



Province of the  
**EASTERN CAPE**

ECONOMIC DEVELOPMENT,  
ENVIRONMENTAL AFFAIRS AND TOURISM



**POLICY AND BUDGET  
SPEECH** 2019  
2020

## DEPARTMENT OF ECONOMIC DEVELOPMENT, ENVIRONMENTAL AFFAIRS AND TOURISM 2019/20 POLICY SPEECH

Honourable MEC Mlungisi Mvoko

04 July 2019

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Honourable Speaker

Honourable Premier

Members of the Executive Council

Honourable Members of the Provincial Legislature

Heads of Departments

Chief Executive Officers of our Public Entities

Distinguished Guests

Ladies and Gentlemen

Ban Ki-moon, the Eighth Secretary-General of the United Nations once said that *“Saving our planet, lifting people out of poverty, advancing economic growth...these are one and the same fight.”*

Honourable Speaker this is our fight. We have heard the clarion call of our Honourable Premier to **build the Eastern Cape we want** and this emphatically compels us to continue to take up the fight of poverty eradication through economic growth and job creation.

As the engine room for economic growth in the province the Department is crucial in creating an enabling environment for economic growth through which the lives our people are advanced, but we also have the responsibility for ensuring that we do not endanger the environment in the pursuit of economic growth.

The people of this province have spoken; they have once again entrusted us with the responsibility to create a better life for all, through driving growth and development. Honourable Speaker, as the Department we are embracing this responsibility and we commit ourselves to deliver on our mandate with the **R1.5 billion** budget allocated for this financial year.

Following the lead of the Honourable Premier, and in support of this administration's seven priorities, the Department will focus on:

1. revitalising and expanding the productive sectors and giving priority attention to the economic sectors that have the greatest potential for growth
2. creating economic development enablers that support growth and development
3. supporting provincial catalytic projects
4. managing and protecting the natural environment
5. ensuring effective governance and oversight of provincial state owned enterprises

As a Department, supporting entrepreneurship, SMME development, local and regional economic development programmes and support to co-operatives will always be the golden thread that guides us. Therefore, as we focus on these seven priorities, we aim to place at the centre the affirmation of SMMEs and young entrepreneurs. Within the DEDEAT Group we plan to support at least 300 SMME's with financial and non-financial support, with particular focus on women and youth. The ELIDZ currently has three incubators hosted at the ELIDZ Science and Technology Park in the Chemical and ICT Sectors, with 161 SMMEs incubated. In order to extend its impact and ensure additional support for SMMEs in the manufacturing sector, the ELIDZ has developed a strong business case for the setting up of a Manufacturing incubator. Funding remains a challenge but we are pursuing discussions with key stakeholders to support this initiative.

## 1. Sector focus to stimulate economic growth

### Agro industry development

Building local value chains with all the associated benefits of jobs and economic development in the province makes Agro-industry development a priority sector of the Provincial Economic Development Strategy. These value chains will be built through the existing industrial platforms ranging from the Rural Enterprise Development Hubs, Agri-parks and Industrial Parks for the realisation of our rural industrialisation programme through agriculture and agro processing. This is coupled with the Special Economic Zones for advanced agro processing for both the national and international markets while providing world class industrial platforms for foreign investors to establish operations in the province.

We acknowledge Honourable Speaker that for the sector to develop fully, integration and alignment of government sector departments and entities is critical. This aspect will be managed through the Provincial Agro-industry Development Forum which will ensure an interface with the private sector. For now, we are focusing on increased investment in the Red Meat Industry, Grain Industry, Horticulture Industry value

chains and the development of the Forestry Industry, Aquaculture Industry and the Cannabis Industry.

