



PROVINCE OF THE EASTERN CAPE

**DEPARTMENT OF ECONOMIC AFFAIRS,
ENVIRONMENT AND TOURISM**

STRATEGIC PLAN

for the MTREF Period

2003/04 to 2005/06

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¹ This Strategic Plan was compiled in accordance with the revised Generic Format for Strategic Plans, dated July 11 2002.

Part A: Strategic Overview

A.1 Statement of policy and commitment by the MEC

The objective of the Department of Economic Affairs, Environment and Tourism is to facilitate economic growth and development in the Province by establishing an environment that promotes investment by private sector interests. This objective is pursued in a context of high unemployment, endemic poverty and huge backlogs in social and economic infrastructure, on the one hand, and the imperative to seek advantages from the dynamics of economic globalisation, on the other. The Department's responsibility, in these respects, is to implement new initiatives in national economic policies related to manufacturing development, black economic empowerment and the promotion of small business enterprise.

The decision to merge the Centre for Investment and Marketing in the Eastern Cape (CIMEC) with the Eastern Cape Development Corporation (ECDC) has resulted in a more financially viable corporation that has taken up the challenge of developing the Provincial economy. Progress by the restructured ECDC includes the following:

- New financial products based on commercial sustainability and a targeted developmental impact have been designed and implemented in conjunction with private sector partners, particularly to finance SMME businesses.
- Through pro-active investment promotion, the corporation was instrumental in increasing the value of new investments made in the Province to over R450 million in the 2002/03 financial year.
- The Wild Coast Spatial Development Initiative (SDI) was re-organised, and a programme manager, located in the ECDC, was appointed. To an increasing extent, the activities of the Wild Coast SDI should focus on the development and enhancement of communities in the area, rather than being predominantly an investment-related mechanism.

The ECDC's operational functions will be supported by developing an improved small business advocacy role for the Department, which will be implemented during the 2002/03 financial year through the appointment of a Director in the SMME component of the Economic Affairs Programme. This initiative emphasises the importance that is attached to strengthening the operational and policy-related associations between the Department and the ECDC.

The Coega and East London Industrial Development Zones (IDZs) have progressed significantly and both are poised for substantial development over the next three years. Preliminary arrangements for essential infrastructure-related tenders were concluded and construction commenced during the 2002/03 financial year. These developments emphasise the Department's commitment to establish a facilitating environment within which private sector investment can take place. The IDZs constitute integral components of the Integrated Development Plans (IDPs) of the Nelson Mandela Metropole and the Buffalo City Municipality, which is an indication of the imperative for inter-governmental co-operation and budget alignment amongst all spheres of government.

The process of building stronger Municipalities with clear developmental responsibilities is now well under way through the formulation of IDPs. Outreach programmes undertaken by the Executive Council in all parts of the Province have indicated where community priorities lie and have highlighted areas where serious gaps in social and economic infrastructure and service delivery still exist. The IDPs must seek to address these priorities and shortcomings. However, IDPs are only the first step towards comprehensive re-construction and economic development. Much depends on the extent to which constructive community participation with public and private sector interests towards implementation can be secured. District, Metro and Local Municipal Councils have an important responsibility in this regard, particularly through the Inter-Governmental Forum.

The Eastern Cape Tourism Board (ECTB) continues to promote the Province as a first-choice destination for domestic and foreign tourists. The ECTB's principal objective is to ensure that more people benefit from the tourism industry through access to opportunities for real participation in business-related aspects of the tourism industry. An extended process of developing a Tourism Master Plan for the Province is nearing completion and will be implemented during the 2003/04 financial year.

The ECTB participated in the Tourism Indaba 2002 and the World Wilderness Congress, and these events provided additional opportunities for promoting the Province.

The policy directive regarding the transfer of the procurement function of the Environmental Affairs Protected Areas division to the ECTB was implemented and has addressed most of the constraints experienced by reserve managers.

The Eastern Cape Gambling and Betting Board (ECGGB) continues to manage the administration and regulation of the gaming industry in the Province. Operating casinos have been licensed at Bizana (Wild Coast), Port Elizabeth (Boardwalk) and East London (Hemingways); and the horseracing industry continues to operate at two racecourses in Port Elizabeth, though under difficult circumstances caused by increased competition in the industry. The Department and the ECGGB are acutely aware of the potential social problems arising from increased access to gambling opportunities in impoverished communities. The ECGGB has established a specific initiative to address the issue of problem gambling.

The administration and regulation of the liquor industry in the Province is undertaken by the Eastern Cape Liquor Board. Significant progress was made towards dealing with license application backlogs and establishing a sound information management system for the industry. The Provincial Liquor Bill has been completed and will be submitted to the Legislature during the 2002/03 financial year.

During the course of the 2002/03 financial year, the Department successfully concluded the restructuring of the ECDC and began to establish foundations for closer inter-departmental and inter-governmental co-operation in terms of Municipal Integrated Development Planning, the Integrated Sustainable Rural Development Programme, the Urban Renewal Programme, and the need to align IDP budgets

with the Strategic Plans of sector Departments and parastatal organisations. The need to involve private sector and civil society interests in these initiatives is clear. No single organisation can assume responsibility for developing this Province. It must be approached on the basis of shared responsibility in order to maximise the application of our scarce resources.

A.2 Overview by the accounting officer

During the 2002/03 financial year there was a slight increase in the budget allocation compared to the previous year. One needs to point out that no matter how much the budget is increased, the needs of the Eastern Cape always exceed the amounts available. Be that as it may, the Department has managed to allocate its limited resources to the various programmes and statutory organisations under its control.

The work of the administration section of the Department was enhanced by the appointment of the Chief Financial Officer (CFO). The appointment of this official has made a big difference both in the Human Resources and Financial Administration divisions in the Department. It has also helped to boost the morale of the officials in these areas. The Department appreciates the endeavours and support made by the Provincial Treasury in appointing a CFO support person who assisted the Department before the appointment of the Chief Financial Officer.

The work of the Information Management, Policy Analysis and Research Section is beginning to gel and the Department is reaping the wisdom of establishing such a unit. This section is involved in a number of projects including, amongst others, the integrated sustainable rural development, urban renewal, sugar beet and hemp projects, provincial tourism strategy amongst others. It has also been instrumental for the enhancement of our intranet and the departmental Geographic Information System (GIS) and has assisted in the hosting of the provincial intranet.

The Economic Affairs Section was hit by the departure of the Chief Director during the third quarter of 2001/02 financial year. However this section managed to see to the appointment of Consumer Tribunal in March 2002. The Eastern Cape Liquor Bill will be piloted through the Legislature during 2002/03.

The appointment of Chief Director and Director in Environmental Affairs during the latter part of the year has contributed to the stability of the sections. The section will be presenting two Bills to the legislature during the course of 2002/03.

The Department has continued to support its statutory organisations despite its limited resources. The declaration of the Coega and East London IDZs as industrial zones had a positive effect to the economy.

The Department continued to have good working relations both with The Department of Environmental Affairs and Tourism (DEAT) and the Department of Trade and Industry (DTI).

A.3 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.

A.4 Mission and strategic goals

The Department's **mission** is 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.

Strategic Goals

- Develop a sound understanding of the nature and dynamics of the Provincial socio-economic base.
- Establish a sound approach to implementing the Microeconomic Reform Strategy and the associated Integrated Manufacturing Strategy.
- 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.
- Establish and maintain sector-focused institutional structures to ensure that quality services are available and delivered to all citizens of the Province.
- Establish and maintain an effective organisational structure to ensure that the Department's services are available throughout the Province.
- Establish mechanisms and procedures for measuring key components of the Provincial economy in order to determine growth trends.
- Establish and maintain appropriate organisational systems to manage and administer the financial, operational and personnel resources in the Department and in its associated institutional structures.
- Establish and maintain effective staff training and empowerment programmes to maximise competence and performance.

A.5 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.

A.6 Legislative and other mandates

Programme Number, Name and Core Function	Mandate	Description
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.
2 Information Management, Policy Analysis and Research: Development, review and assessment of policy planning issues and associated research	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, Policy Analysis and Research:	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.
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 memorandum of understanding between the Department and the DTI.	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 new 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 Master Plan	Provides legal and operational frameworks for tourism promotion.
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: Liquor administration	Liquor Act 27 of 1989. National Liquor Bill of 2001. EC Liquor Act of 2002 (Gazetted).	Regulate the retail sale and distribution of liquor in the Province.
4	Environmental Affairs: Protected Area Management	White Paper on Coastal Management. Environmental Management White Paper. Bio-diversity White Paper. Nature and Environmental Conservation Ordinance 19 of 1974. Ciskei Conservation Act 10 of 1987. Transkei Environmental Conservation Decree 9 of 1992. 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.	Implementation, regulation and administration of legislation related to environmental management and development in protected areas.
4	Environmental Affairs: Integrated Environmental Management	Integrated Pollution and Waste Management Policy (IP&WM, 2000). Biodiversity White Paper. White Paper on Coastal Management. Sea Shore Act 21 of 1935. Environment Conservation Act 73 of 1989. National Environmental Management Act 107 of 1998. Marine Living Resources Act of 1998. Problem Animal Control Ordinance 26 of 1957.	Implementation and regulation of legislation related to environmental protection and management.

4	Environmental Affairs : Environmental Education Community Liaison Services	Environmental Management White Paper. Biodiversity White Paper. National Environmental Management Act 107 of 1998. Environment Conservation Act, 1989.	Promotion of environmental understanding through the implementation of environmental education services.
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A.7 Description of status quo

More than three quarters of the 6.7 million people in the Province live in rural areas, particularly in the previous bantustan territories, and more than half of these live in poverty. This means that the Province is characterised by extreme spatial inequalities, which are aggravated by uneven distributions of economic and social infrastructure. The challenge for the Department and the Provincial Government is to develop and implement programmes and projects that will seek to address such inequalities and to build a better life for all.

More detailed information regarding the current conditions in the Province is contained in Part C: Background Information.

A.7.1 Summary of service delivery environment and challenges

The Province of the Eastern Cape is characterised by high levels of entrenched poverty and unemployment, aggravated by severe spatial inequalities. These are indicated in Part C: Appendix 1. The principal challenge for the Department is to ensure that its services are equitably distributed through the Regional Offices and the appropriate devolution of functions to the Local Government sphere.

