

**PROVINCE OF THE EASTERN CAPE**



**Department of Economic Affairs,  
Environment and Tourism**

**Five-year Strategic  
and Performance Plan**

**(2005/06 to 2009/10)**

Revised/updated February 2005

## Table of Contents

	<b>Foreword by MEC</b>	<b>5</b>
<b>Part A</b>	<b>Strategic Overview</b>	<b>8</b>
1.	Overview of the Five-Year Strategic Plan by the Head of Department	8
2.	Vision	9
3.	Mission	9
4.	Values	9
5.	Sectoral situation analysis	10
5.1	Summary of service delivery environment and challenges	10
5.2	Summary of organisational environment and challenges	10
6.	Legislative and other mandates	12
7.	Broad policies, priorities and strategic goals	18
	Strategic Objectives related to Strategic Goals	20
	Strategic Goal 1	20
	Strategic Goal 2	20
	Strategic Goal 3	20
	Strategic Goal 4	21
	Strategic Goal 5	21
	Strategic Goal 6	22
	Strategic Goal 7	22
	Strategic Goal 8	22
	Strategic Goal 9	23
8.	Information systems to monitor progress	23
9.	Description of strategic planning process	23
<b>Part B</b>	<b>Programme and sub-programme plans</b>	<b>24</b>
<b>10.</b>	<b>Programme 1: Administration</b>	<b>24</b>
10.1	Strategic Goals and objectives for Programme 1: Administration	25
<b>11.</b>	<b>Programme 2: Information Management</b>	<b>27</b>
11.1	Strategic Goals and objectives for Programme 2: Information Management	27
<b>12.</b>	<b>Programme 3: Economic Affairs</b>	<b>28</b>
12.1	Strategic Goals and objectives for Programme 3: Economic Affairs	30
12.2	Public Entities managed through Programme 3	33
a.	Eastern Cape Development Corporation	33
b.	Eastern Cape Tourism Board	36
c.	Eastern Cape Gambling and Betting Board	36
d.	Eastern Cape Liquor Board	37
e.	Coega Development Corporation	38
f.	East London Industrial Development Zone	40
<b>13.</b>	<b>Programme 4: Environmental Affairs</b>	<b>43</b>
13.1	Strategic Goals and Objectives for Programme 4: Environmental Affairs	44
13.2	Public Entities managed through Programme 4	44
	Eastern Cape Parks Board	44
14.	Resource Implications for the 2005/06 to 2007/08 MTREF	47
15.	Co-ordination, co-operation and outsourcing plans	48
15.1	Inter-departmental linkages	48
15.2	Local government linkages	48
15.3	Public entities	48
15.4	Public-private partnerships and outsourcing	49
<b>Part C</b>	<b>Background information</b>	<b>50</b>

<b>16.</b>	<b>Appendix 1: Analysis of Service Delivery Environment</b>	<b>50</b>
16.1	Policy changes and trends	50
16.2	Environmental factors and emerging challenges	50
	Sectoral Situation Analysis	50
	Demographic Characteristics	50
	Socio-Economic Characteristics	56
	Economic Circumstances	59
	Conclusion and Five-Year Prognosis	61
16.3	PGDP Programmes	64
(a)	Agrarian Transformation and Food Security	64
(b)	Fighting Poverty	64
(c)	Public Sector Transformation	65
(d)	Infrastructure Development	65
(e)	Manufacturing Diversification and Tourism	66
(f)	Human Resource Development	67
16.4	Evaluation of current implementation performance	67
<b>17.</b>	<b>Appendix 2: Organisational information and the institutional environment</b>	<b>67</b>
17.1	Organisational design	67
17.1.1	Organizational Structure [Annexure 1]	69
17.1.2	Reporting lines of senior managers [Annexure 2]	69
17.1.3	Map showing organisational boundaries [Annexure 3]	69
17.2	Delegations and performance agreements	69
17.3	Capital investment, maintenance and asset management plan	69
17.4	Personnel	69
17.5	IT Systems	70
17.6	Performance management system	70
17.7	Financial management	70
17.8	Audit queries	71
<b>Annexure 1</b>	<b>Summary Departmental Organogram</b>	<b>72</b>
<b>Annexure 2</b>	<b>Reporting Lines of Senior Managers</b>	<b>74</b>
<b>Annexure 3</b>	<b>Map showing the Department's Organisational Boundaries</b>	<b>75</b>

## List of Abbreviations

AIDC-EC	Auto Industry Development Centre-Eastern Cape
BCM	Buffalo City Municipality
CDC	Coega Development Corporation
DEAT	Department of Environmental Affairs and Tourism
DGITO	Departmental Government Information Technology Officer
DM	District Municipality
DTI	Department of Trade and Industry
EC	Eastern Cape
ECCT	Eastern Cape Consumer Tribunal
ECDC	Eastern Cape Development Corporation
ECGBB	Eastern Cape Gambling and Betting Board
ECLB	Eastern Cape Liquor Board
ECPB	Eastern Cape Parks Board
ECTB	Eastern Cape Tourism Board
EG&I	Economic Growth and Infrastructure
ELIDZ	East London Industrial Development Zone
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GDPR	Gross Domestic Product per Region
GIS	Geographical Information System
HoD	Head of Department
HR	Human Resources
HSRC	Human Science Research Council
ICT	Information Communication Technology
IDP	Integrated Development Plan
IMS	Integrated Manufacturing Strategy
ISO	International Organisation for Standardisation
ISRDP	Integrated Sustainable Rural Development Programme
IT	Information Technology
LED	Local Economic Development
MEC	Member of the Executive Council
MERS	Micro-Economic Reform Strategy
MTREF	Medium Term Revenue and Expenditure Framework
PFMA	Public Finance Management Act
PGDP	Provincial Growth and Development Plan
PMDS	Performance Management Development System
SDI	Spatial development Initiative
SHE	Safety, Health and Environment
SITA	State Information Technology Agency
SLA	Service Level Agreement
SME	Small and Medium Enterprises
SMME	Small, Medium and Micro Enterprises
SMS	Senior Management Service
SOER	State of the Environment Report
URP	Urban Renewal Programme

## **Foreword by MEC**

As from 2004/05, the Provincial Government adopted a new strategic planning process that is in line with national planning procedures and is aligned to the five-year electoral cycle. Accordingly, the Department of Economic Affairs, Environment and Tourism has formulated a Five-Year Strategic and Performance Plan covering the period 2005/06 to 2009/10. The 2004/05 financial year represents a transition period during which the Department will gear its operations, and those of its several Public Entities, to the new planning system.

The five-year strategic planning perspective provides an opportunity for the Department to take a broad, longer-term view of strategic goals for the Department as a whole, and to develop associated strategic objectives within the context of key national and provincial planning instruments, including the Provincial Growth and Development Plan (PGDP), Municipal Integrated Development Plans (IDPs), and the five-year strategic plans of the Departments of Trade and Industry (DTI) and of Environmental Affairs and Tourism (DEAT), which constitute the primary sources of government policy that the Department must analyse, interpret and implement at the Provincial level.

The Department's five-year goals and objectives provide a basis for developing an Annual Performance Plan, which sets out the Department's initial approach to implementing the five-year strategic plan. Towards this end, the Annual Performance Plan specifies measurable objectives and performance targets to guide the Department towards realising its longer-term goals and objectives. The Department's first Annual Performance Plan informs, and is informed by, the budget envelope specified in the 2005/06 to 2007/08 MTEF. In-year implementation monitoring is based on quarterly performance reports, culminating in the Department's annual reports. As indicated above, the 2004/05 financial year provides a basis for preparing and adjusting the Department's activities towards the full implementation of the Five-Year Strategic and Performance Plan.

The new strategic planning procedures constitute a significant on-going challenge for the Department, because it involves close operational and budgetary co-ordination between the core Head Office programme functions, the District Offices and the Public Entities that have been established by the Department.

The fiscal discipline measures introduced in the Province, which has cut our total budget by 27% in the 2005/06 financial year, must necessarily impact on our strategic planning for the coming strategic planning cycle. Our strategic goals remain unchanged but they compel us to deliver on an enhanced mandate with greatly reduced resources.

As I have pointed out elsewhere, Strategic Planning is an ongoing process of evolution and improvement rather than an isolated event. The process does allow for a Strategic Plan Update Analysis in every Annual Performance Plan, and we do need to make use of this flexibility to fully integrate the fragmented structures and delivery mechanisms of the Department and its Public Entities.

- We will be forging strategic plans from a common baseline. This will cut out, on the one hand, duplication and contradiction and, on the other hand, gaps and grey areas where services are not provided. The same principle must apply in the allocation of funds.
- The Department and its Public Entities must speak with a single voice, more especially at the district level. We need to move towards a 'one-stop shop' style of service delivery where all services will be available to everybody at local level. Closer relationships with relevant municipalities must also be forged on an ongoing basis. We need to look at ways and means to share scarce resources, more especially scarce skills, across institutional and district boundaries.
- The Department and the Entities must rationalise their activities so that each can maximise the advantages of its own specific structure. The Entities are flexible and can take risks but their decisions must take financial as well as social considerations into account. The role of the Entities is to implement, and the role of the Department is to monitor and evaluate. The relationship must be defined by constantly improving Service Level Agreements. Accountability and transparency need to be enhanced, through inter alia improved SLAs, on an ongoing basis.
- We will ensure that our monitoring and evaluation of the attainment of targets as per this strategic plan, is firmly grounded in an effective and efficient Performance Management System implemented within the DEAET and all Entities.

Another factor which will doubtless impact on future strategic plans is the role which the Department is expected to play as the Lead Department of the Economic Growth and Infrastructure Cluster which also includes the Departments of Agriculture, Public Works, Housing, Local Government and Traditional Affairs and Transport. We will be making a concerted effort to realise the potential of the cluster by maximising the synergies between departments, and this will lead to greater integration of the strategic plans and the budgets of related departments.

The bottom line must be effective delivery of services to the people of the province without any deviation into fruitless or wasteful expenditure. Our department is tasked with the responsibility of fighting poverty and creating jobs. This strategic plan charts the way forward and lays the foundation for the strategic plans of the future. It furthermore provides the broad strategic parameters for the activities of the DEAET and thus sustainable, integrated economic development within the Province of the Eastern Cape, ultimately translating into an improved quality of life for all.



André de Wet  
MEC

# Part A

## Strategic Overview

### 1. Overview of the Five-Year Strategic Plan by the Head of Department

The Department's first five-year strategic plan for the period from 2005/06 to 2009/10 provides new opportunities for ensuring that the activities of the Department's programmes and public entities are aligned with the overall strategic intent of the Provincial Growth and Development Plan (PGDP), launched during 2004/05, and with the Municipal Integrated Development Plans (IDPs), which provide a comprehensive framework within which development planning can be implemented.

A wide range of national and provincial policy positions informed the compilation of this initial strategic plan and provide a context for subsequent reviews and improvement built on the experience gained from reporting procedures that reflect implementation progress. The principal points of departure, in this regard, are the President's State of the Nation address, the Premier's State of the Province address and the MEC's Policy Speech, which serve to outline the overall developmental directions for the provincial government, in general, and for the Department, in particular. We are also guided by the sectoral policies that emanate from the strategic plans of the Departments of Trade and Industry and of Environmental Affairs and Tourism. Taken together, these policy approaches reflect the development imperatives that arise from the 2003 Growth and Development Summit and from the National Spatial Development Perspective, which emphasise the critical importance of sectoral and spatial issues that require to be addressed in the country as a whole.

Arising from this background, the Department's approach to strategic planning is based on several key issues that form the basis for determining the overall goals and objectives which the Department has adopted for the initial planning period and beyond.

- Sustainable formal sector job creation is the most important challenge that must be addressed by the Department and the Provincial Government. Under circumstances of deeply entrenched poverty and unemployment, the fundamental role and responsibility of the state is to provide an environment that is conducive to facilitating private sector investment in productive business enterprises.
- It is also important, however, to ensure that access to business opportunities is afforded to a wider spectrum of the Province's



population in order to redress the spatial and racial inequities of the past.

- Promoting local action for development, based on adding value to locally sourced resources, including human resources, is vitally important to ensure that maximum benefits are derived from state investment in social and economic infrastructure.
- Building constructive partnerships, based on the principles of co-operative governance and alliances with private sector interests, are imperative pre-conditions for successfully implementing our strategic plans.

We recognise that strategic planning is not an event. It must be an on-going and dynamic process that learns from experience in order to improve future activities and resource allocations. The new five-year strategic planning period, linked to the electoral cycle, provides room to adjust and adapt our approaches to changing social, economic and political circumstances in the province and the country as a whole. The Department also believes that the PGDP and the Municipal IDPs represent new opportunities to forge new development relationships for the benefit of the Province's people.

## **2. Vision**

The Department of Economic Affairs, Environment and Tourism strives for an Eastern Cape which is devoid of the inequalities of the past, unified through integrated and sustainable economic, social and cultural development; thus providing an acceptable quality of life for all of its people in the context of a united, non-racial, non-sexist and democratic South Africa.

## **3. Mission**

To build a sound, growing and sustainable economy which facilitates economic empowerment and delivers an optimal quality of life for all citizens of the Province; especially through the efficient utilisation and management of environmental resources, the promotion of investment and the strategic deployment of the human and financial resources at its disposal. The Department's core challenge is to grow the economy of the Eastern Cape and consequently, South Africa.

## **4. Values**

The Department is strongly committed to building a better life for all South Africans and a better natural environment for all South Africans to live in. We will achieve this objective in the spirit of transparency, service delivery and community participation as embodied in the Batho Pele principles, coupled with the fiscal responsibility enjoined on us by the Public Finance Management Act (PFMA), 1999. Our ultimate objective is nothing less

than transformation within the Department, within civil society and above all within the beautiful natural world that we all inhabit.

## **5. Sectoral situation analysis**

In 2002, the Province's Gross Domestic Product per Region (GDPR), at current prices, was just over R88bn, which represented 7.9% of national GDP. Between 1996 and 2002, Provincial GDPR grew at an annual average rate of 2.1%, which was below the national average GDP growth rate of 2.8% over the same period.

In 2000 and 2001, Eastern Cape GDPR increased by 3.5% and 3.3%, respectively, while in 2002, overall GDPR growth declined to only 0.8%, largely as a result of a significant decrease in the value of production in the agricultural sub-sector, which declined by 12% in 2002, after having recorded an increase of over 27% in 2001. This is a reflection of climatic uncertainties that impact directly on the output performance of key farming products.

General Government Services, Financial Services and Manufacturing are the dominant productive sectors in the Province, each sector consistently contributing over 15% towards GDPR between 1996 and 2002.

### **5.1 Summary of service delivery environment and challenges**

The distribution of demographic and socio-economic characteristics in the Province reflects severe spatial imbalances and racial inequalities that stem from the effects of decades of apartheid policies, and constitute the most important challenge to be addressed through provincial and local government development planning instruments. While significant progress has been made during the first decade of democracy, inequalities in service delivery are still evident in terms of backlogs in social infrastructure, particularly regarding water, refuse removal and sanitation services.

Spatial and racial distributions of access to employment opportunities, personal income and educational attainment are also severely skewed. In this regard, the eastern half of the Province, which generally coincides with the previous bantustans, emerges as the most disadvantaged area of the Province and requires to be accorded priority status in terms of local and provincial government spending allocations.

### **5.2 Summary of organisational environment and challenges**

The Department's operations are managed by a Head Office, located in Bisho, and are implemented through five District Offices located in Port Elizabeth, East London, Mthatha, Queenstown and Kokstad. The overall organisational structure consists of four Programmes:

- Administration,
- Information Management,
- Economic Affairs and
- Environmental Affairs.

District Offices facilitate, co-ordinate and monitor activities related to the Department's overall goals and objectives as reflected in the Strategic Plan and in the Integrated Development Plans (IDPs) of District and Metro Municipalities.

Key functional responsibilities of the Department are conducted through designated Public Entities, which are accorded specific responsibilities that are implemented in accordance with the Department's Strategic Plan. The following Public Entities report to the Department:

- Eastern Cape Development Corporation (ECDC),
- Eastern Cape Tourism Board (ECTB),
- Eastern Cape Gambling and Betting Board (ECGGBB),
- Eastern Cape Liquor Board (ECLB),
- Eastern Cape Parks Board (ECPB),

Coega Development Corporation (CDC) and East London Industrial Development Zone (ELIDZ) are considered with effect from 2005/6 financial year, subsidiaries of the ECDC.

Legal, administrative and financial relationships between the Department and the Public Entities are established in terms of PFMA regulations and are formalised through appropriate Service Level Agreements (SLAs).

The Department's Head Office maintains close working relationships with the DTI and the DEAT regarding the implementation of national policies and development strategies.

Key challenges that require to be addressed in the five-year strategic planning period include the following:

- Developing and improving upon sound Service Level Agreement procedures to monitor and evaluate the activities and expenditure allocations of the Public Entities that report to the Department.

- Establishing specific participatory procedures related to the formulation and implementation of the Provincial Growth and Development Plan (PGDP).

## 6. Legislative and other mandates

The Department's mandates are derived from a wide range of national and provincial legislation, including policy specifications by the Department of Trade and Industry (DTI) and the Department of Environmental Affairs and Tourism (DEAT). Key mandates are indicated in the table below, and are derived from Schedules 4 and 5 to the Constitution of the Republic of South Africa (Constitution Act No.108 of 1996).