Noting the global and the recent developments in the country regarding cannabis and building on the work done by the National Hemp Pilot Project in the Province, the Department, working with stakeholders, will explore all possible avenues available towards the realization of the economic development merits offered by the industry. This is against the background that the Provincial SEZs have been approached by interested foreign investors but there were no licensed facilities for guaranteed supply of the raw material for processing. Honourable Members, the requirements for the growing facilities are quite stringent, however the Province will support initiatives towards the establishment of the facilities in the SEZs, thus creating an enabling environment for investments. Furthermore, as part of developing the sector, a Cannabis Development Task Team will be established to engage with the National Departments and organisations to ensure that the guidelines for the commercial production of industrial cannabis are providing for the broader participation in the industry.

Honourable Speaker, we are pleased to announce that the Provincial Agro Industry Market Intelligence Portal that was under development in the previous year is now live. This initiative is in line with the e-government strategy linked with the Industry 4.0 developments. The portal is accessible at [www.eservices.gov.za](http://www.eservices.gov.za). The portal provides a demand and supply platform for market (processors) and producers to meet for informed production plans so as to build local and regional production capacity of the province, and help in reducing the import of agricultural products that can be produced in the province. The milling companies, fruit and vegetable processors and the meat processors as well as the retailers are expected to be the main participants in the portal.

#### Auto sector

In 2018 the SA Automotive Sector (National Association of Automobile Manufactures and National Association of Automotive Component and Allied Manufacturers) in partnership with the DTI finalised the *South Africa Automotive Master Plan 2035*. Through this plan, significant focus will be placed on localisation, transformation and skills development within this sector. This plan has been further strengthened through the various commitments and investments shown by automotive Original Equipment Manufacturers (OEMs) in the Province, namely MBSA's announcement of the **R10 billion** investment in the East London plant, BAICs **R11 billion** investments in the Coega SEZ, and Volkswagen's investment of **R4 billion** in their Uitenhage plant.

Honourable Members our developmental approach continues to pay dividends. Through our partnership with the EC Automotive Component sector and AIDC we have established the EC Automotive Industry Forum (ECAIF). With ECAIF we have prioritised supplier development and skills-development as key priority areas. In line with this we have finalised a four-year strategy to support the roll out of key projects in the of Province. Through ECAIF we will:

- develop a minimum of 10 black supplier companies to enter the supply chains of the component automotive sector. To date, a database of 38 black companies have already been developed with the aim to finalise individual support programmes for these companies to fast track entrance into the automotive sector;
- aim to place at least 400 youth in the automotive sector. This programme have commenced through funding secured from MerSETA to train these young people on the “*World Class Operator*” curriculum to enhance the absorption rate of youth within the auto component sector.

It’s is envisioned that these initiatives will find full traction in this financial year.

### Tourism

In his State of the Province Address the Honourable Premier highlighted the importance of transformation in the tourism sector. We can proudly boast that our efforts to transform the industry are paying off. Not only have the number of Eastern Cape entrants to the National Tourism Excellence Lilizela Awards increased from 75 in the 2013 inaugural event to 335 entrants in 2018, but so have the number of PDI participants. These have increased from 1.3 percent to 46.6 percent! In addition, the Eastern Cape has won more National awards than any other province! This is worth being proud of, but does not mean that our work ends. Instead it encourages us that that which we are doing is taking us down the right transformation path.

In late 2018 the ECPTA launched the “EXPLORE” app – which is downloadable on iOS and Android. The app provides visitors with an accessible guide to tourist activities and opportunities across the Eastern Cape, and heralds our intent to embrace technology in supporting the sector.

Honourable Members there is an urgent need that we align and integrate our plans to ensure focused tourism development. We will be will be working closely with the Department of Roads and Transport to enable road access to tourism products and the Department of Sport, Recreation, Arts and Culture on Heritage Tourism. We have so far provided funding from the Stimulus fund for the renovation of prioritised Provincial Nature Reserves in order to improve their tourism destination potential.

Honourable Speaker I strongly encourage all Provincial government departments to support local tourism products, like our B&Bs, as part of the Local Economic Development Framework of government.

Furthermore, there is an urgent need to engage SAA and other airlines on the frequency and predictability of the flights in and out of our Province. We will lead the charge in this regard.