A.7.2 Summary of organisational environment and challenges

The principal operational activities of the Department are conducted through Parastatal and Statutory Organisations (Public Entities), which are accorded specific functional responsibilities that are implemented in accordance with the Department's Strategic Plan. These are the following:

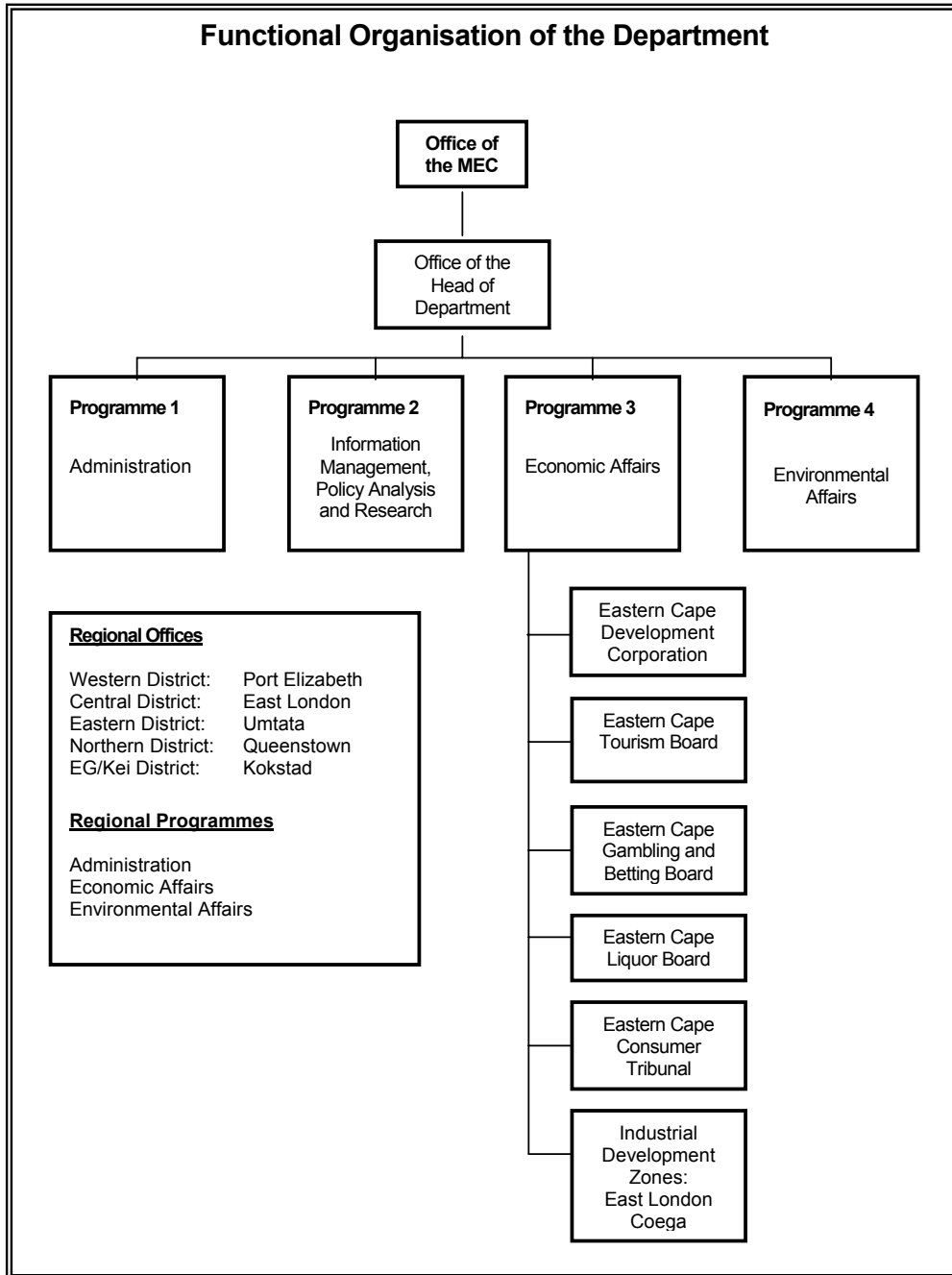
- Eastern Cape Development Corporation (ECDC),
- Eastern Cape Tourism Board (ECTB),
- Eastern Cape Gambling and Betting Board (ECGBB),
- Eastern Cape Liquor Board,
- Eastern Cape Consumer Tribunal,
- Coega Development Corporation (CDC), and
- East London Development Zone Corporation (ELDZC).

The legal, administrative and financial relationships between the Department and the Parastatal and Statutory Organisations will be formalised through appropriate Performance Agreements and Memoranda of Understanding.

The Department's operations are managed by a Head Office, located in Bisho, and directed through five Regional Offices located in Port Elizabeth, East London, Umtata, Queenstown and Kokstad. Regional Directors facilitate, co-ordinate and monitor activities related to the Department's overall goals and objectives as reflected in the Strategic Plan.

The Department's Head Office maintains close working relationships with the National Departments of Trade and Industry (DTI) of Environmental Affairs and Tourism (DEAT), in terms of policy formulation and implementation strategies.

Significant strategic challenges that the Department must deal with during the 2002/03 to 2004/05 period are concerned with the appropriate devolution of functions to local government institutions.



A.8 Description of strategic planning process

The Strategic Plan was formulated as an extension of the Departmental Strategic Management Plan for 2000/01-2002/03. The process consisted of a number of concentrated working sessions, which involved the entire management structure of the Department and its associated parastatal and statutory organisations.

Opportunities for participation by other personnel was also accorded through Programme and parastatal organisation sessions arranged by the respective Programme Managers and CEOs. Where relevant, the Boards of Directors of parastatal organisations were also involved in specific strategic planning procedures.

Significant inputs were also received from the Regional Directors located in the Department's Regional Offices. These offices constitute important decentralised delivery mechanisms for the Department's activities and their inputs were informed by opinions and feedback received from local community interest groups.

A comprehensive strategic planning session, involving the Department and the parastatal and statutory organisations, was held on September 19-20 2002. The outcomes from this session were applied towards revising the Strategic Plan for the period 2003/04 to 2005/06.

Part B: Three-year Strategic Plan

B.1 Strategic Objectives

The following objectives have been formulated for the four programmes of the Department:

Programme 1: Administration

By the end of March 2005, the Department's programme for financial, personnel and provisioning administration shall have enhanced its effectiveness and efficiency through the establishment of improved organisational structures, work procedures and the appointment of sufficiently skilled staff.

Programme 2: Information Management, Policy Analysis and Research

By the end of March 2005, mechanisms and procedures will be in place to meet departmental and legislative requirements regarding information management, policy analysis and research.

Programme 3: Economic Affairs

By the end of March 2005, to promote economic development by focusing on the empowerment of SMME entrepreneurs, investment promotion, tourism promotion, the implementation of SDIs, IDZs and Industrial Cluster Initiatives and through the efficient and effective marketing of the Eastern Cape,

and

To establish and manage mechanisms for the administration and regulation of the retail liquor industry, gambling and betting and protecting the rights of consumers, consumer education and trade metrology inspections.

Programme 4: Environmental Affairs

By the end of March 2005, to ensure the conservation of bio-diversity and the protection of the environment through the ecologically sustainable, economically efficient and socially equitable use of the environment in the Eastern Cape.

B.2 Measurable objectives, activities, outputs and delivery measures.**PROGRAMME 1: ADMINISTRATION**

Measurable objective	Output	Performance Indicator (Quality/ Quantity)	Timeliness measure
Full implementation of Performance Management System	Performance Agreements implemented in all programmes for all employees	Regular reports meeting the requirements of PMS	30 March 2003 for levels 9 - 15 30 April 2003 for levels 1 – 8
Capacity building to maximize human resource performance	Skills audit report Skills Development Plan 60% of employees trained in necessary competencies. Personal Developmental Plans	Periodic evaluation of performance on quarterly basis	June 2003 April 2003 March 2004 Quarterly
Maximize utilization of communication systems	Effective systems of communication between Head Office, Regional Offices and Parastatals in place and fully utilized.	Computer Systems. Management Tools. Communication officer's report.	Ongoing Quarterly
Develop an appropriate Organogram	An approved Organogram	Identification of vacant posts. Appropriate placement. Conduct periodic reviews.	June 2003
Develop internal control systems and risk management mechanisms	Procedure manuals. Segregation of duties. Safety of face value forms.	Auditor General reports. Financial oversight reports.	June 2003 September 2003 June 2003
Produce a credible budgetary framework	Credible budgets	Budget committee meetings. Departmental budget indibano.	Quarterly Annually
Keep personnel records straight	Updated records in the Persal system	Monitor progress through monthly meetings. Certified payrolls by pay point.	Quarterly
Align the HRM plan with transformation imperatives	HRM Plan Retention strategy Employment Equity plan Appropriate placements Improved productivity	External and internal Service delivery audits. Job satisfaction Assessments	30 April 2003 August 2003 30 April 2003
Provide a healthy, safe and secure environment.	Compliance with the Act Improved productivity. Reduced staff turnover rate.	Safety checks. Performance assessment. Staff turnover reports.	Quarterly
Ensure reporting according to the PFMA and Treasury regulations.	Compliance with PFMA and Treasury regulations.	Monthly reports. Annual reports. Annual Financial statements	Monthly Annually
Maximize revenue collection in the Department.	Revenue collection strategy. Data base of sources of	Audit of revenue collection. Revenue collection	June 2003 May 2003

Measurable objective	Output	Performance Indicator (Quality/ Quantity)	Timeliness measure
	income. Revenue Procedure Manual.	reports	June 2003
Ensure that all programs spend according to FORI	No unauthorized, irregular, and fruitless expenditure.	Commitments register. Bank/ Creditors reconciliation report. Suspense reconciliation.	Monthly Monthly Monthly
Produce and implement an asset management system.	Asset register. Asset management plan.	Asset Disposal committee. Annual Asset verification	Quarterly Annually
Produce goods and services in an efficient, cost effective and equitable manner.	Departmental Procurement policy. Equity in procurement systems. Data base of service providers. Compliance with Provincial Tender Regulations.	Procurement committee reports	Quarterly
Intensify HIV/AIDS awareness within the department.	Improved tolerance and understanding among personnel. Departmental HIV/AIDS Strategy. HIV/AIDS demystified	Increase in voluntary testing	Ongoing July 2003 Ongoing

Programme 2: Information Management, Policy Analysis and Research

Programme Objectives

- To service the economic, environmental and tourism-related research requirements of the Department.
- To review, revise, formulate and continuously update economic, environmental and tourism policy in the context of the Province's Constitutional mandate, competencies and responsibilities.
- 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.
- To investigate and assess the strategic and financial prospects for devolving provincial operational functions to District, Local and/or Metro Municipalities and to make recommendations to the Executive Authority.
- To establish and maintain research and capacity building relationships with District Municipalities in terms of Local Economic Development (LED) and Integrated Development Plans (IDPs).
- To participate in Provincial Government initiatives to establish an operational role for the Economic Growth and Development Cluster and the Inter-Governmental Forum.
- To participate in Provincial Government initiatives associated with the priorities determined at the 2002 Budget Indibano:

- Social Security Improvement,
 - Integrated Sustainable Rural Development,
 - HIV/Aids,
 - Public Sector Reform,
 - Procurement Reform and Service Delivery Turnaround Times,
 - Provincial and Local Integrated Planning and Urban Renewal, and
 - Small Business Development.
-
- To participate in procedures to determine appropriate trade-offs between economic and social infrastructure, particularly in the context of rural development and urban renewal.
 - To promote and facilitate the establishment of a comprehensive, integrated Provincial Information Management System, including a GIS facility, based in the Office of the Premier.