<b>Legislative and other mandates</b>		
<b>Programme Number, Name and Core Function</b>	<b>Mandate</b>	<b>Description</b>
1 Administration: Personnel Administration	Public Service Act, Regulations and CORE Employment Equity Act Skills Development Levies Act 9 of 1999 Basic Conditions of Employment Act	Ensure that Public Service requirements related to personnel administration and development are adhered to and managed effectively and efficiently.
1 Administration: Financial Administration	Public Service Act Public Finance Management Act, 1999 Provincial Exchequer Act and Regulations	Ensure that Public Service requirements related to financial management and administration are adhered to with efficiency, effectiveness and economy.
1 Administration: Strategic Planning and PGDP/IDP alignment	MEC's Policy Speech. Strategic Plan Goals. All legislation, regulations and policy which may impact on the mandate of the Department, such as the DTI Microeconomic Reform Strategy and the Integrated Manufacturing Strategy.	An important aspect of the research and policy planning function is to be aware of the commitments made by the MEC and the kinds of activities that are reflected in the Department's Strategic Plan.
2 Information Management	Public Service Regulations, 1999 (Part III B1 (f) and Part III E).	Apart from legislative imperatives, the Information Systems function maintains the Department's IT/IS capacity, as well as training in computer literacy.
2 Information Management	SITA Act 88 of 1988	The objective of the SITA is to provide information technology, information systems and related services in a maintained information systems security environment to, or on behalf of,

<b>Legislative and other mandates</b>			
<b>Programme Number, Name and Core Function</b>	<b>Mandate</b>	<b>Description</b>	
		participating departments and organs of state and in regard to these services, act as an agent of the South African Government.	
3	Economic Affairs: SMME Development	National Small Business Act of 1995. Businesses Act 71 of 1991. Eastern Cape Development Corporation Act 2 of 1997. Policy documents from the DTI.	Small business development through the provision of business development services and financing options. Implementation of the new DTI small business strategy.
3	Economic Affairs: Investment Promotion	Policies formulated and managed by the DTI and delegated to Provinces.	Promoting foreign and domestic investment in the Province.
3	Economic Affairs: Spatial Development Initiatives and Industrial Development Zones	Policy derived from the Department of Trade and Industry IDZ Programme.	Development of the Coega and East London IDZs and the Wild Coast SDI.
3	Economic Affairs: Industrial development strategies	DTI Policy Programme.	Application of the DTI manufacturing development strategy.
3	Economic Affairs: Marketing of the Eastern Cape	Policy mandate accorded to the ECDC.	Assists in the co-ordination of marketing and promotion activities amongst local government institutions.
3	Economic Affairs: Financial sustainability	Policy mandate accorded to the ECDC.	Provision of financial development services through the DTI, IDC and other agencies.
3	Economic Affairs: Gambling & Betting administration	Gambling and Betting Act 5 of 1997 [EC].	Regulation and administration of gambling and betting activities in the Province.
3	Economic Affairs: Tourism	Eastern Cape Tourism Board Act, 1995. Eastern Cape Tourism Act, 2003.	Provides legal and operational frameworks for tourism promotion and development.
3	Economic Affairs: Consumer Protection	Consumer Affairs Act 5 of 1998.	Establishment of services and facilities for protecting the interests of consumers.
3	Economic Affairs: Consumer Education	Consumer Affairs Act 5 of 1998. Credit Agreement Act 75 of 1980. Usury Act, 1968. Sales & Services Act 25 of 1965.	Establishment of services to ensure that appropriate consumer education services are available.
3	Economic Affairs: Trade Inspection	Trade Metrology Act of 1973. Credit Agreement Act 75 of 1980.	Ensure compliance with trade metrology and credit agreement regulations.
3	Economic Affairs:	Liquor Act 27 of 1989.	Regulate the retail sale and

<b>Legislative and other mandates</b>			
<b>Programme Number, Name and Core Function</b>	<b>Mandate</b>	<b>Description</b>	
	Liquor administration	The Eastern Cape Liquor Act 10/2003 and Regulations. The National Liquor Act 59/2003.	distribution of liquor in the Province.
4	<b>Environmental Affairs: Environmental Affairs Management</b>	Environmental Management White Paper.  Biodiversity White Paper.  National Environmental Management Act 107 of 1998.  Environment Conservation Act, 1989.	Coordination of the implementation, regulation and administration of all mandates entrusted to other sub-programmes and ensure monitoring thereof
4	<b>Environmental Affairs: Biodiversity Management</b>	National Environmental Management: Biodiversity Act, 2004 (Act 10 of 2004)  Nature and Environmental Conservation Ordinance 19 of 1974.  National Forest Act 84 of 1998.  Veld and Forest Fire Act 101 of 1998.  Marine Living Resources Act of 1998.  Fencing Act 31 of 1963.  Mountain Catchment Areas Act 63 of 1970.  Nature Conservation Act, 1987 (Act 10 of 1987): Former Ciskei  Environmental Conservation Decree, 1992 (Decree 9 of 1992): Former Transkei  Bio-diversity White Paper  Environmental Management White Paper.	Implementation, regulation and administration of legislation related to the conservation of the natural environment and management of biodiversity

<b>Legislative and other mandates</b>			
<b>Programme Number, Name and Core Function</b>	<b>Mandate</b>	<b>Description</b>	
4	<b>Environmental Affairs: Environmental Impact Management</b>	<p>National Environmental Management Act 107 of 1998</p> <p>Sea Shore Act 21 of 1935.</p> <p>Environment Conservation Act 73 of 1989</p> <p>Atmospheric Pollution Prevention Act, 1965 (Act 45 of 1965)</p> <p>National Environmental Management: Biodiversity Act, 2004 (Act 10 of 2004)</p> <p>White Paper on Coastal Management.</p> <p>Environmental Management White Paper.</p> <p>Bio-diversity White Paper.</p> <p>Mountain Catchment Areas Act 63 of 1970.</p>	Implementation and regulation of legislation related to environmental protection and management.
4	<b>Environmental Affairs: Coastal Management</b>	<p>Integrated Pollution and Waste Management Policy (IP&amp;WM, 2000).</p> <p>Biodiversity White Paper.</p> <p>White Paper on Coastal Management.</p> <p>Sea Shore Act 21 of 1935.</p> <p>Environment Conservation Act 73 of 1989.</p> <p>National Environmental Management Act 107 of 1998.</p> <p>Marine Living Resources Act</p>	Implementation, regulation and administration of legislation related to coastal zone management

<b>Legislative and other mandates</b>			
<b>Programme Number, Name and Core Function</b>	<b>Mandate</b>	<b>Description</b>	
	of 1998.		
4	<b>Environmental Affairs: Air Quality/Waste Management</b>	Integrated Pollution and Waste Management Policy (IP&WM, 2000).  Sea Shore Act 21 of 1935.  Environment Conservation Act 73 of 1989.  National Environmental Management Act 107 of 1998.  Atmospheric Pollution Prevention Act, 1965 (Act 45 of 1965)	Implementation, regulation and administration of legislation related to air quality and waste management
4	<b>Environmental Affairs: Compliance/Enforcement</b>	National Environmental Management: Biodiversity Act, 2004 (Act 10 of 2004)  Nature and Environmental Conservation Ordinance 19 of 1974.  National Forest Act 84 of 1998.  Veld and Forest Fire Act 101 of 1998.  Marine Living Resources Act of 1998.  Fencing Act 31 of 1963.  Mountain Catchment Areas Act 63 of 1970.  Nature Conservation Act, 1987 (Act 10 of 1987): Former Ciskei  Environmental Conservation Decree, 1992 (Decree 9 of	Implementation, regulation and administration of all environmental quality and protection related legislation, regulations, authorisations and applied enforcement instruments throughout the province.



<b>Legislative and other mandates</b>		
<b>Programme Number, Name and Core Function</b>	<b>Mandate</b>	<b>Description</b>
	1992): Former Transkei	
4	<p><b>Environmental Affairs: Parks Board (ECPB)</b></p> <p>Eastern Cape Parks Board Act: Act No 12 of 2003 (EC).</p> <p>National Environmental Management: Protected Areas Act, 2003 (Act 57 of 2003)</p> <p>National Environmental Management: Biodiversity Act, 2004 (Act 10 of 2004)</p> <p>White Paper on Coastal Management.</p> <p>Environmental Management White Paper.</p> <p>Bio-diversity White Paper.</p> <p>Nature and Environmental Conservation Ordinance 19 of 1974.</p> <p>National Forest Act 84 of 1998.</p> <p>Veld and Forest Fire Act 101 of 1998.</p> <p>Marine Living Resources Act of 1998.</p> <p>Fencing Act 31 of 1963.</p> <p>Mountain Catchment Areas Act 63 of 1970.</p> <p>Nature Conservation Act, 1987 (Act 10 of 1987): Former Ciskei</p> <p>Environmental Conservation Decree, 1992 (Decree 9 of 1992): Former Transkei</p>	Implementation, regulation and administration of legislation related to environmental management and development in protected areas.
	All Programmes and Public Entities	<ul style="list-style-type: none"> <li>▪ Managing HIV/AIDS in the workplace: Section 41 of the Public Service Act of 1994; Amended Public Service Regulation.</li> </ul>

<b>Legislative and other mandates</b>		
<b>Programme Number, Name and Core Function</b>	<b>Mandate</b>	<b>Description</b>
		<ul style="list-style-type: none"> <li>▪ Domestic Violence Act: Act 116 of 1998.</li> <li>▪ Integrated National Disability Strategy.</li> <li>▪ National Gender Policy Framework for Women Empowerment and Gender Equality; 2000: Protects Women's Rights.</li> <li>▪ United Nations Convention on the Rights of the Child: SA made a call that children of South Africa be put first in everything we do.</li> <li>▪ Promotion of Equality and Elimination of Unfair Discrimination Act, 2000: Guards against all forms of discrimination.</li> <li>▪ Employment Equity Act; No. 55 of 1998. Code of good practice on the employment of people with disability.</li> </ul>
The DEAET Standing Committee and the relevant Sub-Committee in the Provincial Legislature will closely monitor the implementation of the IPDS and other government policies on disability.		

## **7. Broad policies, priorities and strategic goals**

The Department's Five-Year Strategic Goals seek to give tangible effect to the Vision and Mission Statement and are derived from two sources:

- The overall development intent of Vision 2014, which reflects the national government's commitment to working towards an adaptive economy characterised by growth, employment and equity, and built on the full potential of all persons, communities and geographic areas.
- The ten-year Provincial Growth and Development Plan (PGDP) 2004-2014, which has the overall objective of poverty and inequality eradication through social and economic development and job creation.

Vision 2014 and the PGDP are formulated in the context of the Millennium Goals adopted by the United Nations Millennium Summit at New York in September 2000.

Arising from Vision 2014, the Department of Trade and Industry (DTI) adopted three high-level goals in its Medium-Term Strategy Framework for 2003 to 2006, which also form the basis for the DTI's Five-Year Strategic Plan. These are the following:

- To accelerate the economic growth rate.
- To create new employment opportunities.
- To reduce economic inequalities.

The PGDP has adopted six strategic objectives for the Plan's ten-year period. These are the following:

- To systematically eradicate poverty.
- To transform the agrarian economy and ensure household food security.
- To promote manufacturing growth and diversification and tourism development.
- To focus on human resource development for employment and self-employment.
- To invest in extensive social and economic infrastructure development.
- To improve service delivery through public sector transformation and devolution to local government.

Accordingly, the Department has adopted nine Five-Year Strategic Goals for economic, environmental and tourism development that are in line with Vision 2014 and the PGDP 2004-2014:

1. Establish effective system to implement the DTI's Microeconomic Reform Strategy and the associated Integrated Manufacturing Strategy.
2. Establish operational and budgetary alignment between the Department's activities and those of the PGDP.
3. Ensure that the Integrated Development Plans (IDPs) formulated by District, Metro and Local Municipalities reflect achievable programmes and measures for sound and sustainable Local Economic Development.
4. Establish, maintain, monitor and evaluate sector-focused public entities to ensure that quality services are available and delivered to all citizens of the Province.
5. Establish and maintain appropriate organisational systems and instruments to manage and administer the financial, operational, personnel, information management, communications and legal resources in the Department and in its associated public entities.
6. Ensure that effective and efficient environmental management and nature conservation systems are established and maintained in the Province.
7. Establish and maintain effective advisory services to promote and protect the rights of consumers.
8. Establish and maintain appropriate institutional structures to administer and regulate the gambling and liquor industries in accordance with prevailing national and provincial legislation.
9. Provide an enabling environment through focused research, policy development and alignment to national policy framework.

For each Strategic Goal, the Department has formulated Strategic Objectives to guide its activities over the Five-Year Strategic Plan period

from 2005/06 to 2009/10, commencing with the first MTREF cycle from 2005/06 to 2007/08.

## **Strategic Objectives related to Strategic Goals**

### **Strategic Goal 1**

Establish effective system to implement the DTI Microeconomic Reform Strategy and the associated Integrated Manufacturing Strategy.

#### **Strategic Objectives:**

1. To facilitate the generation of higher levels of economic growth and employment creation, and to reduce economic inequalities in the Province.
2. To promote the implementation of the Microeconomic Reform Strategy (MERS).
3. To promote the implementation of the Integrated Manufacturing Strategy (IMS).

### **Strategic Goal 2**

Establish operational and budgetary alignment between the Department's activities and those of the PGDP.

#### **Strategic Objectives:**

1. To ensure that the Department's budget for the 2005/06 to 2007/08 MTREF period is closely aligned with PGDP programmes and projects that relate to economic development, in the context of Strategic Goal 1.
2. To ensure that provision is made for the implementation of the PGDP Programmes that are directly relevant to the Department's areas of responsibility:
  - Infrastructure development programme.
  - Manufacturing diversification and tourism development programme.
3. To participate in on-going review and assessment procedures designed to improve the quality and relevance of the PGDP.

### **Strategic Goal 3**

Ensure that the Integrated Development Plans (IDPs) formulated by District, Metro and Local Municipalities reflect achievable programmes and measures for sound and sustainable Local Economic Development.

#### **Strategic Objectives:**

1. To ensure that the Department's Strategic Plan and budgets are aligned with the District and Metro Municipality IDPs.

2. To review and assess the IDPs of the six District Municipalities and the Nelson Mandela Metro Municipality in terms of LED plans and proposals.
3. To establish and maintain sound working relationships with the District and Metro Municipalities in order to assist in the improvement of IDPs.
4. To participate in all Provincial procedures designed to improve and strengthen the on-going review, assessment and updating of District and Metro Municipality IDPs in the context of the PGDP.

#### **Strategic Goal 4**

Establish and maintain sector-focused institutional structures to ensure that quality services are available and delivered to all citizens of the Province.

##### **Strategic Objectives:**

1. To promote and provide adequate resources for Public Entities established in terms of the PFMA:
  - Eastern Cape Development Corporation (ECDC).
  - Eastern Cape Tourism Board (ECTB).
  - Eastern Cape Gambling and Betting Board (ECGBB).
  - Eastern Cape Liquor Board (ECLB).
  - Eastern Cape Parks Board (ECPB).

Coega Development Corporation (CDC) and East London Industrial Development Zone (ELIDZ) are considered with effect from 2005/6 financial year, subsidiaries of the ECDC.
2. To formulate, manage and monitor Service Level Agreements (SLAs) with each of the entities indicated above in the context of the Department's Strategic Goals.
3. To ensure that each Public Entity prepares and implements appropriate Strategic Plans that are aligned to the Department's Strategic Plan and are formulated within the resource constraints of the Department.

#### **Strategic Goal 5**

Establish and maintain appropriate organisational systems to manage and administer the financial, operational, personnel, information management, communications and legal resources in the Department and in its associated institutional structures.

##### **Strategic Objectives:**

1. To establish and maintain appropriate financial management systems in the Department.
2. To establish and maintain appropriate asset management and

provisioning management systems in the Department.

3. To establish and maintain appropriate human resource management systems in the Department.
4. To integrate youth, disability, gender and children's issues in all Programmes.
5. To establish, manage and maintain efficient and effective mechanisms and procedures to meet departmental and legislative requirements for information management and information technology systems.

### **Strategic Goal 6**

Maintain effective and efficient environmental management systems in the Province.

#### **Strategic Objectives:**

1. To ensure the enrichment and effective Biodiversity Conservation (in and outside protected areas) and sustainable coastal management in the Province.
2. To ensure cooperation in effective planning, education and reporting for the protection of the environment and sustainable development in the Province.

### **Strategic Goal 7**

Establish and maintain effective advisory services to promote and protect the rights of consumers.

#### **Strategic Objectives:**

1. To ensure the establishment of quality consumer protection and advisory services.
2. To ensure that an effective Consumer Tribunal facility and associated services are established.

### **Strategic Goal 8**

Establish and maintain appropriate institutional structures to administer and regulate the gambling and liquor industries in accordance with prevailing national and provincial legislation.

#### **Strategic Objectives:**

1. To optimise revenue collection in the gambling and liquor industries.
2. To establish sound regulatory frameworks for gambling and liquor enterprise operations in the Province.
3. To minimise the incidence of moral and social degeneration associated with gambling and the consumption of liquor.

4. To eliminate illegal gambling and liquor operations.

### **Strategic Goal 9**

Provide an enabling environment through focussed research, policy development and alignment to national policy framework.

#### **Strategic Objectives:**

1. To influence and align national policy ,undertake focused research for the development of provincial policy framework
2. To determine economic development potential of sectors for the development of programs.
3. Monitor and evaluate impact of development programs to ascertain whether these have realised their developmental potential

Measurable objectives, performance indicators and targets related to the Department's Strategic Objectives are reflected in the Annual Performance Plan which accompanies the Five-Year Strategic Plan.