### Sustainable energy

As outlined in the State of the Nation Address, we need to work towards the reliable and sustainable supply of electricity in order to grow the economy. Honourable Speaker, sustainable energy is both an economic enabler and an economic opportunity.

As a province with excellent wind and solar resources, the 13 Eastern Cape wind and solar farms constructed to date are generating over 200 million units (kWh) of electricity a month – enough to supply over half a million households! In addition, four new facilities are initiating construction this year.

Honourable Members, when we speak about an energy transition, we must also speak about a “just transition”. It is our responsibility to ensure that wind and solar farm infrastructure investment translates into socio-economic beneficiation in the province. The Department will continue to work with local government to ensure better participation in the renewable energy value chain, improved information flow, and coordinated investment in socio-economic development.

We remain ever mindful that we should ensure access to affordable, reliable, sustainable and modern energy for all people. An emerging means of bringing energy to people in deep rural areas is mini-grid technology. In the Eastern Cape, we have been working with multiple partners to design, build and operate such a grid. Construction is ongoing in the Upper Blinkwater village in the Raymond Mhlaba Municipality and will entail electrification using mostly solar and wind energy, with battery storage. This 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.

While our prospects for renewable energy in the province are promising, it is also necessary to consider a companion energy source to make up for the variability of renewables. At the Coega SEZ, we continue to advance our technical readiness for game-changing liquid natural gas (LNG) to power generation. The Coega- and Port of Ngqura complex represents an ideal, and technically appropriate site for a national gas handling and beneficiation hub. Coega has a proven track-record in such mega-projects. We look forward to the release of the national Integrated Resource Plan

later this year, which will set out the roadmap for the energy generation new-build programme.

Through the creation of a gas utilisation hub in the Eastern Cape, we are preparing for the longer term economic possibilities of indigenous gas resources. These include offshore resources heralded by the billion-barrel Brulpadda find, as well as onshore shale gas possibilities. The partnership with Nelson Mandela University has yielded important science-based information which will guide responsible decision-making where appropriate at the provincial and local government sphere.

In addition to gas, we will continue to establish our potential in the fuel sector, by pursuing the development of an oil refinery at the Coega SEZ, as well as biofuels production and processing across the province once the national biofuels framework is in place.

Under our watch, we will ensure that the Eastern Cape is a key contributor towards national energy security and economic prosperity.

### Oceans economy

Honourable Speaker, as a Province we have embarked on a process of unlocking the catalytic and exponential growth potential of the Ocean Economy. This will ensure the optimal beneficiation and realisation of the full potential of the Ocean Economy; whilst simultaneously diversifying our current economic portfolio.

To this effect a high-impact partnership between the Province, National Government and the Nelson Mandela University is currently mapping a sustainable development trajectory for the provincial Ocean Economy.

Honourable Members, work is feverishly underway and to date, this partnership has produced an innovative macro-economic model which is being used in the development of optimal implementation interventions, which are aimed at ensuring economic growth and employment. At the same time the model is also rooted in our firm commitment towards ensuring the responsible and sustainable use of ocean resources through the establishment of a range of appropriate ocean governance mechanisms.

Honourable Speaker we commit ourselves that within the next couple of months this initiative will produce:

- a detailed strategic roadmap which will guide implementation;
- a detailed Bid Book that will be used to attract investment into the sector; and
- a research agenda which will empower the province to develop and apply new knowledge in order to increase its comparative and competitive advantage.

The Honourable Premier announced that the Oceans Economy Master Plan, which will outline the direction we want to take on the Oceans Economy, will be launched in September of this year.

### ICT sector

The ICT Sector is not only an economic enabler but also an emerging growth sector for the province. Through our Provincial Agro Industry Market Intelligence Portal we are already contributing towards the investment in ICT in agriculture. In addition, the installation of Self Service Terminals at our regional offices is helping to provide business support services to our people. Although we only launched late in the previous financial year the Department has assisted a total of 682 companies with registration, annual returns, electronic disclosures, address changes, issuing of BEE certificates and financial year end changes. Honourable Speaker we can proudly say that the turnaround time for registration of companies has been significantly reduced to 48 hours and has made registration processes more accessible and affordable to communities and cuts out the middleman, exorbitant prices and red tape.