Programme 2 - Information Management, Policy Analysis and Research: Specific Contributions to Departmental Strategic Goals.

Department of Economic Affairs Strategic Goals	Specific Outputs (Final goods/services produced or delivered)	Output Measure/Indicator	Target and Timeliness Measure
Develop a sound understanding of the nature and dynamics of the Provincial socio-economic base.	Review of the Provincial Socio-Economic Base. Report dealing with basic socio-economic data derived from secondary sources.	Information available in hard copy and CD-ROM. 10 hard copies distributed to key Provincial Government data users. 20 CDs produced for distribution as required.	Total cost to date: R 200,000.00 Completed in December 2002. Requires on-going updating, probably annually.
Establish a sound approach to implementing the Microeconomic Reform Strategy and the associated Integrated Manufacturing Strategy.	Information and guidance made available to public and private sector interests regarding the nature and intent of the MRS and the IMS. Updates based on information flows from DTI.	Presentation by DTI arranged in September 2002. Inclusion of MRS/IMS policy directions in the ECDC Strategic Plan.	On-going contact with DTI through established channels. Dissemination to Local Government level through District Municipalities planned for 2003/04.
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.	Assessment of District Municipality LED components in IDPs. Alignment of DM IDP budgets with Provincial Government sector department Strategic Plans.	Discussions with DMs regarding IDP/LED content and plans. Reports on assessment of alignment for IGF/OoP.	Commenced in 2003/04. On-going throughout MTREF period and beyond. Quarterly reports to IGF/OoP from mid-2003.
Establish and maintain sector-focused institutional structures to ensure that quality services are available and delivered to all citizens of the Province.	Policy analysis and research services dealing with economic development, environmental policy and tourism available to Provincial Government Departments and Public Entities.	Appropriate information management systems established to ensure adequate communication regarding policy analysis and research services.	Review of socio-economic base disseminated during 2003/04 and beyond. Effective linkage established with ECDC and ECSECC data bases by the end of 2003/04.

Department of Economic Affairs Strategic Goals	Specific Outputs (Final goods/services produced or delivered)	Output Measure/Indicator	Target and Timeliness Measure
Establish and maintain an effective organisational structure to ensure that the Department's services are available throughout the Province.	Programme 2: Information Management, Policy Analysis and Research established as an operating component of the DEAET.	Operational Plan for 2003/04 concluded. Personnel requirements addressed.	Operational Plan completed. Systems established for implementation during 2003/04. Extended beyond 2003/04, based on current year experiences.
Establish mechanisms and procedures for measuring key components of the Provincial economy in order to determine growth trends.	GDPR Working Group outputs for the Province. Indicators developed in collaboration with ECDC/ECSECC.	GDPR Provincial data compiled and submitted to Stats SA. Indicators identified and agreed upon.	Process concluded by September/October 2003. On-going data identification and collection process to improve quality of information.
Establish and maintain appropriate organisational systems to manage and administer the financial, operational and personnel resources in the Department and in its associated institutional structures.	Programme structure indicated in the DEAET Strategic Plan. Operational intent indicated in annual Operational/Business Plan.	Effective systems and procedures related to information management, policy analysis and research established in collaboration with key interests.	Working Programme established by the end of 2003/04.
Establish and maintain effective staff training and empowerment programmes to maximise competence and performance.	Skilled and trained personnel to conduct the Programme's commitments, in the context of the DEAET Skills development Plan.	Training and capacity building courses, seminars, conferences attended as required.	On-going activities throughout the MTREF period and beyond.

Activities Related to Strategic Objectives for 2002/03 to 2004/05

The activities to be undertaken to address the Strategic Objectives for Programme 2 extend over the three-year MTEF period, and are indicated below:

Research and Policy Analysis

Objectives/Activities	Outputs	Delivery Measures
Review of the Provincial Socio-Economic Base.	Report in hard copy, CD and Internet. Budget of R200 000 for 2001/02 transferred to ECDC in October 2001. Initial product scheduled for June 2002. On-going activity through 2004/05 and beyond. To be updated at the end of each year.	Key planning information made available to government, private sector and civil society interests.
Rural Development: <ul style="list-style-type: none"> ▪ Integrated Sustainable Rural Development Strategy (ISRDS) ▪ Rural Livelihood Programme (RuLiv). ▪ Rural Economic Development Zones (REDZ). ▪ East London-Umtata Railway. 	Constructive research and advisory services to rural development planning and implementation. On-going activity through 2004/05 and beyond. These are medium- to long-term programmes and projects.	Improved rural livelihoods based on specific project objectives, including: <ul style="list-style-type: none"> ▪ Increased household income. ▪ Reduced unemployment. ▪ Increased production and food security. ▪ Improved measures to address HIV/Aids. Based on direct co-operation with Departments of Local Government and Housing, Transport and Agriculture.
Development Planning: <ul style="list-style-type: none"> ▪ Spatial Development Plan. ▪ Growth and Development Plan. ▪ Land Transport Framework. ▪ Integrated Provincial Support Programme. ▪ Infrastructure Development Plan. ▪ District Municipality IDP and LED Plans. 	Integrated development planning documents through inter-departmental and inter-governmental collaboration. On-going activity through 2004/05 and beyond. These are medium- to long-term programmes and projects.	Improved co-ordination and alignment in development planning procedures: <ul style="list-style-type: none"> ▪ Basis for Local Government IDP formulation. ▪ Job creation through LED. ▪ Economic development capacity building in District Municipalities. ▪ Improved co-ordination through the Economic Growth and Development Cluster. Based on co-operation with the Departments of Local Government and Housing, Transport, the Office of the Premier and the Inter-Governmental Forum.
Functional Devolution to the Local Government Sphere.	Review and report on the prospects and feasibility for devolving designated functions to Local Government	Improved service delivery at the level closest to the people.

Objectives/Activities	Outputs	Delivery Measures
	<p>institutions. On-going activity through 2004/05 and beyond. These are medium- to long-term programmes and projects.</p>	
<p>Environmental Policy Planning:</p> <ul style="list-style-type: none"> ▪ Environmental Implementation Plan. ▪ State of the Environment Review. ▪ Operational guidelines and policies. 	<p>Policy and planning reports and documents to facilitate environmental co-ordination and development. On-going activity through 2004/05 and beyond. These are medium- to long-term programmes and projects.</p>	<p>Improved co-ordination in environmental planning procedures, including:</p> <ul style="list-style-type: none"> ▪ Inter-governmental focus on key environmental issues. ▪ Inclusion of environmental considerations in Local Government IDPs.
<p>Protected Landscapes.</p>	<p>Prepare a concept proposal for establishment of Protected Landscapes incorporating:</p> <ul style="list-style-type: none"> ▪ GIS coverage. ▪ Visual presentations. ▪ Gathering of tourism and land usage data. 	<p>Completion of concept proposal.</p>
<p>Environmental Information Management System.</p>	<p>To be completed in modules over the MTEF. Modules to include:</p> <ul style="list-style-type: none"> ▪ Structure and consolidation of legislation, policies and guidelines. ▪ Reporting on National meetings and decisions taken by the DEAT. ▪ Database for Permits, Licenses and Authorisations. ▪ Database for Nature Reserve Management Plans. ▪ Database for Eastern Cape Protected Areas. ▪ Procedures for Local Agenda 21 and State of the Environment reporting. ▪ Waste Management Information Systems. ▪ Environmental capacity assessment, development and monitoring in Local Government institutions. ▪ Developing and maintaining environmental GIS data sets to be made available on the Departmental Intranet whilst providing data and support to the Office of the Premier. ▪ Environmental Implementation Plan reporting as required in terms of the National 	<p>Time frames and key deliverables over the period of implementation to be determined in Workshop exercises.</p> <ul style="list-style-type: none"> ▪ Workshop with Environmental Affairs to determine structure & implementation thereof. ▪ Reports available on intranet. ▪ Completion of CAE database & one other (2002/3). ▪ Plans available on intranet. ▪ Establishment of database. ▪ Waste Information System integrated with National system. ▪ Mechanism for assessment & monitoring. ▪ Environmental GIS datasets consolidated on ArcIMS. ▪ Monitoring and reporting on EIPs.

Objectives/Activities	Outputs	Delivery Measures
	Environmental Management Act (NEMA).	
Environmental training.	Updating of training plans according to work areas.	Implementation of training according to training plans.
Value-Added Primary Production. Hemp, Sugar Beet, Chicory, Mariculture, Vegetables for Canning, Heavy Metals, Coal.	Evaluated prospects for local value adding in primary production sectors. Proposals for facilitating local processing and manufacturing. On-going activity through 2004/05 and beyond. These are medium- to long-term programmes and projects.	Expanded opportunities for rural development, especially through backward linkages into hinterland areas.
Urban Spatial Integration: ▪ King William's Town-Bisho. ▪ Mdantsane-East London (Urban Renewal Strategy).	Review of planning imperatives required for addressing the urban spatial consequences of apartheid urban structures. On-going activity through 2004/05 and beyond. These are medium- to long-term programmes and projects.	Guidelines for IDP formulations.
Institutional Development: ▪ Economic Growth and Development Cluster. ▪ Cabinet Committee on Economic Growth and Development. ▪ Inter-Governmental Forum. ▪ Provincial IDP Forum. ▪ Integrated Provincial Support Programme.	Organisation and improvement of key development planning institutions and systems. On-going activity through 2004/05 and beyond. These are medium- to long-term programmes and projects.	Co-ordinated policy planning and implementation procedures for sustainable economic growth and development. Based on co-operative interaction with the Office of the Premier, the DBSA and the UNDP.
Industrial Incentives Schemes	Review and presentation reports on prospects for innovative incentives for industrial investment promotion. On-going activity through 2004/05 and beyond. These are medium- to long-term programmes and projects.	Guidelines for Local Government IDP formulation and inter-governmental co-operation. Based on cooperative interaction with the ECDC, DTI, IDZs and Local Government institutions.
Export Promotion Strategies	Review and presentation reports on prospects for promoting an export-oriented industrial base, particularly in terms of the Industrial Development Zones at East London and Coega. On-going activity through 2004/05 and beyond. These are medium- to long-term programmes and projects.	Guidelines for SME development and a constructive role for Business Chambers, ECDC/DTI and District Municipality Economic Development Units.
Tourism Development: ▪ ECTB Tourism Master Plan. ▪ State of Tourism in District,	Plans and reports for facilitating all aspects of tourism development as	Guidelines for SME development, Local Government IDP formulation

Objectives/Activities	Outputs	Delivery Measures
Local and Metro Municipalities. <ul style="list-style-type: none"> ▪ Tourism Information Data Base. ▪ Provincial Tourism Surveys. ▪ Tourism Poverty Relief monitoring. 	reflected in the ECTB Tourism Master Plan. Liaison and co-ordination with the National DEAT. On-going activity through 2004/05 and beyond. These are medium- to long-term programmes and projects.	and ECTB operational systems.
Industrial Development Zones (IDZs) <ul style="list-style-type: none"> ▪ East London IDZ. ▪ Coega IDZ. 	Facilitate the realisation and successful development of the East London and Coega IDZs. Monitor the implementation of the DTI Memorandum of Understanding regarding IDZ developments in the Province. On-going activity through 2004/05 and beyond. These are medium- to long-term programmes and projects.	Access to new opportunities for productive investment and job creation in the Province.
Provincial Liquor Act	Legislation to regulate the retail sale and distribution of liquor in the Province. Project to be concluded in early 2003.	Direction and guidance to the public regarding the regulation of retail sales of liquor.

