members, in August this year I led a departmental delegation that went to visit the Bafazi Phambili Women Primary Cooperative in Janseville, with a purpose of engaging them on their progress and challenges. This challenge of an Abattoir was raised by the members. In our discussions, it came out that the costs associated with using a private abattoir is high. We therefore asked DRDAR to undertake a feasibility study on the possible establishment of an own abattoir for the cooperative. This exercise will look at the full value chain, including looking at the need of increasing production for economies of scale and profitability without consistent external grant funding. A thorough cost benefit analysis will be undertaken, comparing between paying a fair price to an existing accredited abattoir and owning and managing their own abattoir.

Lastly on this coop, The DEDEAT and ECDC will consider engaging DRDAR and propose the ideal production management approach for the Cooperative's broilers. Broiler production has proven to be quite expensive, sensitive, and risky enterprise. We will however provide a detailed report that encompass all the recommendations.

3. Maki's Kitchen

Again, Honourable Members, the issues at the Maki's Kitchen require a multi stakeholder approach. The recommendations of the Committee in this regard are noted and will be considered. The DEDEAT will engage ECDC and Kouga Local Municipality in an effort to address challenges

that are experienced by the Maki's Kitchen. Where there is a need, we will identify other stakeholders that could be of great help to their different needs.

4. Kouga Local Municipality EPWP Waste Management Project

On the Kouga Local Municipality Waste Management Project, we appreciate the recognition of the successful implementation of the EPWP project in that municipality. In as far as the recommendation to expand the project to other townships or parts of the municipality, I must highlight that our process for implementation is inclusive. All the wards of a municipality, in this regard, would be engaged to provide equal number of beneficiaries in the projects.

5. Sinqunqa Umthi & Multipurpose Primary Cooperative

The issue of sustainable funding for projects is always an issue of interest, Honourable Speaker, as it is for Sinqunqa Umthi and Multipurpose Cooperative. We always encourage and support coops to advance their business operations and models so they can be considered for other funding mechanisms.

In this regard, DEDEAT and ECDC conduct awareness sessions for all our funding streams across the Province. We will however consider having a dedicated session for this particular coop on the funding streams we have as a Group.

On the issue of funding for incubation programmes, I must say that we don't have any funding for incubation programmes, both at DEDEAT and ECDC.

6. Ubuntu Cooperative

Honourable Speaker, the challenges of marketing and branding issues experienced at ubuntu Cooperative, again, need us, the municipality and other relevant stakeholders to work together in assisting the project.

Ourselves observed that the Ubuntu Coop is not close to the market. We are however going to engage the municipality to have them in their database to access market and assist them with branding. We will also explore if SEDA cannot use their funding to help them access market, including website development. The recommendations by the Committee are taken into consideration.

7. Injica Chicory and Multi-purpose Primary Co-operative Limited

Honourable Speaker, the Committee again recommends intergovernmental solutions to the funding needs of the Injica Chicory and Multi-purpose Cooperative Limited.

To address these challenges, DEDEAT and DRDAR, and their entities (ECDC and ECRDA), will convene the local and district municipalities to devise a working plan that would address all the challenges identified. A detailed report in that aspect will be provided as recommended by the Committee.

8. Hlahlabone Manufacturer

Honourable Members, we will engage Ndlambe Local Municipality and other stakeholders to address a range of issues that hamper progress at Hlahlabone Manufacturer.

I must indicate that with regards to the accreditation, we will explore how to support the project but in as far as the relocation, we will engage Ndlambe to find space.

Honourable Speaker, due to time limitations, I will not be able to respond to all the findings and recommendation contained in the report. Mine was just to show appreciation of the report and the work done by the Committee. As alluded, a detailed report will be submitted.

You would have observed that throughout my feedback on the findings provided by the Committee and the recommendations thereof, that issues raised are not the sole responsibility of DEDEAT. These matters demand improved intergovernmental relations, as recommended by the Committee. A cluster approach is also required to deal with some of the challenges.

It is for this reason that I commend the work done by the Portfolio Committee, which continue to bring to light some of these weaknesses. Ours is not to defend ourselves, but to find solutions.

The people we serve are not interested in us pointing fingers at each other. All they want is the government that can deliver on its mandate, regardless of how we are structured internally.

The District Development Model has been made available as a blueprint for us to work together for the development of our people and communities.

Thank you very much Honourable Speaker.