The 4<sup>th</sup> Industrial Revolution (4IR) is upon us and it is crucial that our young people are prepared and are ready to take up the opportunities that will arise. We have identified our SEZs to support the Province in rolling out programmes, initiatives and projects in preparing us for the 4IR. Upskilling and re-skilling youth will be crucial. Through our SEZs we aim to train more than 5,000 people this year.

Honourable Speaker we are actively positioning and preparing the province for the 4IR. The AIDC EC and Volkswagen South Africa in partnership with Deutsche Messe Germany, has resolved to establish a Smart Industrial Academy within the Coega SEZ. The Smart Industrial Academy will include a Smart Factory, the factory of the future, and will drive Industry 4.0 nationally and into Africa from its base within Nelson Mandela Bay. The Smart factory will be used to create awareness and training and development to SMMEs, and youth in particular, within the Eastern Cape and nationally. This will also produce opportunities for skills development within the region, with a focus on equipping both current and future workers with the competence and skills needed to work in a Smart Industry.

Through the stimulus fund we have funded a Meet-Me-Room at the ELIDZ. This infrastructure creates a platform in which companies can physically connect to one another and exchange data without incurring local loop fees.

In addition, the ELIDZ has been identified as a preferred site for the landing of an undersea internet cable. This has a possibility of opening up a myriad of opportunities for the sector and could position East London as a hub of activity for this sector. The project would further reduce international band with costs, increase



jobs created in this sector and act as a catalyst for other projects. In line with this opportunity, DEDEAT has made available **R63 million** to the ELIDZ to support the development of infrastructure relating to this opportunity.

### Creative arts and Film industries

The Honourable Premier has highlighted the *Creative arts and Film industries* as a priority sector that holds many opportunities for job creation and development.

Ladies and gentlemen, we have a wealth of artistic talent in our province, but our people have been lacking a market platform for their products. In response to this challenge:

- We have established the Eastern Cape Craft Collection, a platform for marketing creative industry products. This is a physical shop that buys from enterprises and sell products through this shop and online. It has benefited 105 enterprises in the last financial year and with new satellite shop set to open at Nelson Mandela Museum in Port Elizabeth this financial year, we will increase our reach to assist 125 enterprises.
- We will continue supporting Lithuba Lakho, a Craft Products Competition and Exhibition programme which seeks to promote product development and innovation amongst the industry enterprises. We have seen 72 enterprises participating in the 2018/19 financial year and are now targeting 80 enterprises in the coming year.
- We partnered with the National Department of Small Business Development, investing **R1.7 million** in supporting product development and market access for the industry. Through this partnership we aim to increase this investment to **R 2 million** in the 2019/20 financial year.

As a Province we have taken a bold stance to position ourselves as a preferred destination hosting local, national and international film productions. To realise this, we have established a Commercial Film Investment Fund at the ECDC, where we have already funded 5 film projects and are targeting 32 over the MTEF period. We have so far invested R12 million, generating R104 million value of investment, creating 5,302 jobs and 227 business opportunities for SMMEs.

The success of the highly acclaimed commercial film “Knuckle City”, filmed in our very own Mdantsane, will be opening the Durban International Film Festival on 18 July 2019.

The fruits of our investment are exceeding our expectations and drive us to achieve more. The opportunities are here – we must position ourselves to take hold of them. Let me inspire our young people to stand up and be counted. *Carpe diem* – “seize the day”.

## 2. Economic enablers

### Infrastructure development

Honourable Speaker, a lack of infrastructure is continually identified as a challenge to economic development in the province. National Government has announced the establishment of an Infrastructure Fund to turn our country into a construction site. The Department is leading processes of developing an investment book to be submitted to the Presidency through which we aim to sell bankable infrastructure projects for capital funding by National Government. We will also heighten the processing of Environmental Impact Assessments (EIAs) as they are critical to the implementation of infrastructure projects.