Information Management

Objectives/Activities	Outputs	Delivery Measures
Hardware and Software Management and Maintenance.	Effective information systems and facilities in the Department. On-going activity through 2004/05 and beyond. These are medium- to long-term programmes and projects.	Effective operating systems and updated software facilities to service Departmental programme needs.
Departmental Intranet and Internet Facilities.	Establish and maintain effective and accessible Intranet and Internet systems. On-going activity through 2004/05 and beyond. These are medium- to long-term programmes and projects.	Departmental access to financial, planning and organisational information. Effective Internet service to the public.
Master Systems Plan and Departmental Information Management Policy.	Effective Departmental Master Systems Plan for information co-ordination and management. On-going activity through 2004/05 and beyond. These are medium- to long-term programmes and projects.	Efficient information systems planning for Departmental needs. Clear guidelines regarding Departmental information management systems, access and procedures.

Objectives/Activities	Outputs	Delivery Measures
Computer Support to Users.	IT facilities and equipment updated on a regular basis. On-going activity through 2004/05 and beyond. These are medium- to long-term programmes and projects.	Enabling IT environment for Departmental personnel.
Computer Training.	On-going computer-related training services to Departmental personnel. On-going activity through 2004/05 and beyond. These are medium- to long-term programmes and projects.	IT skills and capacity development promoted in the Department.
Library and Resource Centre.	On-going development of a comprehensive resource and information centre in the Department. On-going activity through 2004/05 and beyond. These are medium- to long-term programmes and projects.	Access to current information by Departmental personnel and external users.

Programme 3: Economic Affairs*Programme Objectives*

To promote economic development by focusing on the empowerment of SMME entrepreneurs, investment promotion, tourism promotion, the implementation of SDIs, IDZs and Industrial Cluster Initiatives and through the efficient and effective marketing of the Eastern Cape.

Activities Related to Strategic Objectives for 2002/03 – 2004/05

Objective/ Activity	Outputs	Delivery Measure
Ensure that the economic development functions assigned to Public Entities are efficiently and effectively implemented.	Successfully operating Public Entities with integrated Strategic Plans linked to the Department's Strategic plan and MTREF Budget.	Quarterly Reports reflecting operational progress and performance against budget.

1. Eastern Cape Development Corporation (ECDC)

Established in terms of Act No.2 of 1997 (EC), the aims of ECDC are to plan, finance, co-ordinate, market, promote and implement the development of the Eastern Cape Province and all its people in the fields of industry, commerce, agriculture, transport and finance.

The Department of Economic Affairs, Environment and Tourism of the Eastern Cape Government holds all shares in ECDC, and the Corporation is the official economic development agency for the Government of the Eastern Cape province.

The Board of Directors, to which ECDC reports, represents government, business, labour and the disabled, as appointed by the provincial MEC for Economic Affairs, Environment and Tourism.

The Vision of the ECDC is to be a primary contributor to the economic prosperity of the Eastern Cape Province through promoting private sector development.

The ECDC has five core functional areas, which are closely integrated to facilitate economic growth in all sectors of the economy of Eastern Cape.

Investment Promotion: ECDC promotes and facilitates foreign direct investment and domestic investment into the Eastern Cape Province. Assistance is given at each stage of the investment process: initial enquiry, pre-feasibility, feasibility, establishment and aftercare.

Trade Promotion: ECDC works with local manufacturers to facilitate the export of goods from the province. Services include: export readiness assessments, product development, marketing and technical assistance.

Business Finance: ECDC, through strategic partnerships, provides access to enterprise finance for SMME development. Access is enhanced by supporting businesses financially where possible; facilitating the establishment of financial support institutions; and through structured finance investments by ECDC.

Business Development Service (BDS): ECDC works with accredited service providers to enhance SMME performance, through facilitating non-financial support.

Special Programmes: ECDC plays a catalytic and facilitating role in specific provincial economic development programmes. The most significant of these are the two Industrial Development Zones and the Spatial Development Initiative. Development projects with high economic impact are identified, packaged and promoted.

Table 1: Alignment of Specific Outputs of the ECDC Public Entity with the Relevant Departmental Strategic Goals

Department of Economic Affairs Strategic Goals	Specific Outputs (Final goods/services produced or delivered)	Output Measure/Indicator	Target and Timeliness Measure
Develop a sound understanding of the nature and dynamics of the Provincial socio-economic base.	<ul style="list-style-type: none"> The organization and presentation of various seminars and workshops. Interaction with various economic stakeholders to ascertain requirements and factors influencing the Provincial economy. Participation in the Provincial Growth and Development Plan. 	<ul style="list-style-type: none"> A minimum of 6 seminars. Provision of a detailed plan for the development of the Province through to 2014. 	All target dates are ongoing through the 2003/2004 financial year (unless otherwise specified)
Establish a sound approach to implementing the Microeconomic Reform Strategy and the associated Integrated Manufacturing Strategy.	<ul style="list-style-type: none"> Assist with policy formation and implementation (both provincial and National, e.g. DTI). Provision of SMME financial assistance. To facilitate new investments by providing a professional service that enables investors to meet their project needs. Investment promotion facilitated through image building, investment generation, investor servicing and project identification activities. Performance and completion of 12 Mintek studies with regards to mining in the province. 	<ul style="list-style-type: none"> Successful implementation and operation of the various strategies. Provision of approximately R 118 million SMME financing. Securing of R 623 million FDI and direct employment for 623 individuals. Facilitation of 50 new local projects and 5 000 jobs (over the next 3 years). Completion of pre-feasibility study in FeNi, EMD Plant and copper bio-leaching. 	All target dates are ongoing through the 2003/2004 financial year (unless otherwise specified)

Department of Economic Affairs Strategic Goals	Specific Outputs (Final goods/services produced or delivered)	Output Measure/Indicator	Target and Timeliness Measure
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.	<ul style="list-style-type: none"> • The provision through the project development unit of assistance with the facilitating of projects and funding thereof. • Building strong strategic linkages. 	<ul style="list-style-type: none"> • Facilitation of 50 new local projects and 5 000 jobs (over the next 3 years). • Approximately 15 strategic linkages established and / or maintained 	All target dates are ongoing through the 2003/2004 financial year (unless otherwise specified)
Establish and maintain sector-focused institutional structures to ensure that quality services are available and delivered to all citizens of the Province.	<ul style="list-style-type: none"> • All ECDC programs are already largely sector-focused. • Provision of sector-focused investment and trade promotion functions • Provision of SMME financing in all sectors, with special reference to the construction sector. • Assisting of business development services for the contractors and arts and craft sectors • Assistance and facilitation of business plan generation and securing of necessary funding in the agricultural sectors (inclusive of agro-processing) through project development 	<ul style="list-style-type: none"> • Limited public complaints • Adequate service delivery 	All target dates are ongoing through the 2003/2004 financial year (unless otherwise specified)

Department of Economic Affairs Strategic Goals	Specific Outputs (Final goods/services produced or delivered)	Output Measure/Indicator	Target and Timeliness Measure
Establish and maintain an effective organisational structure to ensure that the Department's services are available throughout the Province.	<ul style="list-style-type: none"> • A market demand and sector focused regional presence • Operation of 6 regional offices • Increased institutional capacity through staff development plan and identification of skills gaps • Introduction of a new MIS system to ensure better tracking and communication 	<ul style="list-style-type: none"> • Currently operational • Number of complaints limited to acceptable levels • Effective provision of services 	All target dates are ongoing through the 2003/2004 financial year (unless otherwise specified)
Establish mechanisms and procedures for measuring key components of the Provincial economy in order to determine growth trends.	<ul style="list-style-type: none"> • Through the interaction of our Research unit with various role players 		All target dates are ongoing through the 2003/2004 financial year (unless otherwise specified)
Establish and maintain appropriate organisational systems to manage and administer the financial, operational and personnel resources in the Department and in its associated institutional structures.	<ul style="list-style-type: none"> • Introduction of a new MIS system to ensure better tracking and communication • New MIS system to improve financial reporting and loan term calculations • Introduction of Performance Management to lower staff levels to improve service delivery and operational efficiency 	<ul style="list-style-type: none"> • New MIS system operational by 1 April 2003 • Anticipated "learning curve" problems addressed by June / July 2003 • Operational Performance Management system ensuring that staff efficiency and service delivery is improved 	All target dates are ongoing through the 2003/2004 financial year (unless otherwise specified)
Establish and maintain effective staff training and empowerment programmes to maximise competence and performance.	<ul style="list-style-type: none"> • Introduction of Performance Management to lower staff levels to improve service delivery and operational efficiency • Ongoing training of staff 	<ul style="list-style-type: none"> • Improved efficiency of all staff 	All target dates are ongoing through the 2003/2004 financial year (unless otherwise specified)

2. Eastern Cape Tourism Board (ECTB)

The ECTB was established in 1995 in terms of the Eastern Cape Tourism Board Act, 1995 (Act No 9 of 1995 EC).

The ECTB is an enabling and facilitating agent that works in partnership with public and private sector interests to promote the Eastern Cape as a destination of choice by domestic and foreign tourists.

The ECTB's mission is to realise the tourism vision for the Eastern Cape province by initiating, coordinating, facilitating and implementing appropriate and effective development and marketing strategies and activities that will benefit all stakeholders in the tourism industry.

In marketing the Eastern Cape, the ECTB adopts the brand name ***Eastern Cape: Naturally, South Africa's Best.***

Together with private and public sector interests in the Province, the ECTB has commenced a process of formulating a comprehensive Tourism Master Plan. The overall purpose of the Plan is to:

- Provide the tourism industry and community in the Eastern Cape with a longer-term framework for conducting their activities for the five-year period from 2002 - 2006.
- Enable individual businesses to anticipate, plan and prepare for potential changes, opportunities and threats.
- Provide the industry and community with a firm basis for planning financial and resource requirements.
- Isolate and develop key issues associated with the industry's development.
- Put in place programmes for improving the Eastern Cape's tourism industry, its profitability and performance.
- Stress the impact of tourism and its growing importance on employment in the Eastern Cape economy today and in the future.