### **8. Information systems to monitor progress**

The Department has established a dedicated Information Management Programme that will develop and implement comprehensive information technology and knowledge management systems designed to monitor progress over the five-year strategic planning period.

### **9. Description of strategic planning process**

The Department's Five-Year Strategic and Performance Plan was developed through extensive consultation and working sessions that involved Head Office and Regional management, together with senior management in the Public Entities that report to the Department.

The process was consolidated at a combined strategic planning session held on July 5 and 6 2004 and reviewed over period 27 January 2005 to 24 February 2005.

## **Part B**

### **Programme and sub-programme plans**

The Department of Economic Affairs, Environment and Tourism consists of four operational Programmes through which its responsibilities are managed and administered.

#### **10. Programme 1: Administration**

The core function of the Administration Programme is to render support services to the Department as a whole. The activities of the Administration Programme are conducted through six sub-Programmes, as follows:

- The Office of the MEC and support staff provides overall political and policy leadership for the Department. As the Executing Authority, appointed by the Premier, the MEC is constitutionally tasked to provide strategic leadership and to ensure that the Department is run effectively and efficiently.
- The Office of the Head of Department (HoD) is responsible for effective and efficient administrative services in the Department through the management of sub-Programme functions. As the Accounting Officer, the HoD is responsible for the Department's budget and is accountable for the financial performance of the Department.
- The Administrative Management sub-Programme is responsible for asset management and provisioning services.
- The Financial Management sub-Programme is responsible for financial planning, management and resource control.
- The Human Resource Management sub-Programme is responsible for managing and co-ordinating all functions related to personnel and skills development.
- The Special Programmes Unit is responsible for mainstreaming gender, disability and youth issues into Departmental policies, programmes and projects.

In addition, the following services and activities are located in, and directly managed by, the Office of the HoD:

- Communication services, which provide essential internal services as well as informing the public about the Department's economic development, environmental and tourism deliverables.
- Strategic Planning services, which establishes, maintains and extends an internal strategic planning function to monitor progress related to the Department's Five-Year Strategic and Performance Plan and to ensure that appropriate alignment linkages are developed with relevant aspects of the PGDP and IDP processes.
- Legal Advisory services, which are provided through a shared service provided by the Office of the Premier in terms of a Service Level Agreement.



## **10.1 Strategic goals and objectives for Programme 1: Administration**

### **STRATEGIC GOAL 5**

Establish and maintain appropriate organisational systems to manage and administer the financial, operational, personnel, communications and legal resources in the Department.

### **STRATEGIC OBJECTIVES**

Sound expenditure management through the a credible creditors management process

Preparation and monitoring of a credible budget for the department;

Effective and efficient revenue management system;

Ensure effective risk management

Ensure effective and efficient salary management through a rebate functioning;

To establish and maintain appropriate asset management and provisioning / procurement management systems in the Department.

Effective human resource management practices and development systems in the Department.

Facilitate and monitor performance management and development system

Sufficient supply and retention of competent and motivated staff to meet the strategic objectives of the department.

To integrate and mainstream youth, disability, gender and children's issues in all Programmes.

To establish, manage and maintain efficient and effective processes, mechanisms and procedures to meet departmental and legislative requirements.

Ensuring good corporate image through media monitoring

Ensure publication and promotion of Dept activities

Facilitate and ensure awareness of Dept programme by the stakeholders and public.

## STRATEGIC INTERVENTIONS 2005/06 – 2009/10

1. Promote and monitor efficient financial management systems within the department.
2. Review and align departmental financial delegations in relation to National and Provincial regulations.
3. Facilitate the establishment of an internal control unit.
4. Facilitate and monitor the introduction of Logis and Supply Chain Management and its processes.
5. Liaise with key role players and facilitate a process for smooth change over to GRAP (General Recognised Accounting Practices).
6. Identify and introduce initiatives designed to develop the skills and competencies required by staff to meet business needs.
7. Facilitate, assist and monitor and advise on performance management and development system for better planning and improved performance.
8. Promote and maintain effective relations with management, staff and Trade Unions and manage change effectively.
9. Review and analyse staff roles and responsibilities and realign in relation to legislative mandates.
10. Promote quality and best practice in Human Resource Management.
11. Analysis of impact of HIV/AIDS & related diseases on the current skills base and organisational performance and provide interventions
12. Facilitate and assist in the development of departmental personnel delegations in line with the PSR.
13. Facilitate the integration of SPU programs within the departmental core Programs.
14. Develop and manage the communication strategy of the department.
15. Promote and market the department's core business, challenges and successes.

<b>Summary Expenditure by Programme and Public Entity</b>						
<b>Programme Budgets (R'000)</b>	<b>2002/03 Actual</b>	<b>2003/04 Actual</b>	<b>2004/05 MTREF [After adjustments]</b>	<b>2005/06 MTREF</b>	<b>2006/07 MTREF</b>	<b>2007/08 MTREF</b>
<b>1. Administration</b>	<b>26,275</b>	<b>29,141</b>	<b>38,740</b>	<b>54,394</b>	<b>54,919</b>	<b>59,845</b>
1.1 MEC	176	381	3,140	3,130	3,298	3,488
1.2 MEC Support Staff	325	483	2,292	2,881	3,031	3,283
1.3 Office of the HoD	982	1,860	6,806	8,730	9,167	9,957
1.4 Admin Management	10,912	11,458	10,368	12,557	11,994	13,179
1.5 Financial Management	9,008	7,297	7,651	10,170	10,498	11,147
1.6 Human Resource Management	2,746	5,787	6,789	14,162	14,000	15,684
1.7 Special Programmes	2,126	1,780	1,685	2,764	2,931	3,107
<i>Authorised Losses</i>	-	95	-	-	-	-

<b>Programme</b>	<b>Costs</b>	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>
<b>Administration</b>	Compensation of Employees	33,594	34,980	37,079
	Goods and Services	17,508	18,162	19,319
	Capital Assets	2,955	1,427	3,075
	Transfer payments	337	350	372
	<b>Sub-total</b>	<b>54,394</b>	<b>54,919</b>	<b>59,845</b>

## **11. Programme 2: Information Management**

The responsibilities of the Information Management Programme are the following:

- To establish, manage and maintain efficient and effective mechanisms and procedures to meet departmental and legislative requirements for information management and information technology systems.
- To develop, manage and administer Information Technology systems in the Department as specified in the DGITO responsibilities.
- To establish and maintain comprehensive economic, environmental and tourism-related information management systems.
- To ensure that adequate electronic and other systems are in place for the efficient utilisation and dissemination of information, including a GIS facility.
- To promote and facilitate the establishment of a comprehensive, integrated Provincial Information Management System.

The activities of the Information Management Programme are managed by the DGITO on the basis of three designated Projects, which are budgeted for separately:

- Systems Development: GIS, Web Solutions and Business Analysis.
- Network Architecture: Technology Architects.
- Knowledge Management: Resource Centre.

During 2005/06, consideration will be given to establishing these and possible other activities as sub-Programmes of the Information Management Programme.

### **11.2 Strategic goals and objectives for Programme 2: Information Management**

#### **STRATEGIC GOAL 5**

Establish and maintain appropriate organisational systems to manage and administer the financial, operational, personnel, information management, communications and legal resources in the Department and in its associated institutional structures.

#### **STRATEGIC OBJECTIVES**

To establish, manage and maintain efficient and effective mechanisms and procedures to meet departmental and legislative requirements for information management and information technology systems.

#### **STRATEGIC INTERVENTIONS 2005/06 – 2009/10**

1. To develop, manage and administer Information Communication Technology systems in the Department as specified in the DGITO responsibilities.
2. To establish and maintain a comprehensive economic, environmental and tourism-related information management system and to ensure that adequate electronic and other systems are

- in place for the efficient utilisation and dissemination of information, including a GIS facility.
3. To promote and facilitate the establishment of a comprehensive, integrated Provincial Information Management System.

<b>Summary Expenditure by Programme</b>						
<b>Programme Budgets (R'000)</b>	<b>2002/03 Actual</b>	<b>2003/04 Actual</b>	<b>2004/05 MTREF [After adjustments]</b>	<b>2005/06 MTREF</b>	<b>2006/07 MTREF</b>	<b>2007/08 MTREF</b>
<b>2. Information Management</b>	<b>4,253</b>	<b>9,721</b>	<b>11,256</b>	<b>16,083</b>	<b>16,851</b>	<b>17,812</b>

<b>Programme</b>	<b>Costs</b>	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>
<b>Information Management</b>	Compensation of Employees	4,790	5,000	5,300
	Goods and Services	7,755	8,117	8,557
	Capital Assets	3,490	3,684	3,902
	Transfer payments	48	50	53
	<b>Sub-total</b>	<b>16,083</b>	<b>16,851</b>	<b>17,812</b>

## **12. Programme 3: Economic Affairs**

The Economic Affairs Programme is responsible for policy analysis and implementation, growth promotion and overall economic development in the Province. These responsibilities are performed through designated sub-programmes in business development and finance, tourism, trade and investment promotion and specific project-related development initiatives; and are effected through internal departmental resources and associated implementing agencies. The programme is also responsible for establishing and managing mechanisms to administer and regulate of the retail liquor industry, gambling and betting, protecting the rights of consumers, consumer education and trade inspection services.

Implementing economic policies for sustainable growth and development involves an important responsibility for the Programme to co-ordinate, monitor and evaluate the economic growth and developmental impact resulting from the work performed by the Department and its implementing agencies in the Province.

The Economic Affairs Programme performs the following functions:

- Office of the Chief Director,
- Enterprise development,

- Local Economic Development and Spatial Development
- Office for Investigation and Prohibition of Unfair Business Practice
- Business Regulation and Consumer Affairs

These conduct the business of the Programme as follows:

- **Liquor Administration**  
Review policy and programs, and monitor the ECLB in terms of the administration and regulation of the retail liquor industry in the Province.
- **Tourism**  
Review policy and programs, and monitor the ECTB in terms of the administration and regulation of the retail liquor industry in the Province.
- **Consumer Affairs**  
Review legislative framework, develop and manage programs and oversee the ECCT and the Office for Investigation and Prohibition of Unfair Business Practice in line with the Unfair Business Practices Act in the Province.
- **Promotion of SMMEs**  
Formulate and review policy, develop and manage programs, and monitor ECDC in terms of financing businesses and promoting access to business opportunities by small, medium and micro enterprise entrepreneurs in the Province.
- **Investment, Trade and Industrial Promotion**  
Formulate and review policy and monitor ECDC in marketing the Province as a destination for investment and promoting trade opportunities to further development and expansion of existing industries.
- **Gambling and Betting**  
Review policy and programs, and monitor the ECGBB in terms of the administration and regulation of the retail liquor industry in the Province.
- **Local Economic Development**  
Integrate horizontal and vertical development planning, resource provision, management and oversight of selected LED programs established within the Municipal IDPs and spatial programs, and funding specific interventions within these municipalities.

The following programmes are monitored through the ECDC:

- Coega Development Corporation  
Management and oversight of the CDC in terms of developing world-class infrastructure to establish an IDZ that will provide opportunities for private sector investment in productive and job creating manufacturing enterprises.
  
- East London Industrial Development Zone  
Management and oversight of the ELIDZC in terms of developing world-class infrastructure to establish an IDZ that will provide opportunities for private sector investment in productive and job creating manufacturing enterprises.
  
- DRISA and AIDC  
Management and oversight of the ECDC in terms of promoting ICT developments (DRISA) and logistics support services to the auto industry (AIDC-EC).

The above sub-Programme structure will be consolidated and re-structured over the 2005/06 to 2007/08 MTREF period to ensure a closer alignment with the Programme's designated operating units.

## **12.1 Strategic goals and objectives for Programme 3: Economic Affairs**

### **STRATEGIC GOAL 1**

Establish effective system to implementing the DTI Microeconomic Reform Strategy and the associated Integrated Manufacturing Strategy.

### **STRATEGIC OBJECTIVES**

1. To facilitate the generation of higher levels of economic growth and employment creation, and to reduce economic inequalities in the Province.
2. To promote the implementation of the Microeconomic Reform Strategy (MERS).
3. To promote the implementation of the Integrated Manufacturing Strategy (IMS).

### **STRATEGIC INTERVENTIONS 2005/06 – 2009/10**

1. SMME policy development and Cooperatives development support.
2. Broad Based Black Economic Empowerment focusing on preferential procurement.
3. Lobby for the liberalisation of regulatory for trade in SMME.
4. Support enterprises to improve product and service quality for trade competitiveness.
5. Investigate trade opportunities in major events like the 2010 Soccer World Cup for SMME's.
6. Investigate sector opportunities, pilot spatial and sector projects for development.
7. Facilitate with key stakeholders, appropriate business finance models for SMMEs.
8. Monitoring and evaluating developmental impact of programs on Provincial economy.
9. Monitor and influence tourism industry transformation in line with agreed targets.
10. Assist in product identification and development at local government.

11. Participate in the European Union tourism development programme for the Wild Coast.
12. Lobby and assist in the provision of financial support to the Tourism Development Fund.
13. Participate in the development of the provincial Branding strategy together with ECTB.

## **STRATEGIC GOAL 2**

Operational and budgetary alignment of the Economic Affairs activities with the PGDP.

### **STRATEGIC OBJECTIVES**

1. To ensure that the Program's budget is closely aligned with PGDP programmes and projects that relate to economic development, in the context of Strategic Goal 1.
2. To ensure that provision is made for the implementation of the PGDP short-term Flagship Projects.
3. To contribute to the strategic assessment and review of the performance and relevance of the PGDP to provincial socio-economic challenges.

### **STRATEGIC INTERVENTIONS 2005/06 – 2009/10**

1. Prioritise budgetary allocation to PGDP Flagship projects.
2. Participation in the Economic Growth and Infrastructure Cluster meetings.
3. Initiate trade and investment planning and spatial development at District Municipalities with the involvement of all key stakeholders.

## **STRATEGIC GOAL 3**

Integrated Development Plans (IDPs) reflect achievable programmes and measures for sound and sustainable Local Economic Development.

### **STRATEGIC OBJECTIVES**

1. Influence IDP's to reflect provincial economic development priorities.
2. To establish and maintain sound working relationships with the District and Metro Municipalities in order to assist in the improvement of IDPs.
3. Improve integration and achievability of IDP goals to ensure alignment with the PGDP.

### **STRATEGIC INTERVENTIONS 2005/06 – 2009/10**

1. Participate in planning and review processes for IDP's.
2. Establish structures for purposes of communicating and integration of provincial inputs.

## **STRATEGIC GOAL 4**

Efficient and effective sector-focused institutions that provide quality services to the Province.

### **STRATEGIC OBJECTIVES**

1. Establish Public Entities in terms of the applicable legislation including the PFMA.
  - Eastern Cape Development Corporation (ECDC).
  - Eastern Cape Tourism Board (ECTB).
  - Eastern Cape Gambling and Betting Board (ECGGBB).
  - Eastern Cape Liquor Board (ECLB).
  - Eastern Cape Parks Board (ECPB).
  - Coega Development Corporation (CDC).
  - East London Industrial Development Zone (ELIDZ).
2. Enhance the capacity of the institutions to deliver on their respective mandates through integrated planning process and effective performance monitoring and evaluation.

### **STRATEGIC INTERVENTIONS 2005/06 – 2009/10**

1. Assess appropriateness of the institutional mandates to achieving the desired policy objectives and development goals.
2. Conclude and periodically review Service Level Agreements with these institutions and align to

- annual performance plans.
3. Conduct periodic performance reviews..

#### **STRATEGIC GOAL 7**

Established effective advisory services to promote and protect the rights of consumers.

#### **STRATEGIC OBJECTIVES**

1. To ensure established quality consumer protection and advisory Services.
2. To ensure that an effective Consumer Tribunal facility and associated services are established.

#### **STRATEGIC INTERVENTIONS 2005/06 – 2009/10**

1. Establish a fully operational Office for Investigation and Prohibition of Unfair Business Practice
2. Assess the efficacy and effectiveness of complaints on unfair business practice, referral and resolution mechanisms.
3. Monitor the National Consumer Law Reform and Policy Review processes, record and interpret resultant developments.
4. Develop and implement consumer assistance and protection programmes.
5. Monitoring compliance of businesses with prevailing legislation.

#### **STRATEGIC GOAL 8**

Established and appropriate institutional structures to administer and regulate the gambling and liquor industries in accordance with prevailing national and provincial legislation.

#### **STRATEGIC OBJECTIVES**

1. Minimise illegal operations, promote responsible gambling, liquor consumption and trade.
2. Maximize revenue generation for socio-economic development.
3. To minimise the incidence of moral and social degeneration associated with gambling and the consumption of liquor.

#### **STRATEGIC INTERVENTIONS 2005/06 – 2009/10**

1. Monitor the socio-economic impact of gambling and liquor industries and devise strategies to deal with the negative aspects.
2. Provide regulatory framework for gambling and liquor acts.
3. Monitor institutional performance against set targets.

#### **STRATEGIC GOAL 9**

Provide an enabling environment through focussed research, policy development and alignment to national policy framework.

#### **STRATEGIC OBJECTIVES**

1. To influence and align national policy, undertake focused research for the development of provincial policy framework.
2. To determine economic development potential of sectors for the development of programs.
3. Monitor and evaluate impact of development programs to ascertain whether these have realised their developmental potential

#### **STRATEGIC INTERVENTIONS 2005/06 – 2009/10**

1. Identify and acquire base line information of sector for research purposes, e.g. services sector
2. Persuade research institutions to undertake focused sector studies.
3. Collaborate with ECSECC on research development and M & E programs.