We are pleased that the work on the revitalization of old and dilapidated Industrial Parks is progressing well, with the main highlight being the **R 50 million** approval by the DTI for the security upgrade (phase 1) of the Dimbaza Agri-village and Eco-industrial park. With the contractor already working on the construction of high security parameter fencing and high mast lights, this phase is expected to be completed by the end of this financial year, and will see no less than 10 local sub-contractors and about 300 contraction jobs created.

The investment in the Parks has stimulated interest and support from the Buffalo City Metro to commit **R14 million** over a three-year period on bulk infrastructure upgrades to accommodate the massive investment expected from the private sector in the park.

Through the provincial economic stimulus fund **R28.9 million** will be spent in the Dimbaza Industrial Park for roads and bulk services and **R13.2 million** at Queendustria on electrification upgrades. It is expected that these projects will create at least 258 construction jobs.

Honourable Speaker, we are engaging with Transnet to fast-track the development of the Port of East London and the removal of tanks from the Port Elizabeth harbour to the Ngqurha Port in order to realize the longstanding dream to convert the Port of Port Elizabeth into a people-friendly waterfront development.

In his State of the Nation Address the Honourable President committed government to address the high cost of doing business in South Africa, and the complicated and lengthy regulatory processes. In support of this and the massive investment drive to reach the US\$100billion target Foreign Direct Investment (FDI) to the country, the DTI *InvestSA* has committed to the establishment of a One Stop Shop facility in the Province, implemented through the ECDC as the provincial investment promotion agency. Premises have already been secured in East London and InvestSA have

contributed **R8 million** to the establishment of such facility with the state of the art modern audio-visual and communication infrastructure.

#### Funding local and regional development projects

Ladies and gentlemen, rolling out the LRED fund has always seemed to have some challenges, but I am pleased to report that we have learnt from the past and made significant improvements. The performance of the fund exceeded expectations in the last financial year. We utilised the full budget allocation and supported 16 projects. I was excited to hear that one of our LRED beneficiaries, AET AFRICA, won the “*Innovation hub new and innovative business award*” at the Black Business Quarterly awards. Such recognition encourages us that our hard work is bearing fruits and energises us to continue. An amount of **R20 million** is allocated for this year.

#### Youth empowerment through capacity development

In addition to the training programmes hosted at the SEZs and other sector initiatives, the Department has, in support of our young people, awarded 15 bursaries with a value of approximately **R 600 000** in support of studies in engineering, economics, environmental studies, agricultural production and development studies. Proudly we can state that 7 youth will be given an opportunity to enter universities for the first time whilst 3 will be pursuing post graduate studies.

### 3. Supporting provincial catalytic projects

#### Economic Stimulus Fund

As announced by the Honourable Premier, an amount of **R1 billion** has been set aside over the MTEF for the Economic Stimulus Fund which has been created to fund, implement and monitor catalytic economic development initiatives and projects aimed at unleashing opportunities that grow the economy, enable economic development, and grow trade and investment. Sixteen projects with a combined value of over **R300 million** have already been approved for this financial year and represent an investment by the provincial government in Industrialisation, ICT, Agriculture and agro processing, Manufacturing, Oceans economy, Tourism, Township and rural economies and the Film sector.

#### Isiqalo Youth Fund

During the month of June, in which we celebrate our youth, we were excited at the launch of the *Isiqalo Youth Fund* for youth entrepreneurial development in the province. It was launched in partnership with the National Youth Development Agency, the fund’s co-implementing agency. The Fund receives an allocation of **R50 million**. Taking on a more developmental stance, the Fund is marked by significantly

less stringent qualifying criteria is a non-repayable financial support given to young persons or enterprises for enterprise development. It covers a wide range of entrepreneurs and entrepreneurial levels including idea generation and survivalist/s, start-ups or early development and those in the growth and expansion stage. As the Honourable President said in the recent State of the National Address, we must be supporting the youth who are trying to start their own businesses, to invent and create, and to rise above their circumstances. Our role is to support and enable, but the youth must also step up and claim their space. Such sentiment is supported by Milton Berle who says: *“If opportunity doesn't knock, build a door.”*