The Tourism Master Plan is a living document that seeks to incorporate the tourism development initiatives of the private sector and those of District, Metro and Local Municipalities in the Province.

Table 2: Alignment of Specific Outputs of the ECTB Public Entity with the Relevant Departmental Strategic Goals

Department of Economic Affairs Strategic Goals	Specific Outputs (Final goods/services produced or delivered)	Output Measure/Indicator	Target and Timeliness Measure
Develop a sound understanding of the nature and dynamics of the Provincial socio-economic base.	Creation of a tourism culture in the province that is inclusive of all with specific emphasis on HDI	A thriving tourism industry that will contribute towards changing the lives of many people. A transformed tourism industry where the benefits are enjoyed by all including the majority of our people.	On going activity through 2003 – 2005 .
	Encourage the development of appropriate infrastructure for the different needs of the targeted markets.	A diverse product base for all the different market segments including the niche markets.	2003/2004 and ongoing monitoring of the trends w.r.t demands.
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.	Participate in all LED and IDP processes to ensure that tourism is prioritised and to give direction with regard to all tourism related opportunities and initiatives.	Tourism would be one of the core sectors upon which local economic programmes would depend.	2003/2004
	Encourage collaborative efforts through joint ventures and clusters for effective marketing.	Effective and inclusive clusters that will provide a complete experience in various regions thus opening up more opportunities.	2003-2006
Establish and maintain sector-focused institutional structures to ensure that quality services are available and delivered to all citizens of the Province.	Co-ordinate and facilitate the establishment of both local and regional institutional structures (RTO's and LTO's) throughout the Province for effective delivery of service and reaching out to the broader communities at large.	All local and district municipalities would have effective and vibrant tourism structures.	2003/2004 and ongoing

Department of Economic Affairs Strategic Goals	Specific Outputs (Final goods/services produced or delivered)	Output Measure/Indicator	Target and Timeliness Measure
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.	Promote management of biodiversity in order to maintain safe environment for present and future generations	Promote wise utilisation of natural resources through facilitation and capacity building programmes around Protected Areas Develop wildlife utilisation model to share resources through Public auctions	2003-2005 Ongoing (June month)
	Promotion and development of investment opportunities by outsourcing recreational tourism activities in Protected Areas	Outsourcing of recreational facilities in Protected Areas but starting with four reserves	2003-2004
Establish and maintain sector-focused institutional structures to ensure that quality services are available and delivered to all citizens of the Province.	Establish and maintain infrastructure in Protected Areas through the Public Works and Private Sector	Improve standard of infrastructure; roads; fences; tourists accommodation and staff accommodation to improve services in Protected Areas.	2003-2005

3. Eastern Cape Gambling and Betting Board (ECGBB)

The Eastern Cape Gambling and Betting Board was established in terms of the Gambling and Betting Act, 1997 (Act No. 5 of 1997) (EC) (as amended), which was brought into operation by various Proclamations, the initial Proclamation being Proclamation No. 5 of 1997 of 9 July 1997. The objective of the Board is to oversee all gambling and betting activities in the Province and matters incidental thereto, and to advise the MEC regarding matters related to gambling.

Amongst the most important functions of the Board are the licensing of the legal gambling industry, the regulation of licence holders, the collection of gambling taxes on behalf of the Province and taking steps to ensure the abolition of unlicensed gambling. In this regard, the Board undertakes licensing investigations and may issue and revoke licences and determine the conditions that apply to any licence.

It is the responsibility of the Board to ensure that an accountable and credible legal gambling industry exists in the Province and that internationally recognised standards in the industry are complied with.

The Board has allocated three Casino licences in the Province. These are the following:

Casino	Operator	Zone
Wild Coast Sun	Sun International	5
The Boardwalk	Emfuleni Resorts (Pty) Ltd	1
Hemingways	Tsogo Sun Emonti	2

Relevant statistics for the 2001/02 financial year released by the ECGBB are indicated below:

Gross Gaming Revenue	R million	Gambling and Betting Taxes Rmillion
Casinos	634.5	Casinos 20.4
Horse Racing	149.1	Horse Racing 3.3
Total	783.6	Total 23.7

Table 3: Alignment of Specific Outputs of the ECGBB Public Entity with the Relevant Departmental Strategic Goals

Department of Economic Affairs Strategic Goals	Specific Outputs (Final goods/services produced or delivered)	Output Measure/Indicator	Target and Timeliness Measure
Establish and maintain sector-focused institutional structures to ensure that quality services are available and delivered to all citizens of the Province.	Formulation of RFP for Limited Payout Machines (LPMs).	Issue of RFP for LPMs. Receipt of applications for LPMs.	31 January 2004 30 September 2003
	Benefit society through spin-offs/profits of gambling	Issue press statements and advertisements and implement programmes to assist the public.	April 2003 to March 2004 and ongoing
	Collection of complete and accurate gambling fees and taxes and timeous payment to the Province.	R30 million will be collected.	April 2003 to March 2004 and ongoing
	Implement, review and maintain an up to date, secure and appropriate information technology system that ensures optimal information and communication management.	Disaster recovery plan, security control policy and information technology system are in place and are reviewed and upgraded as and when required.	April 2003 to March 2004 and ongoing
Establish and maintain effective staff training and empowerment programmes to maximise competence and performance.	Implement and review human resources policies to ensure sound human resources practices and training and development of staff.	Updated human resources and remuneration policy and implementation of the training strategy.	April 2003 to March 2004 and ongoing

4. Coega Development Corporation (CDC)

The Coega IDZ is operated by the Coega Development Corporation (CDC), which is wholly owned by the South African government, through the ECDC. The Coega IDZ consists of 12,000 ha of industrial land, situated 20km east of the City of Port Elizabeth and adjacent to a new deepwater port on the Coega River, which is being developed.

Project status:

- DTI Critical Infrastructure Fund (CIF) allocation of R58 million for the financial year ending March 2002.
- Substantial completion of Break Pressure Tank.
- Completion of Coega Community Housing at Wells Estate as well as school.
- Strategic Provincial Political Intervention.
- Positive interaction with potential investors.
- Records of Decision on Ngqura Port and Rezoning.
- Investors interested in locating at Coega.
- Coega declared an IDZ.
- National Government committing to Ngqura Port and electricity upgrade.
- Appointment of consultants for final designs.
- NRA commenced construction of haul road.
- Marine tender issued in February 2002.
- Submission made to the Nelson Mandela Metro IDP.
- Economic impact studies on impact of potential investment.
- Provisional Operators Permit awarded to CDC in January 2002.

Table 4: Alignment of Specific Outputs of the CDC Public Entity with the Relevant Departmental Strategic Goals

Department of Economic Affairs Strategic Goals	Specific Outputs (Final goods/services produced or delivered)	Output Measure/Indicator	Target and Timeliness Measure
Establish and maintain sector-focused institutional structures to ensure that quality services are available and delivered to all citizens of the Province.	Job creation	No. of jobs created	No. of jobs created by June 2003
	Contracts awarded to targeted groups	Percentage and value of contracts secured by targeted groups	Percentage and value of contracts awarded by June 2003
	Creation of business opportunities	No. and value of linkages between IDZ Tenants and businesses in the EC	No. and monetary value of business linkages between IDZ tenants and businesses in the EC from 2005.
Establish and maintain appropriate organizational systems to manage and administer the financial, operational and personnel resources in the Department and its associated institutional structures.	Development and implementation of Corporate Governance Systems	Existence of Corporate Governance Systems	All systems in place and continually reviewed/audited
	Capacity development within and outside the CDC	Presence and implementation of developmental programmes for internal staff	Ongoing activity. To evaluate implementation in June 2003
		No of external people trained	Ongoing activity. To evaluate implementation in June 2004

5. East London Development Zone Corporation (ELDZC)

The East London Industrial Development Zone (IDZ) is managed by the East London Development Zone Corporation (ELDZC), which is a Section 21 Company established in 1999 to develop the IDZ and to attract investment by offering world class infrastructure and services.

The East London IDZ is located on the city's West Bank, adjacent to the existing port and airport, and has over 1,500 ha available for new industry. The IDZ will be developed and serviced in phases.

- Phase 1 includes 20 ha of fully serviced industrial land where construction has commenced.
- Phase 1A is a designated Customs Secured Area (250 ha).
- Phase 1 B (110 ha) adjacent to Phase 1A is an Industrial Services area.

The ELDZC (East London Development Zone Corporation) has identified a number of projects for the IDZ and several pre-feasibility studies have been completed. Projects identified include, motor component manufacturing, optical fibre manufacturing, metal press stamping mill, aluminium and magnesium high pressure moulding, pharmaceuticals, ceramics, wood products and textiles.

Progress made to date:

- Buffalo City Municipality transferred land to the ELDZC.
- Environmental Impact Assessment approved by Province.
- Intention to designate East London IDZ confirmed by DTI.
- Extensive Public Participation and Stakeholder support process.
- Internal Audit of Environmental Management System (for ISO 14001 accreditation).
- Rezoning of land for industrial purposes approved.
- National Ports Authority feasibility study for extension of the port.
- Spoornet study to investigate the upgrading of the Gauteng to East London rail link.
- Earth works started for the first two manufacturers to locate in the IDZ.
- External audit for ISO 14001 certification.

The ELDZC is the IDZ implementing agent and facilitates the process of positioning East London as the motor industry hub port for South Africa and Africa, and will seek joint venture equity and operation partners. Expressions of interest from engineering companies will be called for to undertake detailed engineering design for infrastructure. Once the design is completed, earthworks for Phase 1A and 1B will begin, involving R270 million worth of infrastructure development. Investments of R400 million have been concluded for Phase 1 of the IDZ. Phase 1A and 1B are large sites that still need basic services to be installed. Phase 1A, a 250 hectare site, is due to become the duty-free area, while Phase 1B is earmarked for a 110 hectare open industrial park. An agreement on the package of local incentive that will be offered by the ELDZC will be finalised shortly with the Buffalo City Municipality. The local government incentive packages will revolve around discounted service costs, as well as reduced rates.