## **12.2 Public Entities managed through Programme 3**

Economic development and regulatory/advisory services Public Entities are managed by Programme 3 on the basis of Service Level Agreements. Public Entities are required to formulate their own Strategic Planning instruments in the prescribed format.

The activities of such Entities are linked to the Department's Strategic Goals and Objectives as indicated below:

### **a. *Eastern Cape Development Corporation (ECDC)***

#### **STRATEGIC GOAL 1**

Establish a sound approach to implementing the DTI Microeconomic Reform Strategy and the associated Integrated Manufacturing Strategy.

#### **STRATEGIC OBJECTIVES**

1. To facilitate the generation of higher levels of economic growth and employment creation, and to reduce economic inequalities in the Province.
2. To promote the implementation of the Microeconomic Reform Strategy (MERS).
3. To promote the implementation of the Integrated Manufacturing Strategy (IMS).

#### **STRATEGIC INTERVENTIONS 2005/06 – 2009/10**

- a. Enterprise Promotion
- b. Enterprise Finance
- c. Project Development
- d. Spatial & Rural Development
- e. Property Management and Development

#### **STRATEGIC GOAL 2**

Establish operational and budgetary alignment of the Department's activities with the PGDP.

#### **STRATEGIC OBJECTIVES**

1. To ensure that the Department's budget is closely aligned with PGDP programmes and projects that relate to economic development, in the context of Strategic Goal 1.
2. To ensure that provision is made for the implementation of the PGDP short-term Flagship Projects:
  - Auto industry research and development.
  - Venture capital fund.
  - Kei Rail Project.
3. To participate in on-going review and assessment procedures designed to improve the quality and relevance of the PGDP.

#### **STRATEGIC INTERVENTIONS 2005/06 – 2009/10**

- a. Enterprise Promotion
- b. Enterprise Finance
- c. Project Development
- d. Spatial & Rural Development

### **STRATEGIC GOAL 3**

Ensure that the Integrated Development Plans (IDPs) formulated by District, Metro and Local Municipalities reflect achievable programmes and measures for sound and sustainable Local Economic Development.

#### **STRATEGIC OBJECTIVES**

1. To ensure that the Department's Strategic Plan and budget are aligned with the District and Metro Municipality IDPs.
2. To review and assess the IDPs of the six District Municipalities and the Nelson Mandela Metro Municipality in terms of their LED plans and proposals.
3. To establish and maintain sound working relationships with the District and Metro Municipalities in order to assist in the improvement of IDPs.
4. To participate in all Provincial procedures designed to improve and strengthen the on-going review, assessment and updating of District and Metro Municipality IDPs in the context of the PGDP.

#### **STRATEGIC INTERVENTIONS 2005/06 – 2009/10**

- a. Enterprise Promotion
- b. Enterprise Finance
- c. Project Development
- d. Spatial & Rural Development

### **STRATEGIC GOAL 4**

Establish and maintain efficient and effective sector-focused institutional structures to ensure that coordinated quality services are available and delivered to all citizens of the Province through optimal utilisation of resources.

#### **STRATEGIC OBJECTIVES**

1. To promote and provide adequate resources for Public Entities established in terms of the PFMA (within the Department's available budget envelope):
  - Eastern Cape Development Corporation (ECDC).
  - Eastern Cape Tourism Board (ECTB).
  - Eastern Cape Gambling and Betting Board (ECGGB).
  - Eastern Cape Liquor Board (ECLB).
  - Eastern Cape Parks Board (ECPB).
  - Coega Development Corporation (CDC).
  - East London Industrial Development Zone (ELIDZ).
2. To formulate, manage and monitor performance of public entities against agreed Service Level Agreements (SLAs) in the context of the Department's Strategic Goals.
3. To ensure that each Public Entity prepares and implements appropriate Strategic Plans that are aligned to the Department's Strategic Plan and are formulated within the resource constraints of the Department.

#### **STRATEGIC INTERVENTIONS 2005/06 – 2009/10**

- a. Enterprise promotion
- b. Spatial & Rural Development
- c. Project Development

### **STRATEGIC GOAL 5**

Establish and maintain appropriate organisational systems to manage and administer the financial, operational, personnel, information management, communications and legal resources in the Department and in its associated institutional structures.

#### **STRATEGIC OBJECTIVES**

1. To establish and maintain appropriate financial management systems in the Department.
2. To establish and maintain appropriate asset management and provisioning management systems in the Department.
3. To establish and maintain appropriate human resource management systems in the Department.
4. To integrate youth, disability, gender and children's issues in all Programmes.
5. To establish, manage and maintain efficient and effective mechanisms and procedures to meet departmental and legislative requirements for information management and information technology systems.

#### **STRATEGIC INTERVENTIONS 2005/06 – 2009/10**

- a. Corporate Finance
- b. Human Resources
- c. Internal Audit

#### **ECDC Functions**

##### **a. Enterprise Promotion**

- To increase the contribution made by foreign (and other) direct investment to the economy
- To facilitate investment and trade by providing a professional service that enables investors and export-ready SMEs to meet their specific project needs in all targeted sectors
- To provide provincial leadership that results in a broader export base
- To identify international market opportunities that fit Eastern Cape export capabilities and assist SME clients to convert them to export successes
- To contribute to the stability and growth of the SME sector in the province

##### **b. Enterprise Finance**

- To improve access to enterprise finance for SME development
- To provide financial services to SMEs

##### **c. Project Development**

- Facilitate, identify and assist in the scoping of strategic projects
- Facilitate the establishment of key strategic pilot projects that are potentially viable and sustainable
- Replicate projects that serve to activate economic activity

##### **d. Spatial & Rural Development**

- To support and sustain the existing industrial base in the province
- To explore initiatives that could contribute to broadening the industrial base in the province
- To create linkages between industries and the underdeveloped, rural parts of the province, particularly in the former Transkei
- To facilitate community involvement in enterprise

##### **e. Property Management and Development**

- Provision of Low rental property
- Development of new industrial property

#### **ECDC Sub-Programmes**

1. Investment Promotion
2. Export promotion
3. Enterprise Development Services
4. Contractor Mentoring
5. SMME Finance
6. Contractors Finance
7. Private Equity
8. Feasibility Studies
9. Business Plan Generation
10. Facilitation of Finance
11. Seed Capital

12. SDI implementation
13. Rural Development
14. Provision of Low rental property
15. Development of new industrial property

## ***b. Eastern Cape Tourism Board (ECTB)***

### **STRATEGIC GOAL 4**

Establish and maintain efficient and effective sector-focused institutional structures to ensure that coordinated quality services are available and delivered to all citizens of the Province through optimal utilisation of resources.

#### **STRATEGIC OBJECTIVES**

1. To promote and provide adequate resources for Public Entities established in terms of the PFMA (within the Department's available budget envelope):
  - Eastern Cape Development Corporation (ECDC).
  - Eastern Cape Tourism Board (ECTB).
  - Eastern Cape Gambling and Betting Board (ECGGB).
  - Eastern Cape Liquor Board (ECLB).
  - Eastern Cape Parks Board (ECPB).
  - Coega Development Corporation (CDC).
  - East London Industrial Development Zone (ELIDZ).
2. To formulate, manage and monitor performance of public entities against agreed Service Level Agreements (SLAs) in the context of the Department's Strategic Goals.
3. To ensure that each Public Entity prepares and implements appropriate Strategic Plans that are aligned to the Department's Strategic Plan and are formulated within the resource constraints of the Department.

#### **STRATEGIC INTERVENTIONS 2005/06 – 2009/10**

##### **Strategic Marketing Framework**

1. To manage a robust marketing framework from which the provincial tourism marketing effort will be co-ordinated, funded, driven and aligned to national tourism strategies.
2. To manage an international marketing strategy in close collaboration with SA Tourism, specifically aimed at positioning the Eastern Cape favourably within selected international tourism markets.

##### **Marketing Activities & Programmes**

1. To manage a robust domestic tourism marketing strategy to attract a greater share of the domestic tourism market.
2. To provide evidenced based tourism intelligence service to the province.
3. To enable the provincial tour guiding association to comply with world standards.

##### **Destination Management Strategy and Transforming the Industry**

1. To manage the implementation of robust destination management strategy that delivers on the Provinces brand promise "Naturally South Africa's Best" that is based on sustainable development and responsible tourism.

##### **Corporate Governance**

1. To establish and implement an effective communication system.
2. To establish an organisation which is in line with international and domestic best practice.

## ***c. Eastern Cape Gambling and Betting Board (ECGGB)***

### **STRATEGIC GOAL 8**

Regulation of gambling and liquor industry in line with prevailing legislation.

### **STRATEGIC OBJECTIVES**

1. Maximize revenue generation for gambling and liquor industry.
2. Establish a regulatory framework for gambling and liquor operations in the province.
3. To minimise the incidence of moral and social degeneration associated with gambling and the consumption of liquor.
4. Eliminate illegal gambling and liquor operations.

### **STRATEGIC INTERVENTIONS 2005/06 – 2009/10**

#### **Regulatory Framework:**

Conduct reviews, consultations and note public comments regarding the Act, Regulations and Rules.

#### **Licencing and Compliance:**

- Develop RFPs for licencing and conduct inspections and investigations of licence holders.
- Revenue Collection
- Determine and collect fees and taxes which are payable by licensees.
- Pay revenues due to Treasury.

#### **Financial Management and Administration**

- To ensure accurate budgeting, sound cashflow management and the preparation of management accounts and annual financial statements in accordance with relevant standards and legislation.
- To ensure the implementation, maintenance and review of effective internal control systems.

#### **Human Resources Management**

To implement and review human resources policies to ensure sound human resources practices and training and development of staff.

#### **Information Technology Management**

To implement, review and maintain an up to date, secure and appropriate information technology system that ensures optimal information and communication management.

#### **Social Responsibility:**

- Promote responsible gambling and tourism and educate the public on gambling related issues.
- Eradicate illegal gambling.
- Ensure licensees comply with their bid commitments regarding corporate social investments.

#### **Quality Customer Service**

Deliver a quality, customer-oriented service to the public, licensees and other stakeholders.

#### **Research and Development**

- Commission research on the socio-economic impact of gambling and utilise such research findings accordingly.
- Keep abreast with current trends in the gambling industry.

## ***d. Eastern Cape Liquor Board (ECLB)***

### **STRATEGIC GOAL 8**

Regulation of gambling and liquor industry in line with prevailing legislation.

### **STRATEGIC OBJECTIVES**

5. Maximise revenue generation for gambling and liquor industry.
6. Establish a regulatory framework for gambling and liquor operations in the province.
7. To minimise the incidence of moral and social degeneration associated with gambling and the consumption of liquor.
8. Eliminate illegal gambling and liquor operations.

### **STRATEGIC INTERVENTIONS 2005/06 – 2009/10**

- To ensure that all points of sale of liquor within the Province are registered.

- To ensure gradual fading out of illegal trading operations in liquor.
- To monitor compliance of registered premises.
- To implement corrective measures as prescribed by the Act.
- To report all points of illegal trade to the appropriate authorities.
- To resolve all cases of contested applications within set time frames.
- To maintain client base by rendering efficient service.
- To ensure accurate data with regard to revenue and ensure steady increase in revenue collection.

## **e. Coega Development Corporation (CDC)**

### **STRATEGIC GOAL 1**

Establish a sound approach to implementing the DTI Microeconomic Reform Strategy and the associated Integrated Manufacturing Strategy.

#### **STRATEGIC OBJECTIVES**

1. To facilitate the generation of higher levels of economic growth and employment creation, and to reduce economic inequalities in the Province.
2. To promote the implementation of the Microeconomic Reform Strategy (MERS).
3. To promote the implementation of the Integrated Manufacturing Strategy (IMS).

#### **STRATEGIC INTERVENTIONS 2005/06 – 2009/10**

- Develop world class infrastructure for the IDZ in order to facilitate the attraction of investors.
- To create employment opportunities.
- To achieve empowerment targets.
- To achieve targets for SMME development.
- Develop operational systems to service investors.
- Attract foreign and local investment to the IDZ in the targeted sectors.
- Raise necessary funding for programme development and overheads.
- Ensure seamless integration of the IDZ with the Port of Ngqurha.

### **STRATEGIC GOAL 2**

Establish operational and budgetary alignment of the Department's activities with the PGDP.

#### **STRATEGIC OBJECTIVES**

1. To ensure that the Department's budget is closely aligned with PGDP programmes and projects that relate to economic development, in the context of Strategic Goal 1.
2. To ensure that provision is made for the implementation of the PGDP short-term Flagship Projects:
  - Auto industry research and development.
  - Venture capital fund.
  - Kei Rail Project.
3. To participate in on-going review and assessment procedures designed to improve the quality and relevance of the PGDP.

#### **STRATEGIC INTERVENTIONS 2005/06 – 2009/10**

- Infrastructure development programme.
- Comprehensive 5yr business planning and budgeting process within the framework of the Department and in consultation with other provincial stakeholders.

### **STRATEGIC GOAL 3**

Ensure that the Integrated Development Plans (IDPs) formulated by District, Metro and Local

Municipalities reflect achievable programmes and measures for sound and sustainable Local Economic Development.

#### **STRATEGIC OBJECTIVES**

1. To ensure that the Department's Strategic Plan and budget are aligned with the District and Metro Municipality IDPs.
2. To review and assess the IDPs of the six District Municipalities and the Nelson Mandela Metro Municipality in terms of their LED plans and proposals.
3. To establish and maintain sound working relationships with the District and Metro Municipalities in order to assist in the improvement of IDPs.
4. To participate in all Provincial procedures designed to improve and strengthen the on-going review, assessment and updating of District and Metro Municipality IDPs in the context of the PGDP.

#### **STRATEGIC INTERVENTIONS 2005/06 – 2009/10**

CDC development plans are integrated into the Nelson Mandela Metro IDP.

#### **STRATEGIC GOAL 4**

Establish and maintain efficient and effective sector-focused institutional structures to ensure that coordinated quality services are available and delivered to all citizens of the Province through optimal utilisation of resources.

#### **STRATEGIC OBJECTIVES**

1. To promote and provide adequate resources for Public Entities established in terms of the PFMA (within the Department's available budget envelope):
  - Eastern Cape Development Corporation (ECDC).
  - Eastern Cape Tourism Board (ECTB).
  - Eastern Cape Gambling and Betting Board (ECGGB).
  - Eastern Cape Liquor Board (ECLB).
  - Eastern Cape Parks Board (ECPB).
  - Coega Development Corporation (CDC).
  - East London Industrial Development Zone (ELIDZ).
2. To formulate, manage and monitor performance of public entities against agreed Service Level Agreements (SLAs) in the context of the Department's Strategic Goals.

#### **STRATEGIC INTERVENTIONS 2005/06 – 2009/10**

To ensure that each Public Entity prepares and implements appropriate Strategic Plans that are aligned to the Department's Strategic Plan and are formulated within the resource constraints of the Department.

#### **STRATEGIC GOAL 5**

Establish and maintain appropriate organisational systems to manage and administer the financial, operational, personnel, information management, communications and legal resources in the Department and in its associated institutional structures.

#### **STRATEGIC OBJECTIVES**

1. To establish and maintain appropriate financial management systems in the Department.
2. To establish and maintain appropriate asset management and provisioning management systems in the Department.
3. To establish and maintain appropriate human resource management systems in the Department.
4. To integrate youth, disability, gender and children's issues in all Programmes.
5. To establish, manage and maintain efficient and effective mechanisms and procedures to meet departmental and legislative requirements for information management and information

technology systems.

#### **STRATEGIC INTERVENTIONS 2005/06 – 2009/10**

- Strengthen and integrate existing financial management systems.
- Streamline procurement management system and introduce supply chain management system.
- Improve and integrate HR management systems.
- Implement quality management system and obtain ISO 9001 accreditation by April 2005.
- Ensure effectiveness of ICT systems and reach level 3 on the Information Management Maturity model.
- Introduce the Balanced Scorecard System in order to achieve targeted performance levels.

#### **STRATEGIC GOAL 6**

Maintain effective and efficient environmental management systems in the Province.

#### **STRATEGIC OBJECTIVES**

1. To ensure the enrichment and effective Biodiversity Conservation (in and outside protected areas) and sustainable coastal management in the Eastern Cape Province.
2. To ensure co-operation in effective planning, education and reporting for the protection of the environment and sustainable development in the Eastern Cape Province.

#### **STRATEGIC INTERVENTIONS 2005/06 – 2009/10**

Achieve Level 3 on the SHE Maturity Model.

### ***f. East London Industrial Development Zone (Pty) Ltd (ELIDZ)***

#### **STRATEGIC GOAL 1**

Establish a sound approach to implementing the DTI Microeconomic Reform Strategy and the associated Integrated Manufacturing Strategy.

#### **STRATEGIC OBJECTIVES**

1. To facilitate the generation of higher levels of economic growth and employment creation, and to reduce economic inequalities in the Province.
2. To promote the implementation of the Microeconomic Reform Strategy (MERS).
3. To promote the implementation of the Integrated Manufacturing Strategy (IMS).

#### **STRATEGIC INTERVENTIONS 2005/06 – 2009/10**

- Stimulation of economic growth and job creation through FDI promotion.
- Development of a globally competitive IDZ with export oriented industries that have strong linkages to the domestic market.
- Development of targeted industry clusters within the IDZ.