#### 4. Managing and protecting the natural environment

The former American President, Theodore Roosevelt, famously said that:

*“To waste, to destroy our natural resources, to skin and exhaust the land instead of using it so as to increase its usefulness, will result in undermining in the days of our children the very prosperity which we ought by right to hand down to them amplified and developed.”*

Honourable Speaker, this is not only the mandate of this Department, but a role for which each and every one of us plays a part. We cannot sit back and let our natural resources be destroyed at the cost of unsustainable economic development or greed. We must carefully balance the contribution of our environmental assets towards economic development and social needs.

Our environmental management efforts are focused on compliance with the applicable environmental laws, regulations and norms and standards in achieving sustainable development.

##### Compliance and enforcement

Compliance and enforcement remains a crucial element in the conservation of our environmental assets. As we embrace modern technology our continued investment in cutting-edge digital security solutions for high-value species in provincial reserves is a vital component in the ongoing fight against wildlife poaching.

Honourable Speaker, we can proudly boast that during 2018/19 there were several noteworthy outcomes, particularly relating to rhino and cycad crimes. These included the successful conviction and sentencing of the Ndlovu and Homela syndicates. The three Ndlovu's were convicted of ten rhino poaching incidents in our Province and were individually sentenced to in excess of 500 years' imprisonment but will each serve 25 years effectively, the equivalent of a life sentence. A well-known cycad poacher and syndicate leader, Mr Sam Homela, was sentenced in the Port Elizabeth Regional Court to 11 years' direct imprisonment. This in addition to the eight-year

sentence that he is currently serving since being sentenced by the Eastern Cape Courts during 2016.

The Department will continue to participate in the Operation Phakisa “*Initiative 5*” joint enforcement operations along our coastline. In 2018/19 had participated in eight such enforcement operations.

Honourable Members the unauthorised clearing of sub-tropical thicket for agricultural practice has become increasingly problematic. The Department has developed a collaborative response to combat the clearing of this vegetation type with the assistance of the Thicket Forum, DEA and Rhodes University. Thicket clearing threatens the biodiversity of our Province and encourages the advancing threat of climate change. Through our collaborative approach we hope to successfully stem the tide of indiscriminate clearing.

#### Expanding the protected area estate

We are proud that the ECPTA has increased the *protected area estate* through its stewardship programme by over 93 000 hectares since 2015/16, surpassing the 70 000 hectare 5-year target. Given the limited financial resources this is an achievement we can all be delighted with. The ECPTA is contracted by SANRAL as the implementing agent partner for the Biodiversity Offset Agreement on the Wild Coast N2 project. It seeks to protect the Centre of Endemism that will be impacted by the road construction as endangered species are being relocated for safe keeping and will be used for landscaping. Of great potential is the possibility of expanding the protected area footprint of the area to protect sensitive ecosystems.

#### Coastal and marine management

Honourable Speaker, estuary management remains a key part of our coastal and marine management programme. We have finalized the Seekoei Estuarine Management Plan which has been developed in collaboration with the Kouga Local Municipality. The approval of the plan unlocks the implementation of various strategies contained therein for conservation and restoration of the Seekoei Estuary whilst at the same time ensuring that the people of the area continue to benefit from this estuary. Plans are in motion for the development of the Kromme Estuarine Management Plan (in Kouga Local Municipality) and the Kowie Estuarine Management Plan (in Ndlambe Local Municipality). A budget of **R1 million** has been set aside for the development of these plans.

The implementation of the Wild Coast Development Plan is currently underway and we are actively truthing and producing maps for coastal settlements in the Wild Coast. This process will culminate into permits being issued to traditional authorities

in order for them to allocate sites within the settlement areas and our people will be able to build their homes. This will facilitate and improve development in the Wild Coast. We aim to finalize this project before the end of this year. This is in line with our strategic approach to solving illegal activities relating to human settlements, waste management and exploitation of coastal resources.