Table 5: Alignment of Specific Outputs of the ELDZC Public Entity with the Relevant Departmental Strategic Goals

Department of Economic Affairs Strategic Goals	Specific Outputs (Final goods/services produced or delivered)	Output Measure/Indicator	Target and Timeliness Measure
Establish and maintain sector-focused institutional structures to ensure that quality services are available and delivered to all citizens of the Province.	<ul style="list-style-type: none"> • One Stop Shop Services • Administrative and logistical Infrastructure • Infrastructure to facilitate the operations of the IDZ (Road, rail, telecommunications, water, electricity, sewerage etc) 	<u>Developed</u> <ul style="list-style-type: none"> • One Stop Shop Services • Administrative and logistical Infrastructure • Infrastructure to facilitate the operations of the IDZ (Road, rail, telecommunications, water, electricity, sewerage etc) 	2003/2004 (Ongoing)
	<ul style="list-style-type: none"> • Implement a corporate identity and branding programme • Communicate with Media, Investment Agencies, etc and Advertising 	<ul style="list-style-type: none"> • Investor interest in the ELIDZ; • Positive coverage by local and international media; • Frequency of investment enquiries in the ELIDZ. 	Ongoing
	<ul style="list-style-type: none"> • Develop and implement a marketing strategy. • Actively market the ELIDZ to targeted investors. • Liaise with other investment agencies for co-ordination of investment promotion strategies. • Liaison with identified industrial sectors (e.g. motor vehicle) for co-ordination of investment promotion strategies; • Undertake local and international competitor analysis. • Finalise local and national incentives. • Deduce key competitive edge. • Close deals with investors. 	<ul style="list-style-type: none"> • Developed and implemented marketing strategy; • Number of potential investors identified and met with; • Deals concluded with investment agencies and potential investors introduced to ELDZC through such agencies; • Deals closed with industry sectors and investors to invest in the ELDZC 	2003/2004 (Ongoing)

Department of Economic Affairs Strategic Goals	Specific Outputs (Final goods/services produced or delivered)	Output Measure/Indicator	Target and Timeliness Measure
	<ul style="list-style-type: none"> • Implement, operate and maintain an Environmental Management System according to ISO14001. • Implement, operate and maintain an occupational health and safety management system according to OHSAS 18001. • Implement, operate and maintain a quality management system according to ISO 9000/2000. • Investigate integration of all management systems. 	<ul style="list-style-type: none"> • Sustained ISO14001 certification; • Compliance with Occupational health and Safety Management System according to OHSAS 18001 • Comply with ISO 9000/2000 • Established integrated management systems 	2003/2004 (Ongoing)
	<ul style="list-style-type: none"> • Establish and maintain open communication with local, provincial and national governments; • Implementation of the King Commission recommendations. • Ensure compliance with PFMA and GAAP. • Implement accrual accounting system. 	<ul style="list-style-type: none"> • Healthy and cordial relations with all tiers of government; • Compliance with PFMA, GAAP and implementation of Accrual Accounting System. 	Ongoing

6. Liquor Board

Programme Description

The Eastern Cape Liquor Board regulates the liquor industry within the Province and is currently regulated by the Liquor Act, (Act 27 of 1989), which provides for the formation of a Board to consider the granting of liquor licences as well as consideration of various applications pertaining to already licenced premises, in order for licencees to keep within the conditions as stipulated by the Act.

Programme Objectives

To facilitate the establishment of a Provincial Liquor Board based on a dedicated Provincial Liquor Act Liquor Act (Act 27 of 1989) in order to ensure the efficient and effective administration and management of liquor affairs.

Table 6: Alignment of Specific Outputs of the Liquor Board Public Entity with the Relevant Departmental Strategic Goals

Department of Economic Affairs Strategic Goals	Specific Outputs (Final goods/services produced or delivered)	Output Measure/Indicator*	Target and Timeliness Measure
Ensure that the Integrated Development Plans (IDP's) formulated by District, Metro and Local Municipalities reflect achievable programmes and measures for sound and sustainable Local Economic Development	<p>Consideration of applications of all kinds within time frames as stipulated by the Action Plan of the Liquor Board.</p> <p>Board to be appointed who are employed full time at this function to ensure that consideration of applications is done on a regular basis.</p> <p>Review and amend Action Plan to come up with amended time frames for consideration of applications to ensure no backlog accrues.</p> <p>Completion of Management System and training thereon to ensure access at both Head Office and Regional Levels.</p>	<p>Current backlog to be caught up with and maintained.</p> <p>Current Board members employed elsewhere. Issues to be investigated by MEC as soon as possible.</p> <p>Amendments to be made to fall in line with the new Provincial Liquor.</p> <p>Design and implementation of system has been ongoing for the past year and is currently in the final stages.</p>	<p>Immediate action to be taken in regard to backlog. On going process of maintaining time frames thereafter.</p> <p>Issues to be highlighted immediately and thereafter Board to sit on continual basis.</p> <p>Process of review to begin immediately and thereafter followed on continual basis.</p> <p>To be completed by 1 April 2003.</p>
Establish and maintain sector-focused institutional structures to ensure that quality services are available and delivered to all citizens of the Province.	Devolution of functions to regional level to ensure that applicants have points of contact within reachable / reasonable distances.	Staff of regional offices have been trained to perform these functions and have been doing so for the past 2 years	On going
	Training of staff members at regional level to assist the public in the process of application as well as for any queries.	<p>Re-training to take place upon incorporation of the new Provincial Liquor Act.</p> <p>Management System has been designed to assist regional staff with queries regarding applications received and the status thereof.</p>	On going

7. Consumer Protection

Programme Objectives

- To promote and protect Consumer Rights and responsibilities and to enhance informed consumer choice and public understanding of the competitive process and to accomplish these missions without unduly burdening legitimate business activity.

- To encourage business compliance with legislation, regulation and service delivery which includes comparative tests and surveys of consumer goods and services, research into and advice on financial, food, health, safety, welfare and environmental matters, representation at Parliamentary Committees and Public Enquiries and an interest in Consumer Education and Complaints Advisory Work.

Table 7: Alignment of Specific Outputs of the Consumer Tribunal Public Entity with the Relevant Departmental Strategic Goals

Department of Economic Affairs Strategic Goals	Specific Outputs (Final goods/services produced or delivered)	Output Measure/Indicator	Target and Timeliness Measure
1. Establish and maintain sector focused institutional structures to ensure that quality services are available and delivered to all citizens of the Province.	<ul style="list-style-type: none"> Consumer Tribunal established. 	<p>The Tribunal is ready and well equipped to start hearing cases as soon as the Consumer Protector assisted by Investigators is ready to present cases before it.</p> <p>The Eastern Cape Consumer Tribunal was established in terms of the Eastern Cape Consumer Affairs Unfair Business Practices Act 5 of 1998 to hear consumer complaints.</p> <p>Investigating officers have been appointed and trained to support the office of the Consumer Protector and Tribunal with investigations.</p>	The Tribunal must be able to dispose of at least 20 cases presented for hearing by the consumer protector within a month.
	<ul style="list-style-type: none"> 5 investigators per Region have been appointed to help with investigations that will be finalised by the Tribunal if the Consumer Protector is unable to resolve them through section 11 of the Act. 	75% of cases that have been investigated to date have been resolved and 25% will come before the Consumer Tribunal in due course.	Investigations and hearings are an ongoing process but our target is to clear all cases received within the financial year in which the Tribunal received them.

Department of Economic Affairs Strategic Goals	Specific Outputs (Final goods/services produced or delivered)	Output Measure/Indicator	Target and Timeliness Measure
	<ul style="list-style-type: none"> • Five structures, which promote consumer protection through the investigation of consumer complaints and consumer education, are in operation in the Province, one structure per region headed by the Regional Director. These are the support structures to both the Tribunal and the Consumer Protector. They also see to the operational and personnel needs of Consumer Protection services in the Province. 	All of the five Regions through the structures are able to give the office of the Consumer Protector a sufficient number of cases to ensure that the Eastern Cape Consumer Tribunal will be kept busy as soon as it starts hearing the first cases.	On-going
	<ul style="list-style-type: none"> • Members of the Eastern Cape Consumer Tribunal received training by being taken by the Consumer Protector to attend hearings of the Gauteng Consumer Court. • Members also attended a workshop hosted by DTI for members of the Consumer Tribunal from the nine Provinces on the procedures to be followed by Tribunals when hearing cases. • A special workshop was conducted for Investigators by the Consumer Law close Corporation in East London. 	Trained and capacitated members of the Tribunal are now ready to start the first hearings. Investigators have already concluded very important investigations as a result of the training they received from the workshop and the Western Region has 46 cases ready to bring before the Tribunal.	On-going

Programme 4: Environmental Affairs

Goals and Objectives

- The integration of environmental management and biodiversity conservation with all economic and development activities to achieve sustainable development.
- An increase in the awareness of, and concerns for environmental issues and the provision of assistance to develop the knowledge, skills, values and commitment needed to achieve sustainable development.
- Conserve the diversity of landscapes, ecosystems, habitats, biological communities, populations, species and genes in the Eastern Cape through the establishment and maintenance of a network of protected areas.
- To co-ordinate development of operational guidelines for relevant environmental legislation.
- To promote conservation and development of natural resources for sustainable and equitable use.
- To protect and enhance the quality of the environment.
- To promote tourism within nature reserves.
- To prevent pollution and Environmental degradation.
- To promote Environmental Education.
- To promote capacity building and community empowerment initiatives.

Focus Areas

- Integrated Environmental Management.
- Bio-diversity management.
- Integrated Waste and Pollution Management.
- Coastal Management.
- Infrastructure development.
- HIV/Aids.
- Information Management systems (to enable efficient reporting mechanisms).

The focus of the Chief Directorate will be to promote conservation of Biodiversity and protection of the Environment as a first priority. The second focus area, in line with the provincial priorities, will be rural development. To support these programmes, infrastructure development, will be a third focus area. The Chief Directorate also identifies the scourge of HIV/AIDS as a critical focus area to be integrated within its programmes.

Critical Success Factors

- Proper allocation and utilisation of resources.
- Improved communication.
- Organisational Development.
 - Review of the organisational structure for alignment with strategic focus.
 - Proper definition and allocation of responsibilities.
 - Critical skills development.
- People-centred service.
- Reliable database (Information systems).
- Proper monitoring and evaluation.

Key Performance Areas of the Chief Directorate

- Develop a legal framework to define mandates and responsibilities of the Chief Directorate.
- Develop a Bio-Diversity Conservation Strategy for the Province.

- Enforcement and effective compliance.
- Promote Integrated Sustainable Rural Development.
- Capacity building initiatives.
- Consolidate Integrated Environmental Management.
- To promote Tourism in Nature reserves.
- To promote Environmental Education.
- To develop provincial environmental reporting systems and tools (State of the Environment Reporting, provincial environmental indicators).
- Finalise the Provincial Environmental Implementation Plan (EIP), first 4-year term including an outline of annual action plans with measurable outputs and the establishment of a Provincial Environmental forum.
- To develop a provincial environmental database (consolidated spatial and non-spatial information management system).
- To prevent pollution and environmental degradation.
- To investigate possibilities of establishing pollution monitoring stations.
- To target the integration of HIV/AIDS programmes to work place practices.