#### **STRATEGIC GOAL 2**

Establish operational and budgetary alignment of the Department's activities with the PGDP.

#### **STRATEGIC OBJECTIVES**

1. To ensure that the Department's budget is closely aligned with PGDP programmes and projects that relate to economic development, in the context of Strategic Goal 1.
2. To ensure that provision is made for the implementation of the PGDP short-term Flagship Projects:
  - Auto industry research and development.
  - Venture capital fund.
  - Kei Rail Project.



3. To participate in on-going review and assessment procedures designed to improve the quality and relevance of the PGDP.

#### **STRATEGIC INTERVENTIONS 2005/06 – 2009/10**

- Infrastructure development programme.
- Comprehensive 5yr business planning and budgeting process within the framework of the Department and in consultation with other provincial stakeholders.

#### **STRATEGIC GOAL 3**

Ensure that the Integrated Development Plans (IDPs) formulated by District, Metro and Local Municipalities reflect achievable programmes and measures for sound and sustainable Local Economic Development.

#### **STRATEGIC OBJECTIVES**

1. To ensure that the Department's Strategic Plan and budget are aligned with the District and Metro Municipality IDPs.
2. To review and assess the IDPs of the six District Municipalities and the Nelson Mandela Metro Municipality in terms of their LED plans and proposals.
3. To establish and maintain sound working relationships with the District and Metro Municipalities in order to assist in the improvement of IDPs.
4. To participate in all Provincial procedures designed to improve and strengthen the on-going review, assessment and updating of District and Metro Municipality IDPs in the context of the PGDP.

#### **STRATEGIC INTERVENTIONS 2005/06 – 2009/10**

- Joint planning programme with BCM to ensure IDP alignment and better utilisation of resources.

#### **STRATEGIC GOAL 4**

Establish and maintain efficient and effective sector-focused institutional structures to ensure that coordinated quality services are available and delivered to all citizens of the Province through optimal utilisation of resources.

#### **STRATEGIC OBJECTIVES**

1. To promote and provide adequate resources for Public Entities established in terms of the PFMA (within the Department's available budget envelope):
  - Eastern Cape Development Corporation (ECDC).
  - Eastern Cape Tourism Board (ECTB).
  - Eastern Cape Gambling and Betting Board (ECGGB).
  - Eastern Cape Liquor Board (ECLB).
  - Eastern Cape Parks Board (ECPB).
  - Coega Development Corporation (CDC).
  - East London Industrial Development Zone (ELIDZ).
2. To formulate, manage and monitor performance of public entities against agreed Service Level Agreements (SLAs) in the context of the Department's Strategic Goals.

#### **STRATEGIC INTERVENTIONS 2005/06 – 2009/10**

To ensure that each Public Entity prepares and implements appropriate Strategic Plans that are aligned to the Department's Strategic Plan and are formulated within the resource constraints of the Department.

## STRATEGIC GOAL 5

Establish and maintain appropriate organisational systems to manage and administer the financial, operational, personnel, information management, communications and legal resources in the Department and in its associated institutional structures.

### STRATEGIC OBJECTIVES

1. To establish and maintain appropriate financial management systems in the Department.
2. To establish and maintain appropriate asset management and provisioning management systems in the Department.
3. To establish and maintain appropriate human resource management systems in the Department.
4. To integrate youth, disability, gender and children's issues in all Programmes.
5. To establish, manage and maintain efficient and effective mechanisms and procedures to meet departmental and legislative requirements for information management and information technology systems.

### STRATEGIC INTERVENTIONS 2005/06 – 2009/10

Develop and maintain comprehensive organisational systems and structures for good governance and best practice.

## STRATEGIC GOAL 6

Maintain effective and efficient environmental management systems in the Province.

### STRATEGIC OBJECTIVES

1. To ensure the enrichment and effective Biodiversity Conservation (in and outside protected areas) and sustainable coastal management in the Eastern Cape Province.
2. To ensure co-operation in effective planning, education and reporting for the protection of the environment and sustainable development in the Eastern Cape Province.

### STRATEGIC INTERVENTIONS 2005/06 – 2009/10

Maintain all relevant ISO certification, enforce legal compliance and encourage best practices amongst investors.

<b>Summary Expenditure by Programme and Public Entity</b>						
<b>Programme Budgets (R'000)</b>	<b>2002/03 Actual</b>	<b>2003/04 Actual</b>	<b>2004/05 MTREF [After adjustments]</b>	<b>2005/06 MTREF</b>	<b>2006/07 MTREF</b>	<b>2007/08 MTREF</b>
<b>3. Economic Affairs</b>	<b>532,497</b>	<b>677,522</b>	<b>642,185</b>	<b>435,975</b>	<b>282,425</b>	<b>310,002</b>
3.1 Liquor Administration	1,399	2,999	2,773	10,170	9,691	11,343
3.2 Tourism (ECTB)	17,000	22,000	20,645	20,532	21,000	22,000
3.3 Consumer Affairs	9,872	11,937	8,343	16,193	16,305	17,208
3.4 SMME Promotion (ECDC)	50,067	81,000	49,000	67,176	75,000	80,000
3.5 Investment Promotion (ECDC)	9,000	11,900	12,531	9,240	9,000	10,000
3.6 Gambling & Betting (ECGBB)	13,130	12,400	13,364	14,364	15,746	16,533
3.7 Trade Development (ECDC)	3,000	4,000	4,212	3,150	4,000	5,000

<b>Summary Expenditure by Programme and Public Entity</b>						
<b>Programme Budgets (R'000)</b>	<b>2002/03 Actual</b>	<b>2003/04 Actual</b>	<b>2004/05 MTREF [After adjustments]</b>	<b>2005/06 MTREF</b>	<b>2006/07 MTREF</b>	<b>2007/08 MTREF</b>
3.8 Coega Development Corporation (CDC)	378,000	375,145	359,431	180,000	0	0
3.9 East London Industrial Development Zone (ELIDZ)	50,000	99,141	120,022	105,000	107,000	113,000
3.10 Local Economic Development	1,029	28,000	26,864	10,150	24,683	34,918
3.11 Strategic Projects (including: Auto Industry and ICT Support)	-	29,000	25,000	0	0	0

<b>Programme</b>	<b>Costs</b>	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>
<b>Economic Affairs</b>	Compensation of Employees	12,596	13,263	14,059
	Goods and Services	16,839	16,417	16,692
	Capital Assets	1,500	1,175	1,234
	Transfers	126	133	141
	Transfer payments (LED funding)	5,282	20,000	30,000
	Transfer payments (Public Entities)	399,632	231,437	247,876
	<b>Sub-total</b>	<b>425,975</b>	<b>282,425</b>	<b>310,002</b>

### **13. Programme 4: Environmental Affairs**

The intent of the Environmental Affairs Programme is to ensure the conservation of biodiversity and the protection of the environment through ecologically sustainable, economically efficient and socially equitable use of the environment in the Eastern Cape. The Programme operates through the following functional areas to cover the Environmental mandate:

- Environmental Affairs Management
- Biodiversity Conservation Management
- Environmental Impact Management
- Coastal Zone Management
- Air Quality and Waste Management
- Compliance Monitoring and Enforcement

Office of the General Manager, falling under Environmental Affairs Management Sub-Programme, co-ordinates and monitors the performance of the following:

- Environmental Impact Management, and Waste and Air Quality Management.
- Biodiversity Conservation Management and Coastal Zone Management.
- Eastern Cape Parks Board

The Programme is responsible for developing legislative and regulatory frameworks in the context of national environmental law, protected area land acquisition and consolidation, co-ordinating trans-boundary projects, infrastructure improvement and implementing revenue strategies.

### **13.1 Strategic goals and objectives for Programme 4: Environmental Affairs**

#### **STRATEGIC GOAL 6**

Establish and maintain effective and efficient environmental management and nature conservation systems in order to promote sustainable development in the Province.

#### **STRATEGIC OBJECTIVES**

1. To ensure the enrichment and effective Biodiversity Conservation (in and outside protected areas) and sustainable coastal management in the Eastern Cape Province.
2. To ensure co-operation in effective planning, education and reporting for the protection of the environment and sustainable development in the Eastern Cape Province.
3. To ensure adequate compliance monitoring and enforcement of all environmental management legislation in the province

#### **STRATEGIC INTERVENTIONS 2005/06 – 2009/10**

- Ensure stoppage of illegal developments on the coast.
- Implementation of the coastal management programme.
- Develop a Provincial Bioregional Conservation strategy.
- Ensure sustainable management of biological resources through an effective and efficient permit system.
- An approved SOER that will be monitored on an annual basis.
- Integration of designated groups in the environmental management mainstream.
- Ensure that potential negative environmental impacts of developments are mitigated, minimised and controlled.
- To ensure and improve cooperative governance in environmental management in the Province.
- To take full responsibility of landfill site permitting.

### **13.2 Public Entities managed through Programme 4**

The Eastern Cape Parks Board was established as a Public Entity in terms of the Eastern Cape Parks Board Act No 12 of 2003 (EC). The activities of the ECPB are managed through Programme 4 on the basis of a Service Level Agreement. The ECPB is required to formulate its own Strategic Planning instruments in the prescribed format. The activities of the ECPB

are linked to the Department's Strategic Goals and Objectives as indicated below:

### **STRATEGIC GOAL 5**

Establish and maintain appropriate organisational systems to manage and administer the financial, operational, personnel, information management, communications and legal resources in the Department and in its associated institutional structures.

#### **STRATEGIC OBJECTIVES**

1. To establish and maintain appropriate financial management systems in the Department.
2. To establish and maintain appropriate asset management and provisioning management systems in the Department.
3. To establish and maintain appropriate human resource management systems in the Department.
4. To integrate youth, disability, gender and children's issues in all Programmes.
5. To establish, manage and maintain efficient and effective mechanisms and procedures to meet departmental and legislative requirements for information management and information technology systems.

#### **STRATEGIC INTERVENTIONS 2005/06 – 2009/10**

Develop and implement sound finance and administration systems for the ECPB.

### **STRATEGIC GOAL 6**

Maintain effective and efficient environmental management systems in the Province.

#### **STRATEGIC OBJECTIVES**

1. To ensure the enrichment and effective Biodiversity Conservation (in and outside protected areas) and sustainable coastal management in the Eastern Cape Province.
2. To ensure co-operation in effective planning, education and reporting for the protection of the environment and sustainable development in the Eastern Cape Province.

#### **STRATEGIC INTERVENTIONS 2005/06 – 2009/10**

Biodiversity management in accordance with policy requirements indicated bin the SLA with the Department.

<b>Summary Expenditure by Programme and Public Entity</b>						
<b>Programme Budgets (R'000)</b>	<b>2002/03 Actual</b>	<b>2003/04 Actual</b>	<b>2004/05 MTREF [After adjustments]</b>	<b>2005/06 MTREF</b>	<b>2006/07 MTREF</b>	<b>2007/08 MTREF</b>
<b>4. Environmental Affairs</b>	<b>95,576</b>	<b>109,338</b>	<b>107,443</b>	<b>116,312</b>	<b>124,496</b>	<b>135,813</b>
4.1 Env Affairs Management	95,576	109,338	73,685	43,142	40,877	44,318
4.2 Biodiversity Mngmnt	-	-	30,925	3,280	3,315	3,241
4.3 Env Impact Mngmnt	-	-	2,011	1,917	2,022	2,123
4.4 Coastal Mngmnt	-	-	579	1,162	1,226	1,287
4.5 Air Quality/Waste Mngmnt	-	-	243	811	856	899
4.6 Compliance/Enforcement	-	-	-	1,000	1,200	1,500
4.7Parks Board (ECPB)	-	-	-	65,000	75,000	82,445

<b>Programme</b>	<b>Costs</b>	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>
<b>Environmental Affairs</b>	Compensation of Employees	37,690	34,325	36,385
	Goods and Services	12,245	13,828	14,170
	Capital Assets	1,000	1,000	2,449
	Transfer payments	377	343	364
	Transfer payments (Public Entities)	65,000	75,000	82,445
	<b>Total</b>	<b>116,312</b>	<b>124,496</b>	<b>135,813</b>

**14. Resource Implications for the 2005/06-2007/08 MTEF,  
By Programme (R'000)**

<b>Programme</b>	<b>Costs</b>	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>
<b>Administration</b>	Compensation of Employees	33,594	34,980	37,079
	Goods and Services	17,508	16,162	19,319
	Capital Assets	2,955	1,427	3,075
	Transfer payments	337	350	372
	<b>Sub-total</b>	<b>54,394</b>	<b>54,919</b>	<b>59,845</b>
<b>Information Management</b>	Compensation of Employees	4,790	5,000	5,300
	Goods and Services	7,755	8,117	8,557
	Capital Assets	3,490	3,684	3,902
	Transfer payments	48	50	53
	<b>Sub-total</b>	<b>16,083</b>	<b>16,851</b>	<b>17,812</b>
<b>Economic Affairs</b>	Compensation of Employees	12,596	13,263	14,059
	Goods and Services	16,839	16,417	16,692
	Capital Assets	1,500	1,175	1,234
	Transfer payments	126	133	131
	Transfer payments (LED funding)	5,282	20,000	30,000
	Transfer payments (Public Entities)	399,632	231,437	247,876
	<b>Sub-total</b>	<b>435,975</b>	<b>282,425</b>	<b>310,002</b>
	<b>Environmental Affairs</b>	Compensation of Employees	37,690	34,325
Goods and Services		12,245	13,828	14,170
Capital Assets		1,000	1,000	2,449
Transfer payments		377	343	364
Transfer payments (Public Entities)		65,000	75,000	82,445
<b>Sub-total</b>		<b>116,312</b>	<b>124,496</b>	<b>135,813</b>
<b>TOTAL</b>		Compensation of Employees	88,670	87,568
	Goods and Services	54,347	56,524	58,738
	Capital Assets	8,945	7,286	10,660
	Transfer payments	588	876	930
	Transfer payments (LED)	5,282	20,000	30,000
	Transfer payments (Public Entities)	464,632	306,437	330,321
	<b>TOTAL</b>	<b>622,764</b>	<b>478,691</b>	<b>523,472</b>

## **15. Co-ordination, co-operation and outsourcing plans**

### **15.1 Inter-departmental linkages**

The Department maintains close working relationships with key provincial government departments that are involved in infrastructure and economic development programmes. These relationships are co-ordinated through the Economic Growth and Infrastructure Cluster and the Economic Growth and Infrastructure Cabinet Committee.

Participation in the activities of the EG&I Cluster and Cabinet Committee involves the Department in direct and indirect commitments to a number of PGDP programmes, particularly through the ECDC and the ECTB, and these involvements serve to further strengthen inter-departmental linkages and co-operation.

### **15.2 Local government linkages**

The Local Economic Development (LED) and economic infrastructure development components of District and Metro Municipality IDPs form the basis for co-operation between the Department and its Public Entities and the local government sphere. This includes ensuring that the Department's strategic plan and MTREF budgets are aligned with District and Metro Municipality IDPs in order to promote the effective co-ordination of economic growth and investment.

In 2005/06, the local government sphere in the Province consisted of the following institutions:

- One Category A Metro Municipality (Nelson Mandela).
- Six Category C District Municipalities (Alfred Nzo, Amathole, Cacadu, Chris Hani, O R Tambo and Ukhahlamba).
- 38 Category B Local Municipalities.

The Department is directly involved with local government institutions at the Metro and District municipality levels and relationships with Local Municipalities are managed through and with District Municipalities.

### **15.3 Public entities**

The Department has established five Public Entities to perform various economic development functions and to deliver regulatory and advisory services.

Coega Development Corporation (CDC) and East London Industrial Development Zone (ELIDZ) are considered with effect from 2005/6 financial year, subsidiaries of the ECDC.



Operating relationships with Public Entities are conducted on the basis of Service Level Agreements (SLAs) that are monitored by the Chief Financial Officer. Such agreements require due performance to be reported prior to the transfer of funds from the Department, as required by the PFMA.

The nature and intent of the Public Entities that report to the Department are indicated below:

<b>Public Entity</b>		<b>Main purpose</b>
1.	Eastern Cape Development Corporation (ECDC)	To facilitate economic development in the Province by promoting investment, small business development and innovative development financing.
2.	Eastern Cape Tourism Board (ECTB)	To facilitate tourism and tourism development in the Province through innovative product development, marketing and investment promotion.
3.	Eastern Cape Gambling and Betting Board (ECGBB)	To regulate and manage the gambling and betting industry in the Province.
4.	Eastern Cape Liquor Board (ECLB)	To regulate and manage the retail liquor industry in the Province.
5.	Eastern Cape Parks Board (ECPB)	To establish efficient and effective environmental management systems in Protected Areas and to promote private sector investment opportunities in Protected Areas.
6.	Coega Development Corporation (CDC)	To develop the Coega IDZ by investing in world-class infrastructure and to attract sustainable manufacturing investment.
7.	East London Industrial Development Zone (ELIDZ).	To develop the East London IDZ by investing in world-class infrastructure and to attract sustainable manufacturing investment.

See also Sections 12.2 and 13.2, above.

#### **15.4 Public-private partnerships and outsourcing**

While the Department has no public-private partnership arrangements at present, these will become part of the Department's operational activities during the five-year strategic planning period. In particular, outsourcing arrangements will be concluded with private sector partners for the delivery of hospitality services in protected areas and nature reserves.