### Waste management

As a sector, waste management still holds many yet unrealised environmental and economic benefits. The social and economic benefits of the waste sector include our people being serviced by efficient and effective municipal waste management services and infrastructure, reducing greenhouse gas generation at landfills through appropriate landfill practices, as well as creating thousands of additional jobs. It is for this reason that the waste sector will receive particular focus in the year ahead.

Honourable Members the Department will, in support of the Presidential Good Green Deeds Programme, be co-ordinating this programme as it unfolds in the province and we are already co-ordinating workshops to empower communities around the Recycling Enterprise Support Programme (RESP) in order to harness financial support of up to **R5 million** per enterprise and contribute to job creation by the waste sector. We will also continue to engage with stakeholders through the development and implementation of the Provincial Integrated Waste Management Plan and Recycling Strategy. The implementation of the Recycling Strategy will ensure the establishment of recycling infrastructure so as to consolidate the various waste beneficiation enterprises in the Province.

I have been so excited to hear of the research work being undertaken by Ms Cleopatra Dube, one of our young bursary recipients. Her Master's research project seeks to produce fuel pellets by blending the waste tyre pyrolysis char with biomass such as torrefied wood and microalgae. These pellets have a potential of replacing coal in various applications such as heating coal stoves in households. This is the kind of ingenuity we should be supporting and I look forward to seeing the outcome of her research.

As alluded to, Honourable Speaker, the environmental sector can make a significant contribution towards job creation and stimulate economic growth. As a Department we commit that it will no longer be "business as usual" but we will strategically focus our environmental processes towards actively supporting job creation and economic enablers in the Province. We will, in the year ahead, place particular importance on revamping our EIA processes and ensure a focused approach to creating jobs through the EPWP.

### Strategic approach to environmental impact assessments

Government has set itself a strict target that 100 percent of Environmental Impact Assessment (EIA) applications must be finalised within legislated timeframes. Whilst the Department has always had a good track record in this regard we are encouraged that the EIA industry is becoming professionalised through the Environmental Assessment Practitioners Association of South Africa (EAPASA). We will ensure that all our EIA practitioners are registered by the February 2020 deadline.

The Department is taking a strategic approach to the EIA process. Critical Biodiversity Areas will be spatially presented in maps which will be available both manually and electronically once finalized. In terms of implementation, the Department will engage municipalities to table their spatial plans in the IDP where the department is participating. This will assist the Department in identifying areas that need to be addressed for EIA processes and will save municipalities on consultancy costs as they will receive advice directly from the Department. Municipalities then will be advised to put up their 5 year plans in order to cut barriers and review their plans up front and they can be advised on areas of exemption. This will ensure that there are no delays in implementation of projects.

### Creating 'green jobs' through the EPWP

Honourable Speaker, we will continue to provide employment through the *EPWP*. During the commemoration of the Provincial Environment Day in Nelson Mandela Bay on 27 June 2019 we proudly announced an investment of approximately **R18 million** towards waste management and alien invasive plants eradication projects to be undertaken in all the districts of the province and is expected to create 750 jobs. This investment seeks to champion the concept of sustainable development by creating jobs, reducing poverty and promoting the environment at the same time.

The projects will be implemented in the following municipalities which will result in the creation of jobs where youth and women will be prioritised:

- Port St Johns - **R3 million**
- Inxuba Yethemba – **R3 million**
- Mbhashe – **R4 million**
- Koukamma – **R2.6 million**
- Walter Sisulu – **R2 million**
- Mbizana – **R3.2 million**

### Biodiversity economy and transformation

In support of the 2016 Operation Phakisa Biodiversity Economy Lab Outcomes, Bioprospecting, Wildlife, and Eco-Tourism Economies were identified sectors for the implementation of the National Biodiversity Economy Strategy. The sector as identified 25 plants that are currently in Bioprospecting (medicinal use, cosmetics, and essential oils); fourteen of these plants occur in the Province and of these, *Pelargonium sidoides*, *Aloe ferox* and *Honeybush Tea* have been identified for mass cultivation. Funding has already been allocated by the Department of Environment, Fisheries and Forestry (DEFF) for the construction of a multipurpose processing facility and processing hub to support *Aloe ferox* projects in the Tyhefu Area.