1. Strategic goal for the Chief Directorate: Environmental Affairs

Activities Related to Strategic Objectives for 2002/03 to 2004/05

To ensure the conservation of biodiversity and protection of the environment for sustainable development within the Eastern Cape Province

Specific Goals/objectives/Key Performance area	Specific Outputs	Output Measure/Indicator	Target
1. Effective coordination and monitoring of the 2 sub-programmes and the parastatal	Coherent management of environmental functions in the Province	Enactment of the Environmental Conservation Bill. Consolidated environmental reports. Input on National Law Reform Process.	Ongoing
2. Give effect to a function oriented organizational development – Restructuring and consolidation of protected areas management	Legal framework and mandate for the establishment of the public entity	Consolidated management of Eastern Cape protected areas Promulgation of Protected Areas Bill for public entity establishment	June 2003, - May 2004
3. Resource mobilization to give effect to suitable and adequate infrastructure	Business plan for infrastructure delivery in protected areas and surroundings	Quarterly Progress reports	March 2003 – 2005
4. Enhance benefits that accrue from cooperative agreements and strategic partnerships including trans-boundary projects, such as - C.A.P.E, Baviaanskloof, Wild Coast SDI, Great Fish River, Maloti Drakensberg Transfrontier conservation area, etc	Transboundary projects, relevant to strategic management of biodiversity and protection of the environment	Trans-boundary agreements, Project Implementation plan	April 2003 - 2006

Specific Goals/objectives/Key Performance area	Specific Outputs	Output Measure/Indicator	Target
conservation area, etc			
5. Mobilize additional funding sources, for example (Poverty Relief Funding, DBSA, DANCED, SWEDISH, EU, etc)	Fund-raising plan, viable project business plans	Donor funding received annually and project implementation in terms of an approved business plan	May 2003 - 2006
6. Optimize utilization of current project funding thus contributing towards the achievement of Provincial priorities, i.e. Poverty Alleviation, HIV Aids, Sustainable Development	Flagship conservation sustainable development projects	Quarterly reports, Contribution to job creation, poverty alleviation, sustainable development Contribution to HIV Aids programme	April 2003 – March 2006
7. Investment in skills development to enhance the Strategic leadership of the Department	Skills development plan (in particular targeting specialized skills)	Quarterly Reports on the use of the skills levy	April 2003 – March 2006
8. Continuous revision of the revenue strategy	Prioritization of revenue sources e.g. Game Sale, professional hunting, permit and licences in respect of tariff structure, Increase investment promotion initiatives, and Exploration of additional revenue sources through marketing, infrastructure improvements and product diversification	Annual performance report on revenue collection Publishing of changes in tariffs Community Public Private Partnership investor models	June 2003 – June 2005
9. Finalisation and continued review of the environmental legislation	Establishment of Provincial Committee for Environmental Coordination-PCEC	Promulgation of Provincial Environmental Acts, regulations, etc.	April 2003 – March 2005
10. Development of communication strategy focusing at informing other	Communication plan (public information sessions,	Annual reports Availability of Provincial	May 2003 – March 2006

Specific Goals/objectives/Key Performance area	Specific Outputs	Output Measure/Indicator	Target
departments, general public and other stakeholders at various levels (including the coordination of an MEC's annual or biannual environmental affairs meeting)	interdepartmental meetings, departmental web-page, quarterly journal/publication, environmental competitions & awards ceremonies, etc)	environmental management information to the general public, and other interested parties	

2. Strategic Objective sub-programme 1: Biodiversity & Coastal Management

To ensure the enrichment and effective Biodiversity Conservation (in and outside protected areas) and sustainable coastal management in the Eastern Cape Province.

Strategic Goal / Key Performance area	Specific Outputs	Output Measure/Indicator	Target
Consolidated management of fauna & flora & governance liaison	Consolidation plan for management of fauna & flora outside protected areas Audit of protected areas Reserve Management plans Research and plans for other areas to be fenced off for protection – e.g. community conservancies, etc Long –term agreement with DWAF, in respect of DEAT managed DWAF indigenous forests and camp sites DEAT Marine & Coastal Management delegations	Extent of conserved areas Extent of natural areas remaining (outside protected areas) Status of the natural resources in protected areas Census report on key Game species in reserves Report on reserve carrying capacities Approved Reserve Management Plans Change (Fauna & flora Conservation status report) Written delegations Contribution to job creation in control of alien species and other programmes outside Protected Areas	April 2003 – March 2006

	Working agreement with DWAF control of alien species programme (Working for Water) Set up cooperative governance forum (DEAET and or DEAT, DWAF)		
Consolidate the Legal Framework	Input to the national legislation Development of Provincial Bills / policies for conservation of biodiversity, and coastal zone	Written submissions to DEAT on National Bills & regulations (Biodiversity Bill, Coastal management Bill, NEMA amendment chapter 9, etc) Approved Provincial policies	April 2003 – May 2005
Special projects (contribution to job creation, & HIV aids programme) Pondoland conservation area Baviaanskloof Mega Reserve Sustainable Coastal Livelihoods Programme (SCLP)	Development of a strategic framework plan Stakeholder and community consultations and agreements on institutional arrangements Project plan of implementation Land acquisition Development of an Implementation plan Project business plan proposals	Contribution to job creation Economic contribution of commercially utilised indigenous species Agreements with service providers to provide counseling and HIV Testing services to pilot areas Achievement of project milestone Land purchase, & Associated Infrastructure development Approved Consolidation and community empowerment plan Approved business plan implementation, and budget	April 2003 – March 2005
Organisational development	Capacity building plan for Coastal management and Biodiversity conservation outside protected areas Work study & job	Approved organizational structure Staff appointments Specialized training report	April 2003 – June 2005

	<p>evaluations</p> <p>Critical skills development plan</p> <p>Staff recruitment plan</p> <p>Re-deployment of staff additional to the DEAET establishment to EC coastal zone</p>	Compliance & Enforcement staff presence (60) on EC 800km coast line	
Compliance programme	<p>Staff training on the new legislation</p> <p>Support programme to the regional offices</p> <p>Establish biodiversity forum</p> <p>Standardised Permit administration system</p> <p>Programme for combating illegal trade of endangered species ((CITES)</p>	<p>Number of cases reported, court cases,</p> <p>Number of permits issued monthly, quarterly and annually</p>	April 2003 – March 2006
Monitoring and evaluation	<p>Development of a biodiversity and coastal management monitoring plan</p> <p>Upgrade and maintenance of Information system or data base</p>	<p>Quarterly Progress Reports</p> <p>(Species register – fauna& flora, vegetation registers, coastal resources data, etc)</p> <p>Threatened and extinct species</p> <p>List/inventory of endemic species</p> <p>List/inventory of non-endemic species (exotic)</p>	May 2003 – Jan 2006
Coastal Management	<p>Development of a Coastal management plan</p> <p>Develop viable</p>	<p>Project Action plans</p> <p>Progress reports</p> <p>Quarterly Progress</p>	April 2003 – March 2006

	<p>project business plans & a database for coastal projects. Appointment of critical staff Consolidation of the Illegal cottages /development programme Provincial Implementation plan of the national regulations for control use of 4x4 vehicles in the coastal zone Infrastructure development along the coast commensurate to the enforcement & compliance plan Contribution to the development and review of IDP's to improve the inclusion of coastal management</p>	<p>reports for development of Coastal infrastructure</p>	
<p>Wetlands & Estuaries Management</p>	<p>Review and continuation of a Provincial wetlands and estuaries programme together with other role players (DWA-F-Water Resource management & Working for Water, Academic institutions, DEAT, municipalities, etc) Develop and update a provincial wetlands database/inventory</p>	<p>Agreements on institutional arrangements Provincial wetland Inventory Database of EC Estuaries Annual report on the condition & state of Eastern Cape estuaries</p>	<p>May 2003 – Feb 2006</p>

3. Strategic Goal Sub-programme 2: Integrated Environmental Management

To ensure cooperation in effective planning, education and reporting for the protection of the environment and sustainable development in the Eastern Cape Province

Specific Goals/objectives/Key Performance area	Specific Outputs	Output Measure/Indicator	Target
Consolidation Legislative and regulatory framework	<p>Contributions to the national law reform processes (NEMA amendments chapter 5, 7, 9 etc)</p> <p>Law reform programme for Environmental Assessments, waste management, air pollution, etc – e.g. (Provincial regulations/policies/schedules-listed activities (Environmental Impact Assessments-EIAs), Waste Management, Air pollution, etc.</p>	<p>National legal framework with clarity on Provincial responsibilities</p> <p>Provincial law reform strategy</p> <p>Published Provincial Schedule for Listed activities in terms of the EIA regulations</p> <p>Approved Provincial policies on (EIA appeals procedure, control of visual or air pollutants, use of catalytic converters, etc)</p>	July 2003 - ongoing
Strengthen Environmental Management [Co-operative Governance-, EIP]	<p>Update and implementation of the Provincial Environmental Implementation Plan (EIP) as a framework for cooperative governance with other provincial, national departments with impacting and management functions on the environment, (outlined in NEMA chapter 3)</p> <p>Publishing of the (EIP)</p> <p>Facilitated agreements with various municipalities to consider dedicated critical personnel and funding for compliance with minimum requirements of environmental management legislation</p> <p>Contribution to the development and Review of IDP's to improve the environmental management chapter/sections of the IDPs</p>	<p>Approval of EIP by Provincial Executive</p> <p>EIP Action plan</p> <p>Provincial EIP published and gazette</p> <p>Budget allocations, dedicated personnel to environmental management</p> <p>Voluntary use of environmental reporting systems by Municipalities.</p> <p>Inclusion of Environmental Management goals/objectives into IDP's,</p>	<p>July annually, 2003, 2004, 2005</p> <p>May 2003</p> <p>June 2003, ongoing</p> <p>March 2003, Annually</p>
Environmental Impact Management	Provincial outline for Environmental Impact Management	Standardized reports (EIA)	Annually