## Part C

### Background information

#### 16. APPENDIX ONE: ANALYSIS OF SERVICE DELIVERY ENVIRONMENT

##### 16.1 Policy changes and trends

Three critical policy-related issues impact on the way in which the Department plans, budgets for and implements its responsibilities:

- The ten-year PGDP, which requires close budget and operational alignment by the Department and its Public Entities.
- The Municipal IDPs, which require close budget and operational alignment by the Department and its public entities.
- The Five-Year Strategic and Performance Planning process, which is required to be adopted by the Department and its Public Entities.

##### 16.2 Environmental factors and emerging challenges

###### Sectoral Situation Analysis

The distribution of demographic and socio-economic characteristics in the Eastern Cape Province reflects severe spatial imbalances and racial inequalities that stem from the effects of decades of apartheid policies. While these circumstances are deeply entrenched, and will continue to affect the nature and distribution of economic development for many years, significant procedures have been initiated to identify and address their effects through integrated and constructive planning at the macro and micro levels. These procedures are embodied in the Provincial Growth and Development Plan and the Integrated Development Plans formulated by District, Local and Metro Municipalities. Taken together, these plans form a comprehensive framework within which public and private sector initiatives regarding the development of the Province can be organised and co-ordinated.

###### Demographic Characteristics

The total 2001 Census population of the Eastern Cape was 6 436 763, compared to 6 302 525 in the 1996 Census, which represents an overall increase of 2.1% and an annual growth rate of 0.42% over the five-year period. The composition of the population in 2001 is indicated in Table C.1.

<b>Table C.1: Total Population, by population group and gender, 2001</b>
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<b>Population Group</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>	<b>%</b>
Black African	2 589 197	3 045 882	5 635 079	87.5
Coloured	229 890	248 917	478 807	7.4
Indian/Asian	9 310	9 062	18 372	0.3
White	147 109	157 396	304 505	4.8
<b>Total</b>	<b>2 975 506</b>	<b>3 461 257</b>	<b>6 436 763</b>	<b>100.0</b>

Source: StatsSA, Census 2001

The distribution of the population in the Province by District Municipality and in urban and rural areas is indicated in Tables C.2 and C.3.

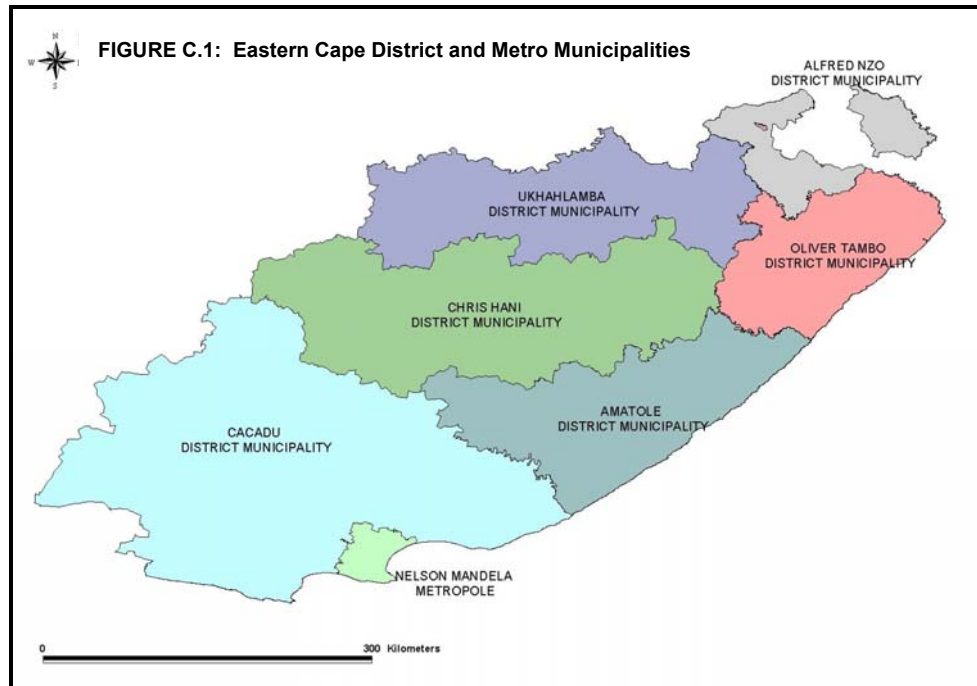
<b>Table C.2: Distribution of Population by Municipality, 2001</b>			
<b>Municipality</b>	<b>Population</b>	<b>Area (sq km)</b>	<b>Density/sq km</b>
Metro: Nelson Mandela	1 005 776	1 969	510.0
District: Cacadu	388 224	58 166	6.7
District: Amathole	1 664 258	23 545	70.7
District: Ukhahlamba	341 339	25 276	13.5
District: O R Tambo	1 676 477	15 753	106.4
District: Alfred Nzo	550 389	7 976	69.0
District: Chris Hani	810 300	36 895	22.0
<b>Total</b>	<b>6 436 763</b>	<b>169 580</b>	<b>37.9</b>

Source: Based on Census 2001 and Municipal IDPs

<b>Table C.3: Distribution of Urban/Non-Urban Population, 2001</b>				
<b>Municipality</b>	<b>Total</b>	<b>% of Total</b>	<b>% Urban</b>	<b>% Non-Urban</b>
Metro: Nelson Mandela	1 005 776	16	97.9	2.1
District: Cacadu	388 224	5	27.2	72.8
District: Amathole	1 664 258	26	39.0	61.0
District: Ukhahlamba	341 339	5	37.9	62.1
District: O R Tambo	1 676 477	26	8.9	91.1
District: Alfred Nzo	550 389	9	2.0	98.0
District: Chris Hani	810 300	13	39.0	61.0
<b>Total</b>	<b>6 436 763</b>	<b>100</b>	<b>30</b>	<b>70</b>

Note: Census 2001 does not provide data on urban-rural distributions of population. The percentage distributions indicated above are based on information contained in the Provincial Spatial Development Plan: 2000, and estimated for the province as a whole.

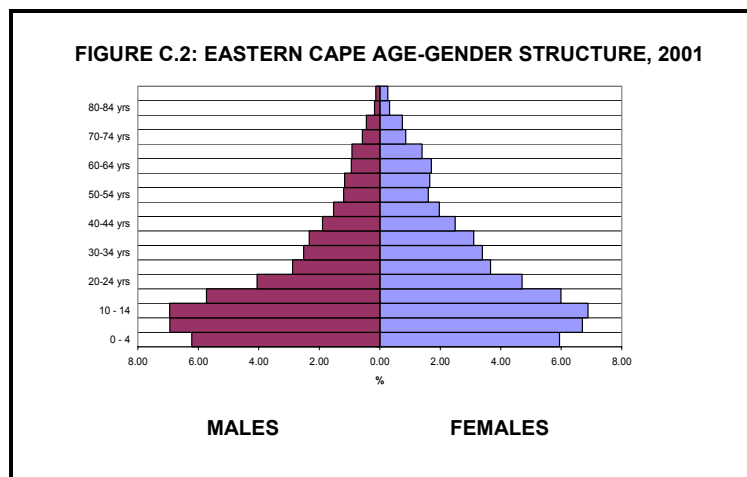
The District Municipalities in the Province, which coincide closely with the Department's operating districts, are indicated in Figure C.1.



The Nelson Mandela Metro and the Amathole District Municipality areas contain more than 40% of the total population in the Province, most of whom live in the two major urban agglomerations of Port Elizabeth-Uitenhage and East London-King William's Town. Consequently, the population density in these areas is well above the overall average density of 38 persons per sq km. The O R Tambo and Alfred Nzo Districts also have high population densities (106 and 69 persons per sq km, respectively), which are related to dense rural settlement that characterised the previous bantustans in the Province. On the other hand, population density in the Cacadu District is under 7 persons per sq km, largely as a result of semi-arid climatic conditions and the extensive livestock grazing that predominates in the area. It should be noted, too, that may thousands of Black Africans were removed from this area and relocated in the bantustans during the 1970s, which also contributed to the relatively higher population densities in the Districts indicated above. The distribution and density of population in the Province in 2003 is the outcome of many decades of socio-economic policies, coupled with deliberate socio-political engineering designed to regulate and control the lives and livelihoods of Black Africans. It is now well known that these policies failed completely, but their legacies will linger in the Province for some time to come. This represents one of the most significant challenges for the Provincial Government: to ensure that the provincial space economy is re-shaped and organised to meet the needs of all the people in the Province.

The Nelson Mandela Metro region and the Amathole, Chris Hani and Ukhahlamba Districts have the highest proportions of urban population, while the O R Tambo and Alfred Nzo Districts are dominated by much higher proportions of non-urban population. Overall, around 70% of the Province's population live in non-urban areas. This, too, is largely a result of prior policies that have generated significant rural-urban migratory pressures in recent years. Adequate planning and budgetary provision for the delivery of facilities and services ranging from housing, schools and clinics to water, sanitation, electricity and waste management are key imperatives for the Provincial Government under such circumstances.

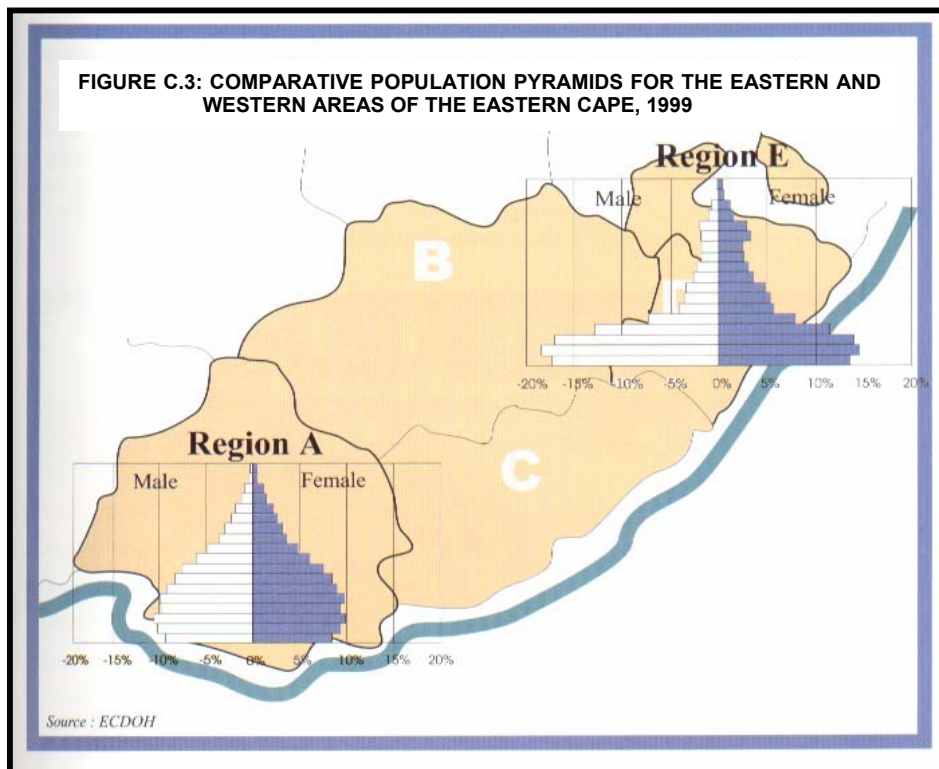
The overall age-gender structure of the Provincial population is shown in Figure C.2.



The following observations arise from the age-gender structure:

- There is a noticeable disparity between males and females in the age groups ranging from 20 to 60 years old, with proportionally fewer males than females. This is largely attributed to the migratory labour propensity of Black African males, particularly from rural areas, who are constrained to seek employment outside of the Province.
- The bulge reflected in the distribution of both males and females in the 5 to 14 year old age categories suggests a substantial growth potential over the next 10 years.
- The narrowing of the base of the population pyramid suggests a decline in the total fertility rate which could result in a more stable population growth when the bulge in the 5 to 14 year age cohorts has worked through the structure.
- The impact of HIV and Aids on the population structure is difficult to assess, but may be a contributory factor to both the reduced proportion of males in the 20 to 60 age cohorts and the narrower base of the population pyramid.

There are significant differences in the age-gender population structure in the eastern and western areas of the Province. This reflects the effects of a largely rural and underdeveloped eastern area and a more urbanised and developed western area of the Province. These differences are indicated in Figure C.3.



The age-gender pyramid for the eastern areas of the Province has a broadly-based structure with between 15% and 20% of both males and females in the younger age categories. This is indicative of a younger and more dynamic population structure with a significant growth potential, albeit that there is an emerging narrowing in the youngest age cohorts. The age-gender distribution in the western area of the Province, on the other hand, reflects a more mature population structure with a more stable growth potential.

Such differences have clear implications with respect to planning for effective service delivery and support strategies that focus attention on the eastern area of the Province in terms of housing, basic services and social infrastructure such as schools and health facilities.

The extent to which households in the Province have access to basic services constitutes an important indicator of their development status.

The distribution of access to toilet facilities, refuse removal and water supplies is shown in Tables C.4, C.5 and C.6, respectively.

<b>Table C.4: Household access to toilet facilities, by population group, 2001</b>						
<b>Facility</b>	<b>Black African</b>	<b>Coloured</b>	<b>Indian/Asian</b>	<b>White</b>	<b>Total</b>	<b>RSA</b>
Flush toilet sanitation	26.4	74.3	97.5	98.8	<b>34.8</b>	<b>53.8</b>
Pit latrine	32.7	8.3	1.2	0.5	<b>28.8</b>	<b>28.5</b>
Bucket latrine	5.8	10.0	0.3	0.1	<b>5.6</b>	<b>4.1</b>
None	35.1	7.4	1.0	0.6	<b>30.8</b>	<b>13.6</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Source: StatsSA, Census 2001						

In terms of household access to toilet facilities, the Eastern Cape is considerably below the national average with some 35% of all households having access to flush sanitation, compared to the national average of 54%. The incidence of bucket latrines and households with no access to toilet facilities is of considerable concern, since these circumstances create conditions which are conducive to unhygienic community living. Thus, almost 6% of all households have access only to bucket latrines and over 30% have no toilet facilities at all, compared to the national averages of 4% and 14%, respectively. The distribution of access to toilet facilities among population groups in the Province reflects wide disparities that are a direct consequence of previous policies of neglect and exclusion. The difference between Black African households and all other households, in this regard, is significant and provide clear direction regarding the priorities for provincial and local government budgetary resource allocations in the short and medium terms.

<b>Table C.5: Household access to refuse removal, by population group 2001</b>						
<b>Removal system</b>	<b>Black African</b>	<b>Coloured</b>	<b>Indian/Asian</b>	<b>White</b>	<b>Total</b>	<b>RSA</b>
Local Authority Removal	30.8	83.6	96.5	88.4	<b>38.4</b>	<b>56.9</b>
Communal and Own Refuse Dump	50.0	14.0	3.1	11.1	<b>44.8</b>	<b>34.4</b>
No refuse disposal	19.2	2.4	0.4	0.5	<b>16.8</b>	<b>8.7</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Source: StatsSA, Census 2001						

In terms of refuse removal, Eastern Cape households are also considerably below the national average with around 38% having access to local authority removal services, compared to almost 57% at the national level. In this regard, the distribution across population groups also reflects significant inequalities, with less than one-third of Black African

households having access to local authority services, compared to well over 80% among all other households in the Province. In particular, nearly 20% of Black African households have no access to refuse removal services.

<b>Supply source</b>	<b>Black African</b>	<b>Coloured</b>	<b>Indian/Asian</b>	<b>White</b>	<b>Total</b>	<b>RSA</b>
Piped water to dwelling	28.4	85.0	95.4	95.2	<b>37.0</b>	<b>61.5</b>
Communal stand pipe water	28.3	11.3	3.7	3.7	<b>25.4</b>	<b>22.8</b>
Borehole/Spring/Tank	12.3	1.3	0.4	0.8	<b>10.6</b>	<b>5.0</b>
Dam/Pool/River/Vendor	29.3	1.6	0.5	0.2	<b>25.4</b>	<b>8.3</b>
Other	1.7	0.8	-	0.1	<b>1.6</b>	<b>2.4</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: StatsSA Census 2001

Access to water supplies by Eastern Cape households reflects similar differences between the Province as a whole and the national average; while Black African households are uniformly less well provided for among the Province's population groups. Fewer than 30% of Black African households are serviced with piped water to the dwelling, compared to well over 80% in the case of other population groups. Moreover, more than 29% of Black African households in the Eastern Cape have access only to natural sources of water which are often polluted to the extent that they constitute further health hazards to the affected households.

These three basic indicators demonstrate the extent of overall inequality between the Province and the RSA as a whole; and also provide an indication of the extent to which there are severe disparities between Black African households and all other households in the Province. It is imperative that such statistics should form the basis for effective service delivery planning and resource allocation by the Provincial Government and local authorities.

## **Socio-Economic Characteristics**

### *Employment*

The key socio-economic indicator for the Eastern Cape is the status of people regarding employment. Table C.7 indicates the employment status among population groups in the Province in 2001.



<b>Table C.7: Employment status by population group, 2001</b>				
	<b>Employed</b>	<b>Unemployed</b>	<b>% Unemployed</b>	<b>National Average %</b>
<b>Black African</b>	507 422	830 404	<b>62.1</b>	<b>50.2</b>
<b>Coloured</b>	116 332	68 080	<b>36.9</b>	<b>27.0</b>
<b>Indian/ Asian</b>	7 092	1 089	<b>13.3</b>	<b>16.9</b>
<b>White</b>	123 483	8 411	<b>6.4</b>	<b>6.3</b>
<b>Total</b>	<b>754 329</b>	<b>907 984</b>	<b>54.6</b>	<b>41.6</b>
Source: StatsSA Census 2001				

More than half (54.6%) of the economically active population in the Eastern Cape was unemployed in 2001, compared to the national average of around 41% unemployed. Among Black Africans, the situation is considerably more serious, both in the Province and in the country as a whole. More than 62% of the Black African labour force in the Eastern Cape was unemployed in 2001, while over 50% of the Black African labour force in the country was unemployed in 2001. Unemployment rates among the other population groups in the Province were relatively lower in 2001, but this does not detract from the overall severity of the challenge for sustainable job creation in the Province.