Honourable Members we can boast that our efforts to transform the game industry are bearing fruit. Four game farms owned by previously disadvantaged individuals have been supported to meet the standards for receipt of game. These farms are Krompoort (Aliwal North), Miarestate (Haga Haga), Brakfontein Community (Alice) and Mmembe Safari (Queenstown). Over 280 head of game were successfully translocated to these sites on a custodianship basis by the end of 2018/19 and the ECPTA has pledged 1,500 herd of game in support of the implementation of the Game Industry Transformation Strategy.

The first ever public-community-private collaboration on the Black Rhino Range Expansion project has resulted in an agreement to relocate up to 20 black rhino to a co-managed reserve. Through the ECPTA we plan to support project partners to ensure the successful translocation and resettlement of the animals during this year.

### **5. Ensuring effective governance and oversight of provincial state owned enterprises**

Within the DEDEAT Group our six public entities not only support the work of the department but they consume a large portion of our budget. It is therefore imperative that we ensure that we receive value for money, their mandates align to the priorities of government, and that there is proper governance and oversight in place.

The ECGB receives a budget allocation this year of **R 58.7 million**, but is one of the largest contributors to the Provincial tax revenue and it projecting to collect an amount of **R200 million** worth of gambling taxes in this year. It is also planned that the Zone 5 Casino in Mzamba at Bizana will be relicensed and operational.

The implementation of the EC Gambling Amendment Act will reinforce monitoring to enforce compliance by the industry, expand our revenue-base and increase economic contribution from the sector, cater for new forms of gambling, and enhanced suitability of mechanisms to promote entry into the industry. The



Regulations in terms of the Act are being developed and it is envisioned that they will be implemented during 2019/2020.

The Eastern Cape Liquor Authority Act, 2018 was assented to and published in the Provincial Gazette during March 2019. Regulations in terms of the Act will be drafted and published for comment once the Act has been promulgated. These regulations will provide the tools to ensure that we not only regulate a thriving industry but also increase market opportunities to historically disadvantaged groups and break up what we perceive to be anti-competitive conduct by some of the industry players. The EC Liquor Board receives a budget of **R 62.4 million** in this financial year.

In an attempt to avoid duplication of mandate and ensure strategic alignment of functions, the Department has reviewed the Eastern Cape Development Corporation Act of 1997. A White Paper is being developed which will inform the Eastern Cape Development Corporation Bill. This Bill will align ECDC's mandate with the policy direction of the province.

### In conclusion

Honourable Tata Nelson Mandela is often quoted as saying "*As long as poverty, injustice and gross inequality exist in our world, none of us can truly rest.*" Ladies and gentlemen, I commit myself and the Department to this fight. We will not rest until poverty and inequality have been eradicated in our province!

Honourable Speaker, let me present the budget allocations which will drive our programmes in the 2019/20 financial year. The Department has been allocated approximately R1.5 billion and, as earlier stated, we will use these resources sparingly to finance the following programmes:

- Administration: R 241.697 million
- Economic Development and Tourism: R 904.203 million
- Environmental Affairs: R 336.060 million

Honourable Speaker, I herewith table the Annual Performance Plans for the Department and the six public entities for which we are responsible, and the Service Delivery Improvement Plan for the Department.

**Thank you.**



Province of the  
**EASTERN CAPE**  
ECONOMIC DEVELOPMENT,  
ENVIRONMENTAL AFFAIRS AND TOURISM

## HEAD OFFICE AND REGIONAL OFFICES

### Head Office

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