Unemployment among Black Africans, combined with other indicators that reflect conditions of severe inequality affecting Black Africans, emphasises the extent to which this segment of the Province's population remains marginalised. Without gainful employment, it is very difficult for any household to secure an improved quality of life in terms of basic services.

#### *Income*

The percentage distribution of monthly income, by population group, is shown in Table C.8, and is a further indicator of the disadvantaged position of Black Africans in the Province. Income distribution for the Coloured population indicates a marginally better position, while the Indian/Asian and White population groups are substantially better off in terms of income distribution. Some 59% of the total employed persons aged between 15 and 65 years old earn less than R1,600 per month. Among Black African and Coloured earners, 69% and 61%, respectively fall into this category, while for the Asian/Indian and White earners, the proportion in the under R1,600 per month category is around 19% and 16%, respectively.

<b>Table C.8: Monthly income by population group, 2001</b>					
<b>Income group</b>	<b>Black African</b>	<b>Coloured</b>	<b>Indian/Asian</b>	<b>White</b>	<b>Total</b>
Under R1600	69.2	61.4	18.8	16.3	<b>58.9</b>
R1601 to R6400	26.7	33.4	52.6	52.1	<b>32.1</b>
R6401 to R12800	3.2	4.3	18.9	20.7	<b>6.3</b>
R12801 to R51200	0.7	0.7	8.5	9.9	<b>2.2</b>
Over R51201	0.2	0.2	1.2	1.8	<b>0.5</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: StatsSA Census 2001

### *Education*

The highest educational level attained among people over 20 years of age is indicated in Table C.9. It is clear that part of the reason for the relative marginalisation and exclusion of Black African and Coloured people, which is evident in terms of employment, income and access to basic services, lies in the educational inequalities reflected in Table 5.9. Nearly half of Black Africans and 28% of Coloured people over 20 years old have had no schooling or only some primary education. This is probably indicative of the proportion of these population groups that are functionally illiterate, which is a severe impediment in terms of finding and keeping gainful employment and earning an adequate living. On the other hand, 7% of the Indian/Asian population and 2% of Whites fall into this educational category. At the other end of the educational attainment scale, 5% and 4% of Black Africans and Coloured people, respectively, have a tertiary or post-secondary school level of education, while the proportion for the Indian/Asian and White population groups in this educational category is 26% and 24%, respectively.

In order to plan adequately for the future, human resource development is a key priority for the Provincial Government. Hence, it is imperative to address the inequities that are evident in Table C.9, because they affect all other aspects of the Province's social and economic development prospects. It is evident, too, however, that the educational situation cannot be reversed overnight. It can only be addressed in the context of an overall Provincial development planning initiative that recognises the fundamental importance of human resource development.

<b>Educational category</b>	<b>Black African</b>	<b>Coloured</b>	<b>Indian/Asian</b>	<b>White</b>	<b>Total</b>	<b>RSA</b>
No Schooling+Some Primary	48	28	7	2	<b>43</b>	<b>34</b>
Primary+Some Secondary	36	51	33	33	<b>37</b>	<b>37</b>
Grade 12 (Matric)	11	17	34	41	<b>14</b>	<b>20</b>
Higher (Post-Matric)	5	4	26	24	<b>6</b>	<b>9</b>
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: StatsSA, Census 2001.  
Universe: All persons 20 years of age and above.

### **Economic circumstances**

The distribution of economic activity in the Province, by sector, is shown in Table C.10, together with an indication of annual growth between 1995 and 2002 and between 2001 and 2002. In 2002, the total value of goods and services produced in the Eastern Cape amounted to R52.3bn, compared to R51.9bn in 2001 and R45.3bn in 1995. This indicates an overall economic growth rate of 0.8% per annum in 2001-2002, and a longer-term growth rate of 2.1% per annum between 1996 and 2002, which is somewhat below the overall growth in national GDP over the same periods.

The provincial economy is dominated by tertiary production sectors, which accounted for over 68% of GDP in 2002 with an overall growth rate of 2.2% per annum between 1996 and 2002. Within the tertiary production sector, the principal sectors are General Government Services (19.6% of total GDP), Finance and Business Services (18.5%) and Wholesale/Retail Trade and Hotels/Restaurants (12.9%). The secondary production sectors contributed over 20% towards GDP in 2002 and primary production sectors accounted for 2.4% of GDP. In the secondary production sector, Manufacturing is the leading sector and constituted 17.1% of GDP. The relative importance of the Manufacturing sector is indicated by sustained growth of over 2% per annum between 1996 and 2002.

The Agriculture and Construction sectors recorded decreases of 12.1% and 13.1%, respectively in 2002. These are significant declines in sectors that are crucial to the development of the Provincial economy and provide an indication of where priority attention should be devoted by the Provincial Government.

Economic Sector	GDPR (R million)			% growth		% by sector 2002
	1995	2001	2002	2001-2002	1996-2002	
Agriculture, Forestry and Fishing	1,420	1,740	1,529	-12.1	1.1	2.3
Mining and Quarrying	52	51	55	8.9	0.8	0.1
<b>Sub-Total: Primary Production</b>	<b>1,472</b>	<b>1,791</b>	<b>1,584</b>	<b>-11.5</b>	<b>1.1</b>	<b>2.4</b>
Manufacturing	8,243	9,303	9,512	2.2	2.1	17.1
Electricity and Water	853	1,080	1,078	-0.2	3.4	1.4
Construction	860	1,154	1,003	-13.1	2.2	1.7
<b>Sub-Total: Secondary production</b>	<b>9,955</b>	<b>11,536</b>	<b>11,593</b>	<b>0.5</b>	<b>2.2</b>	<b>20.2</b>
Wholesale/Retail Trade, Hotels, Restaurants	6,815	6,994	7,158	2.3	0.7	12.9
Transport, Storage and Communication	3,518	4,908	5,303	8.0	6.0	8.4
Finance, Real Estate and Business Services	7,136	8,844	8,723	-1.4	2.9	18.5
Community, Social and Personal Services	3,637	4,151	4,261	2.6	2.3	9.1
General Government Services	8,825	9,283	9,298	0.9	0.7	19.6
<b>Sub-Total: Tertiary Production</b>	<b>29,931</b>	<b>34,180</b>	<b>34,743</b>	<b>1.6</b>	<b>2.2</b>	<b>68.5</b>
<b>All Industries at Basic Prices</b>	<b>41,359</b>	<b>47,508</b>	<b>47,920</b>	<b>0.9</b>	<b>2.1</b>	<b>91.1</b>
<i>Taxes less subsidies on products</i>	3,973	4,404	4,388	-0.4	1.4	8.9
<b>Total GDPR at Market Prices</b>	<b>45,331</b>	<b>51,912</b>	<b>52,308</b>	<b>0.8</b>	<b>2.1</b>	<b>100.0</b>

GDPR at constant 1995 prices  
Source: StatsSA Gross Domestic Product estimates per Region 1995-2002, November 2003

Employment across industrial sectors in the Province for 2001 is indicated in Table C.11. The tertiary production sectors provided the largest proportion of employment opportunities in 2001 (62.2% of total employment), while the secondary and primary production sectors employed 17.4% and 10.2%, respectively, of the total employment in 2001.

In the secondary production sector, Manufacturing provided employment for 12% of the labour force. Given that the Manufacturing sector produced nearly 18% of GDPR in 2001, this suggests that overall productivity in the sector is sound. On the other hand, the Agriculture and Construction sectors accounted for 9.6% and 4.9%, respectively, of total employment, and contributed 2.3% and 1.7%, respectively, of GDPR in 2002, which is probably a reflection of more labour intensive activities in these sectors. It is anticipated that major infrastructure developments in the Province during 2003, such as those associated with the Industrial Development

Zones, will have positive effects on the Construction sector GDP in subsequent years.

<b>Table C.11: Employment by economic sector, 2001</b>		
<b>Economic Sector</b>	<b>Employees</b>	
	<b>Number</b>	<b>%</b>
Agriculture, Forestry and Fishing	72 123	9.6
Mining and Quarrying	4 574	0.6
<b>Sub-Total: Primary Production</b>	<b>76 697</b>	<b>10.2</b>
Manufacturing	90 864	12.0
Electricity and Water	3 763	0.5
Construction	36 761	4.9
<b>Sub-Total: Secondary Production</b>	<b>131 388</b>	<b>17.4</b>
Wholesale/Retail Trade/Hotels/Restaurants	104 647	13.9
Transport, Storage and Communication	27 587	3.7
Financial, Real Estate and Business Services	51 451	6.8
Government, Community, Social and Personal Services	196 345	26.0
Private Households	89 337	11.8
<b>Sub-Total: Tertiary Production</b>	<b>469 367</b>	<b>62.2</b>
<b>Undetermined and Other</b>	<b>76 886</b>	<b>10.2</b>
<b>TOTAL</b>	<b>754 338</b>	<b>100.0</b>
Source: StatsSA Census 2001		

### **Conclusion and Five-Year Prognosis**

This brief review outlines the dimensions of the significant challenges that must be addressed in the Eastern Cape. The Department's five-year strategic perspective for sustained development depends heavily on the performance of the key economic development public entities, particularly the ECDC, in the context of the Provincial Growth and Development Plan. Much depends, too, on the extent to which the strategic objectives of key Municipal IDPs are realised. The challenge for the Department thus lies in strengthening and supporting the activities of the ECDC and ensuring that appropriate support is given to District and Metro Municipalities for the implementation of integrated development planning.

Central to the Department's perspective for growth and development prospects over the five year period between 2005/06 and 2009/10 is the imperative to address the overall PGDP development goals for the period between 2004 and 2014. Of the 14 specific PGDP goals, two have particular relevance for the Department of Economic Affairs, Environment and Tourism. These are the following:

- To maintain an economic growth rate of between 5% and 8% per annum.
- To halve the unemployment rate by 2014.

During the strategic planning period from 2005/06 to 2009/10, the Department and the Provincial Government as a whole must ensure that substantial progress towards securing these key goals is achieved. It is important, therefore, to undertake thorough analyses and assessments of the direct and indirect implications of the above goals, on the clear understanding that the Department does not have a sole responsibility for ensuring that they are achieved. The PGDP involves a collaborative engagement among all three spheres of government, the private sector, organised labour and civil society interests.

Towards this end, the Department must take the lead in establishing and resourcing appropriate institutional procedures to engage in dedicated research designed to identify, define and quantify the measures that must be factored into the strategic planning process to ensure that the growth and employment goals are realised.

**In order to provide a sound foundation for progress towards meeting the PGDP growth and employment targets, the following key strategic prospects should be realised by 2009/10:**

1. The development of the Coega IDZ and the associated Ngqura deep-water port infrastructure will be completed and a stable initial base of manufacturing investment will be in place, thus providing opportunities for sustained growth in export performance.
2. The East London IDZ infrastructure development will be completed and initial investment in manufacturing enterprises will be in place, thus providing opportunities for sustained growth in export performance.
3. An integrated motor vehicle and components manufacturing complex, based on the Nelson Mandela-Buffalo City Metro IDZs and their existing industrial bases will be established.
4. The manufacturing complex will be focused on export and import facilities, including expanded Car Terminal services, based on Daimler-Chrysler, Volkswagen, General Motors, BMW and Ford products linked to global supply chains through Logistics Hubs at the Coega and East London IDZs.
5. Both IDZs and the Ngqura port will be fully integrated into the respective metro municipality IDPs, particularly in terms of electricity, water and transportation infrastructure.
6. Key railway routes associated with the IDZs will be upgraded, including the lines from East London to Gauteng, Port Elizabeth to Gauteng and Port Elizabeth to Sishen.
7. The East London-Mthatha Development Corridor, based on the Kei Rail initiative, will be well established and a comprehensive regional socio-economic development process will be in place linked to key PGDP programmes, including the following:
  - 7.1 Rural Development Programme (ISRDP).
  - 7.2 Urban Development Programme (URP).

- 7.3 Spatially contiguous IDPs.
- 7.4 Tourism prospects linked to the Wild Coast SDI realised.
- 7.5 Primary production processing and manufacturing enterprises based on local resources will be established in:
- Agro-processing.
  - Forestry and timber products.
  - Industrial crops.
  - Food processing.
  - Livestock products.
  - Mineral beneficiation.
8. Preliminary plans and inter-governmental arrangements for extending and consolidating the East London-Mthatha Development Corridor will be concluded based on railway extensions to KwaZulu-Natal and to the Nelson Mandela Metro. New and upgraded railway arrangements will be complemented by major new and upgraded roads, including the N2 Toll Road.
9. District and Metro Municipality IDPs will be well established as core development planning instruments that are aligned to Provincial sector departments and the PGDP thus providing opportunities for productive and job-creating investment in:
- 9.1 Nelson Mandela Metro and Cacadu District Municipalities.
- 9.2 Amathole District Municipalities.
- 9.3 Alfred Nzo District Municipality.
- 9.4 Chris Hani District Municipality.
- 9.5 O R Tambo District Municipality.
- 9.6 Ukhahlamba District Municipality.
- The Department's district office operations will be merged with District and Metro Municipality operations and municipal revenue bases will be developed to generate more resources for economic development.
10. Umzimvubu Hydro-Electric Project will be in the preliminary implementation stages.
11. Critical ECDC initiatives associated with the PGDP will be completed or under active development:
- 11.1 Automotive Industry Development Programme (AIDC-EC).
- 11.2 Industrial Support Programme:
- First Provincial Manufacturing Census will be completed.
  - Provincial Industrial Strategy will be in place.
  - Cluster Formation and support based on the AIDC-EC model will be established.
- 11.3 Enterprise Development Finance Programme will be in place:
- PGDP Venture Capital Fund.
  - Local Competitiveness Fund.
  - Financial Innovation Fund.
  - Local Government Support Fund.
- 11.4 Agro-Processing Support Programme based on a comprehensive range of viable business opportunities will be realised.
12. ECTB operations will be consolidated in terms of the revised organisational structure and strategic plan to focus on:
- 12.1 Innovative tourism opportunities.
- 12.2 Tourism functions devolved to Local Government sphere.
13. ECPB operations will be well established and Nature Reserve/ Protected Area hospitality functions will be outsourced through public-private partnership arrangements.
14. The Department's regulatory and advisory services linked to the ECGBB, the ECLB and the ECCT will be well established in terms of new five-year strategic perspectives.

### **16.3 PGDP Programmes**

The Department's Five-Year Strategic Plan provides a basis for extensive participation in the Provincial Growth and Development Plan. Towards this end, the Department will apply its resources towards the constructive and systematic realisation of the strategic intent of the PGDP as a whole, with particular emphasis on those Programme areas in which the Department and its key Public Entities have a Lead Responsibility.

The PGDP Programmes consist of the following:

#### **(a) Agrarian transformation and food security**

##### ***Strategic Approach***

Rapid transformation of the agricultural sector is a prerequisite to poverty eradication, which requires a focus on the growth of the agrarian economy in the former homelands through:

- Programmes to promote household food security by expanded smallholder production.
- Development of commercial agriculture through optimum use of the highest potential agricultural land in the former homelands.
- A focus on land redistribution and, in the longer term, land tenure reform to release land for poor households and for new commercial farming enterprises.

The dislocated agrarian economy of the previous homelands must be integrated into the wider provincial economy by promoting commercial agriculture and providing sources of raw material for agro-processing enterprises.

##### ***Component Programmes***

- Massive food programme.
- Siyazondla homestead food production programme.
- Comprehensive nutrition programme.
- Integrated agricultural infrastructure programme.

#### **(b) Fighting Poverty**

##### ***Strategic Approach***

Poverty is primarily characterised by a lack of access to opportunities for sustainable livelihoods. Eradicating deep and pervasive poverty in the previous homelands and in underdeveloped urban townships in the Province will serve as a foundation for economic development in which all the people of the Eastern Cape can participate. Poverty eradication requires attention to the social, economic and political dimensions of poverty. In particular, action is required to:

- Establish greater control over and access to decision-making processes by poor people.



- Strengthen the income, assets and skills capabilities of the poor.
- Establish linkages between micro and macro levels of intervention in a mutually reinforcing manner.

State provision of grants and targeted interventions to promote social development and to provide health and education services need to be leveraged in support of the above.

The goal of poverty eradication leads to a further commitment to reduce inequality, both between households and between different regions of the Province. The Eastern Cape cannot afford continued inequitable growth with thriving metropolitan regions and sectors and a disintegrating rural periphery. Inequitable growth will add to the already serious unemployment problem and further increase poverty in the Province.

***Component Programmes***

- Expanded Public Works Programme: Infrastructure.
- Water and Sanitation Programme.
- Housing Programme.
- Comprehensive HIV-Aids and TB Programme.
- Victim Empowerment Programme.

**(c) Public Sector Transformation**

***Strategic Approach***

The transformation of the state is a necessary condition for growth and development, particularly in terms of providing strong leadership roles that are required from government institutions, including the following:

- Improved capacity to plan, manage, and monitor implementation is necessary at all levels of government.
- Local government will become the main focus for service delivery. Planning the phased delegation of powers and functions therefore becomes a key challenge.
- Local authorities will have an increasingly important role in promoting Local Economic Development through the implementation of Integrated Development Plans (IDPs).
- Participation by provincial social and economic partners in planning and implementation procedures needs to be institutionalised.

***Component Programmes***

- Improved Service Delivery in Health, Education, Social Development and Public Works Programme.
- Local Government Capacity Building Programme.
- Programme to Strengthen the Centre of Government to Drive PGDP Implementation.

**(d) Infrastructure Development**

***Strategic Approach***

The development of infrastructure, especially in the former homelands, is a necessary condition to eradicate poverty through:

- The elimination of social backlogs in access roads, schools and clinics and water and sanitation.
- To leverage economic growth through access roads and improving the road, rail and air networks of the Province.

Infrastructure development has strong growth promotion effect on the agriculture, manufacturing and tourism sectors by improving market access and by 'crowding in' private investment. Poverty alleviation should also be promoted through labour intensive and community based construction methods.

**Component Programmes**

Strategic Infrastructure Programme:

- Strategic rail infrastructure
- Strategic road infrastructure
- Spatial Development Initiatives [Industrial Development Zones]
- Umzimvubu Hydro-Electric Programme
- !Gariiep Dam Development Programme

**(e) Manufacturing Diversification and Tourism**

**Strategic Approach**

The manufacturing sector requires consolidation by extending growth beyond a relatively small number of volatile export markets. Diversification into new markets can be achieved through three main strategies:

- Consolidating the value chain and supply chain in existing markets by identifying inputs that can be supplied and higher value products linked to existing production.
- Creation of regional growth points for manufacturing development based upon availability of raw materials, skills and existing industrial profile.
- The development of agro-industries based upon expanded agricultural production in the former homelands.

The development of provincial tourism has high potential to create employment and to raise incomes in rural areas through community tourism programmes. The development and protection of existing and new parks and reserves, improvement of infrastructure, especially along the Wild Coast, and the development of a strong marketing brand showcasing a number of core attractions and themes are priorities.

**Component Programmes**

- Automotive Industry Development Programme.
- Industrial Support Programme.
- Enterprise Development Finance Programme.
- Agro-Processing Support Programme.
- Tourism Programme.
- Timber Industries Development Programme.
- 2010 Cultural Industries Programme.
- Information & Communications Technology Development Programme.

## **(f) Human Resource Development**

### ***Strategic Approach***

Human resource development underlies both poverty eradication and growth in the key economic sectors through:

- Improving levels of general education by full universal primary education (UPE) and a higher uptake of further education.
- Increasing the intermediate technical skills needed in the key growth sectors of the economy.
- Promoting the high level skills needed for further growth in the modern, export oriented sectors.

A provincial strategy for human resource development also underlies a reduction in inequality through progressive integration of the labour market.

### ***Component Programmes***

- Scarce Skills for the Public Sector Programme.
- Further Education and Training (FET) Transformation Programme.
- Adult Basic Education and Training Programme.
- Early Childhood Development programme.
- Comprehensive Human Resources Development Strategy.
- Provincial Learnership Programme.

## **16.4 Evaluation of current implementation performance**

Based on experience over the 2001/02 to 2003/04 MTREF period, the Department has embarked upon a comprehensive evaluation of its organisational structure, operational activities and relationships with the Public Entities that have been established to implement specific functions. This has resulted in a process of re-structuring that will continue to be pursued and concluded during the five-year strategic planning period from 2005/06 to 2009/10.

## **17. APPENDIX TWO: ORGANISATIONAL INFORMATION AND THE INSTITUTIONAL ENVIRONMENT**

### **17.1 Organisational design**

The Department's operations are managed by a Head Office, located in Bisho, and are implemented through five Regional Offices located in Port Elizabeth, East London, Mthatha, Queenstown and Kokstad. The overall organisational structure consists of four Programmes:

- Administration,
- Information Management,
- Economic Affairs and

- Environmental Affairs.

Regional Offices facilitate, co-ordinate and monitor activities related to the Department's overall goals and objectives as reflected in the Strategic Plan and in the Integrated Development Plans (IDPs) of District and Metro Municipalities.

Key functional responsibilities of the Department are conducted through designated Public Entities, which are accorded specific responsibilities that are implemented in accordance with the Department's Strategic Plan. The following Public Entities report to the Department:

- Eastern Cape Development Corporation (ECDC),
- Eastern Cape Tourism Board (ECTB),
- Eastern Cape Gambling and Betting Board (ECGGB),
- Eastern Cape Liquor Board (ECLB),
- Eastern Cape Parks Board (ECPB),

Coega Development Corporation (CDC) and East London Industrial Development Zone (ELIDZ) are considered with effect from 2005/6 financial year, subsidiaries of the ECDC.

The legal, administrative and financial relationships between the Department and the Public Entities are established in terms of PFMA regulations and are formalised through appropriate Service Level Agreements.

The Department's Head Office maintains close working relationships with the DTI and the DEAT regarding the implementation of national policies and development strategies.

Key challenges that require to be addressed in the five-year strategic planning period include the following:

- Developing and improving upon sound Service Level Agreement procedures to monitor and evaluate the activities and expenditure allocations of the Public Entities that report to the Department.
- Formulating and implementing a planned process of devolving functional areas to the local government sphere, based on constitutional adjustments regarding concurrent and exclusive competencies reflected in Schedules 4 and 5 to the Constitution of the Republic of South Africa.

- Establishing specific participatory procedures related to the formulation and implementation of the Provincial Growth and Development Plan (PGDP).

### **17.1.1 Organisational Structure**

*See Annexure 1*

### **17.1.2 Reporting lines of senior managers down to deputy-director level (with names)**

*See Annexure 2*

### **17.1.3 Map showing organisational boundaries**

*See Annexure 3*

## **17.2 Delegations and performance agreements**

- Financial delegations have been concluded and are in place.
- All Senior Management Service (SMS) Performance Agreements are concluded and in place.
- Performance Agreements regarding positions below the SMS level will be concluded according to plan during 2004/05.
- All Performance Agreements (SMS and others) in the Head Office Finance Division are concluded and in place.

## **17.3 Capital investment, maintenance and asset management plan**

The Department's capital investments are associated with establishing world-class operational infrastructure and service facilities at the East London and Coega Industrial Development Zones. Asset management and maintenance plans are devised and implemented by the Public Entities responsible for each of the IDZs and are overseen by the Department in terms of Service Level Agreements.

Other capital investments are associated with establishing and maintaining tourism facilities at Nature and Game Reserves. Asset management and maintenance plans for these facilities are devised and implemented by the Public Entity responsible and are overseen by the Department in terms of a Service Level Agreement.

## **17.4 Personnel**

Summary information regarding the Department's personnel numbers and costs are indicated below:

Programme	Total Personnel Numbers as at March 31:				
	2003	2004	2005	2006	2007
Administration	157	182	162	165	165

Programme	Total Personnel Numbers as at March 31:				
	2003	2004	2005	2006	2007
Information Management	8	10	14	19	19
Economic Affairs	52	58	51	74	74
Environmental Affairs	915	685	174	212	212
<b>Total Personnel Numbers</b>	<b>1 132</b>	<b>935</b>	<b>401</b>	<b>470</b>	<b>470</b>
<b>Total Personnel Cost (R'000)</b>	<b>75 042</b>	<b>85 631</b>	<b>92 698</b>	<b>88 670</b>	<b>87 568</b>

## 17.5 IT systems

The Department's IT systems are managed by the Information Management Programme, based on the following defined projects:

- Systems Development: To establish and maintain intranet, internet and management information systems, including GIS.
- Network Architecture: Information Communication Technology (ICT) hardware and software management and maintenance.
- Resource Centre: Development of a comprehensive resource and information centre in the Department.

All IT systems and equipment are effectively utilised and on-going hardware and software training programmes are conducted amongst all personnel in the Department.

Service Level Agreements are in place with SITA regarding access to software licences and computer service requirements.

## 17.6 Performance management system

The required Performance Management System was implemented by the Department in 2002 and full implementation of the Performance Management and Development System (PMDS) will be concluded by the end of 2004/05.

Signed performance plans for all personnel levels will be in place by the end of 2004/05 and a process of conducting performance reviews for all employees will be in place.

## 17.7 Financial management

Expenditure against budget for the financial years from 2001/02 to 2003/04 is shown below:

Financial Year	Total Budget (R million)	Expenditure (R million)	Outcome
2001/02	239 789	255,409	- 15 620 Reallocated Treasury Reserves: 0 Deficit: - 15 620
2002/03	618.776	658.601	- 39.825 Reallocated Treasury Reserves: 39 989 Surplus: 0.164

Financial Year	Total Budget (R million)	Expenditure (R million)	Outcome
2003/04	326.850	825.722	- 498.872 Reallocated Treasury reserves: 532 286 Surplus: 33.413

## 17.8 Audit queries

The following areas of concern have been raised by the Auditor-General in the form of audit queries:

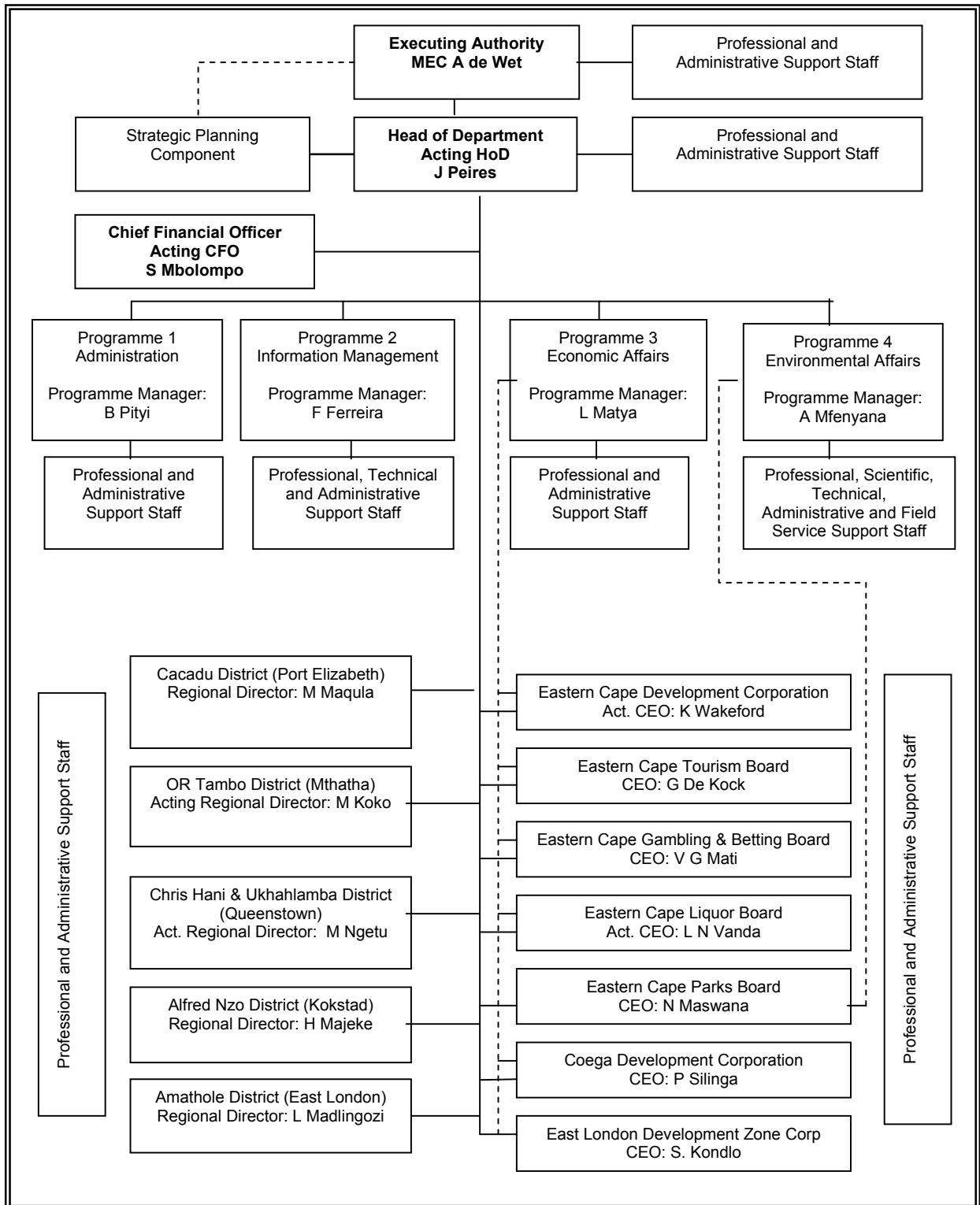
Financial Year	Nature of Audit Query
2001/02	The actual personnel expenditure according to Personnel and Salary System was not reconciled on a monthly basis with the financial records of the department's accounting systems to ensure that only personnel expenditure relevant to the department was recorded.
2002/03	Unsatisfactory leave records resulting in difficulty to verify the accuracy of leave entitlement.
2003/04	Unsatisfactory leave record management, lease and maintenance management for fleet vehicles, clearance of control suspense accounts.

The Department established a dedicated Task Team to deal with audit queries on a systematic basis and all A-G Qualifications and Emphases of Matter are addressed.

The Department's Budget Committee monitors expenditure against budget according to the established in-year monitoring system in order to minimise the incidence of audit queries.

## **Annexure 1: Summarised Organisational Structure**

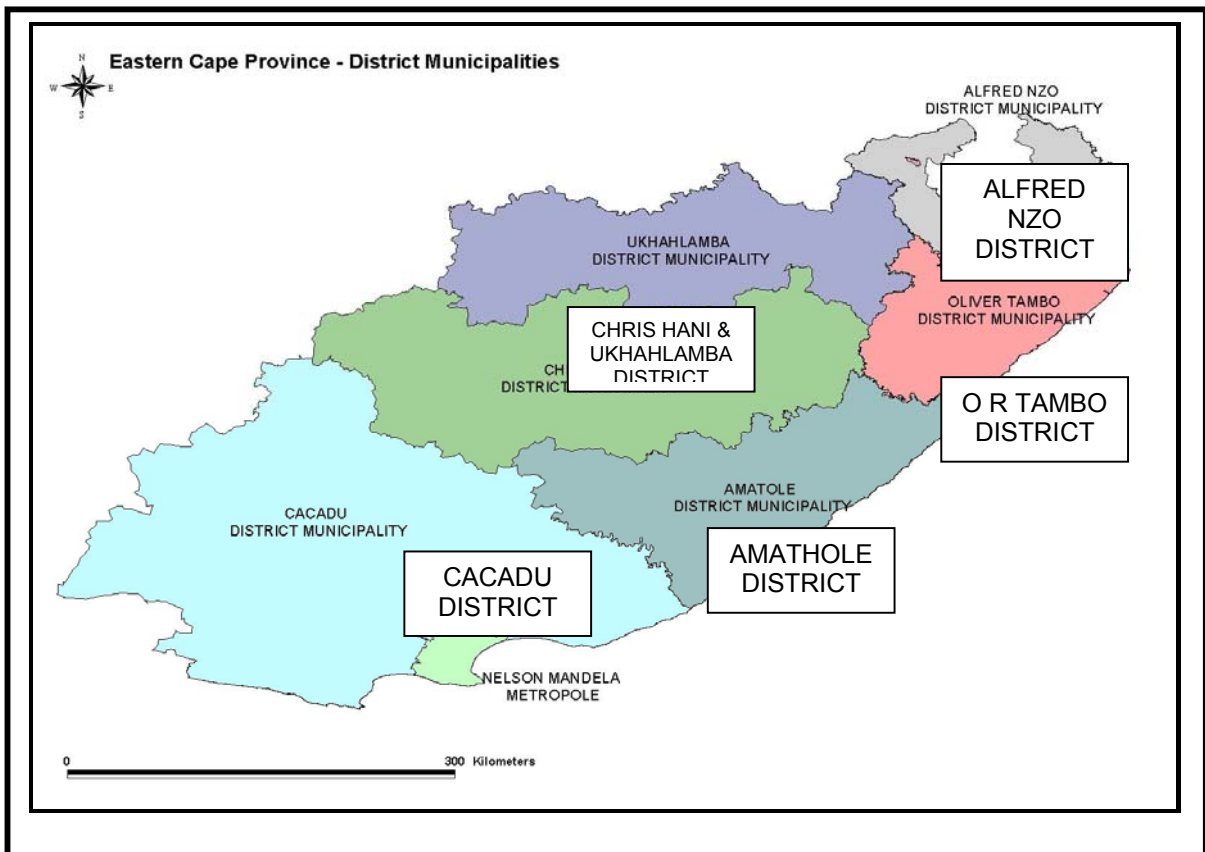




**Annexure 2: Reporting lines of senior managers down to Deputy  
Director level (with names)**



### **Annexure 3: Map showing organisational boundaries**



Regional Boundaries related to District and Metro Municipality Boundaries

- |    |   |  |
|----|---|--|
| 1. | <b>Cacadu District</b>                      | Nelson Mandela Metro Municipality<br>Cacadu District Municipality    |
| 2. | <b>Amathole District</b>                    | Amathole District Municipality                                       |
| 3. | <b>Chris Hani &amp; Ukhahlamba District</b> | Chris Hani District Municipality<br>Ukhahlamba District Municipality |
| 4. | <b>O R Tambo District</b>                   | O R Tambo District Municipality                                      |
| 5. | <b>Alfred Nzo District</b>                  | Alfred Nzo District Municipality                                     |