	<p>Active participation in land-use/development planning projects (zoning/ spatial planning) and Disaster Planning and Management</p> <p>A system for tracking performance of environmental consultants in the province</p> <p>Development of provincial environmental indicators</p> <p>Provincial standards & sector guidelines (benchmarking) regarding Environmental assessments</p> <p>Mechanisms and model for cost recovery</p> <p>Development of a computerized management system as a tool for handling/tracking applications in terms of the EIA regulations</p> <p>Programme for the use of other tools for impact management, i.e. development of Strategic Environmental Assessments (SEA) in respect of priority development nodes, district municipalities in liaison with relevant stakeholders</p> <p>Improvements in Institutional capacity</p> <p>Standard System for handling appeals against environmental authorisations (ROD), (independent reviews)</p>	<p>Appeals procedure</p> <p>Updated Environmental Consultants database</p> <p>A Core set of environmental indicators</p> <p>EIA generic sector guidelines</p> <p>Treasury approval (revenue collection)</p> <p>A computerized tracking system, reports generated</p> <p>Voluntary adherence to sustainable development goals/objectives by various sectors, municipalities and industries (IDP's, SDI's, IDZ's)</p> <p>Ratio of staff to development applications received per annum. Register of EIA applications per annum.</p> <p>Register of Appeals per annum, Independent review reports and appeals reports/decisions</p>	<p>August 2003 – August 2005</p> <p>Ongoing</p>
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Improve compliance	<p>Compliance framework design and a plan, including personnel and budget implications</p> <p>standard procedures for effective enforcement and an awareness programme to reinforce enforcement</p> <p>Provincial programme to combat illegal developments (including setting up of penalties for ex-post facto approvals)</p> <p>Training of Case Management Officers (CMO's) –Chapter 4 NEMA (fair decision making & conflict management)</p>	<p>Conciliation cases-law enforcement (number and types of transgressions per annum)</p> <p>Compliance reports</p> <p>Record regarding use of penalties per annum, (monetary, rehabilitation, etc)</p> <p>Records regarding the use of conciliatory procedure or interventions</p>	Annually, Sept 2003, 04, 05 & 06
Waste Management Programme	<p>Provincial integrated waste and air quality management plans</p> <p>Status quo analysis, provision of a baseline for each district municipality</p> <p>Establishment of adequate institutional structures (Provincial and Regional waste & air quality management forums)</p> <p>Facilitate development of municipal (1st generation general waste management plans) for approval by the Directorate (IEM)</p> <p>Monitor implementation of Municipal IWMP's</p> <p>Development of the provincial hazardous waste management plan for approval by DEAT</p> <p>Adequate plans for handling of medical waste, organic pollutants in the province (coordination with Depts. of Health, Agriculture)</p> <p>Communication strategy in respect of Provincial Waste implementation plan (e.g. Waste Summit)</p> <p>Implementation of provincial hazardous waste management plans</p> <p>Establishment of Waste Monitoring Committees</p> <p>Waste site visits or inspections programme</p>	<p>Reports or records:</p> <p>Provincial expenditure on waste management per year (DEAET, Health, Agriculture)</p> <p>Municipal expenditure on waste management per year,</p> <p>General waste produced per capita per year,</p> <p>Hazardous waste per capita per year,</p> <p>General waste produced per income group per year,</p> <p>Available landfills and lifespan,</p> <p>Register of general waste disposed through landfill,</p> <p>Register of pesticides used in the province per annum</p> <p>Register of hazardous waste disposed correctly,</p> <p>Waste recycled per year, value of waste recycled</p>	August 2003, Annually

	<p>Waste data/information management system</p> <p>Liaison and networking with stakeholders (specifically DWAF)</p>		
Air Quality Management Programme	<p>Consolidation of Provincial Air quality management plan</p> <p>Communication strategy (interactions with the stakeholders specifically municipalities through the provincial IAQ&WM forum)</p> <p>Provincial air quality monitoring programme (monitoring sites/stations)</p> <p>Processing and/or monitoring Environmental Impact Assessments with air pollution/emissions</p> <p>Maintenance of a database for industrial scheduled processes in the Eastern Cape</p> <p>Investigate establishment of Air quality Monitoring Committees</p> <p>Collation and interpretation of Air quality information</p>	<p>Annual/biannual, environmental reports-</p> <p>Rainfall patterns or deviations,</p> <p>Ambient pollutant concentrations for each industrial area of the Province</p> <p>Actual emissions versus permits issued per pollutant in an area,</p> <p>Greenhouse gasses emissions- (carbon dioxide, methane, nitrous oxide)</p>	Annually and biannually from October 2003
Capacity Development, Education Awareness Programme [Agenda 21, Special Projects]	<p>Outline of a Provincial Sustainable development programme, Post summit (implementation plan - WSSD outcomes)</p> <p>Collaboration with municipalities on implementation of Local agenda 21</p> <p>Viable Business plans for pilot project implementation e.g. sample of projects show-cased during the WSSD</p> <p>Communication Strategy for raising awareness</p> <p>Agreements with other stakeholders in respect of environmental awareness programmes, campaigns (e.g. Provincial Environmental Awards, World Environment Day, Arbor Day, Water Week, World Aids Day, Cleanest Town Competition, etc)</p>	<p>Sustainable development project business plans</p> <p>Quarterly, annual Provincial progress reports against Johannesburg implementation targets (WSSD 2002)</p> <p>Agreements with various stakeholders</p> <p>Understanding & knowledge about environmental services, public awareness, support and relations with other stakeholders</p>	March 2003, on- going (quarterly & annually)

B.2.1 Key Strategic Inter-Departmental Initiatives

In addition to the above Programme-related activities, the Department is involved in key Provincial projects and programmes that extend to other Departments, spheres of government and the private sector.

Such involvements arise through the deliberations of the Cabinet Committee on Economic Growth and Development and the Economic Growth and Development Cluster, as well as from representations that are made to the Department arising from national initiatives and the Department's parastatal organisations.

These projects and programmes are generally medium-term arrangements that require a multi-year budgeting approach in order to ensure that resources are made available when required. The arrangements also generally require inputs from other sources based on the principle of joint or shared budgeting that underpins the intent of co-operative governance.

The following projects and programmes are included in this commitment:

Objective/Activity	Outputs	Strategic Partners	Delivery Measure
Facilitate the extension of the Automotive Industry Development Centre (AIDC) network in the Province.	<ul style="list-style-type: none"> ▪ Establishment of a additional Eurotype Test centre in Port Elizabeth. 	<ul style="list-style-type: none"> ▪ ECDC ▪ AIDC ▪ CSIR ▪ DTI ▪ Gauteng Provincial Govt/Blue IQ 	<p>AIDC network extended.</p> <p>Timing not known at this stage.</p>
Participate in the activities of the Digital Remanufacture Institute of South Africa (DRISA)	<ul style="list-style-type: none"> ▪ To establish a Centre for Applied Information and Communication Studies (CAICS) at the University of Fort Hare. ▪ CAICS located at the premises of Digitisation and Refurbishment factories in the EL IDZ. 	<p>Dept of Communications.</p> <p>Dept of Economic Affairs (EC).</p> <p>University of Fort Hare.</p> <p>ECDC.</p> <p>SITA.</p> <p>Industry interests.</p>	<p>Development of ICT industry.</p> <p>Promote IT/IM skills.</p> <p>Facilitate research and development in the ICT field.</p> <p>Job creation.</p>
Participation in the East London-Umtata Railway Project	<p>Establish an effective and efficient railway service.</p> <p>Promote rural economic development in the areas along the railway track.</p>	<p>EC Department of Transport, EG&D Cluster Departments</p>	<p>Rural development.</p> <p>Job creation.</p> <p>Enterprise development.</p>
Participation in the East London IDZ Project	<p>Establish an Industrial Development Zone with world-class infrastructure facilities and support services for manufacturing investment.</p>	<p>Buffalo City Municipality</p> <p>DTI</p>	<p>Sustainable manufacturing investment.</p> <p>Job creation.</p> <p>Integrated industrial development.</p> <p>Export promotion.</p>

Objective/Activity	Outputs	Strategic Partners	Delivery Measure
Participation in the Coega IDZ Project	Establish an Industrial Development Zone and associated deepwater port with world-class infrastructure facilities and support services for manufacturing investment.	Nelson Mandela Metro Municipality DTI	Sustainable manufacturing investment. Job creation. Integrated industrial development. Export promotion.
Participate in the implementation of Municipal Integrated Development Plans	<ul style="list-style-type: none"> ▪ LED projects associated with the ISRDP and URS initiatives. ▪ Facilitate access to resources through the ECDC. 	Regional Offices. District, Local and Metro Municipalities. ECDC/ECTB.	Job creation. Enterprise establishment. Income redistribution.
<p>Note:</p> <p>These initiatives are planned for the MTREF period 2003/04 to 2005/06, and beyond 2006, with preliminary commitments indicated in the 2002/03 financial year.</p> <p>Actual budget allocations have not yet been committed, and these will be negotiated with the Provincial Treasury, when appropriate.</p>			

B.3 Medium-term revenue and expenditure

B.3.1 Summary of revenue

Table 8 : Summary of revenue: Department of Economic Affairs, Environment and Tourism

R'000	2000/01 Actual	2001/02 Est. Actual	2002/03 MTREF	2003/04 MTREF	2004/05 MTREF	2005/06 MTREF
Treasury funding						
Equitable share	71,610	221,369	614,787	776,897	269,263	281,738
Conditional grants						
Finance supplementary	2,294	2,510				
Roll overs						
Reallocated Treasury Reserve	69,084					
Total Treasury funding	169,594	233,969	614,787	776,897	269,263	281,738
Own revenue						
Current revenue						
- Tax revenue	23,855					
- Non-tax revenue	25,258		51,189	56,500	57,630	60,223
Capital revenue						
- (specify)						
Total own revenue	49,113	31,530	51,189	56,500	57,630	60,223
Total Revenue	192,101	255,409	665,976	833,397	326,839	341,961

B.3.2 Departmental revenue collection

The Department derives revenue from three major sources, namely, Gambling & Betting taxes, Liquor Licence fees and Accommodation and related services provided at the Nature Reserves (Tourism related revenue).

The Eastern Cape Gambling & Betting Board collects the taxes from the casino operators and remits them to the Department monthly.

Liquor Licence fees are collected from Liquor retail and wholesalers at the Regional offices between October and December every year. The fees take the form of new licences, annual renewals and penalties for late payment.

Revenue from the Nature Reserves is mostly collected by ECTB Game Reserve Division and to a lesser extent by the staff of the Department working in the Reserves.

Summary of Revenue collected:

Source	2000/01 (R'000)	2001/02 (R'000)	2002/03 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)
Gambling	43,066	24,733	40,439	44,483	49,424	52,389
Liquor Licensing	2,649	3,346	7,450	8,275	4,406	3,805
Tourism Related	3,398	3,451	3,300	3,742	3,800	4,029
TOTAL	49 113	31,530	51,189	56,500	57,630	60,223

B.3.3 Expenditure summary by programme

Table 9: Summary of expenditure and estimates: Department of Economic Affairs, Environment and Tourism.

Programme Budgets (R'000)	2000/01 Actual	2001/02 Actual	2002/03 Est. Actual	2003/04 MTREF	2004/05 MTREF	2005/06 MTREF
1. Administration	25,608	20,709	28,073	29,402	24,693	24,857
1.1 MEC	98	50	588	598	631	668
1.2 MEC & Support Staff	427	26	-	814	858	911
1.3 Office of the HoD	5,159	1,871	3,189	2,209	1,461	1,549
1.4 Admin Management	4,797	12,627	10,021	6,086	5,508	5,822
1.5 Financial Management	2,314	3,225	8,258	7,987	7,006	6,162
1.6 Human Resource Man'ment	3,462	1,979	3,406	7,027	4,379	4,622
1.7 Special Programmes	14	931	2,611	4,681	4,850	5,123
1.8 Supernumerary Personnel	9,337	-	-	-	-	-
2. Information Management, Policy Analysis and Research	531	4,291	4,672	9,339	9,801	10,244
2.1 Information Management, Policy Analysis and Research	531	4,291	4,672	9,339	9,801	10,244
3. Economic Affairs	106,287	149,790	534,975	680,270	173,569	182,516
3.1 Liquor Administration	5,345	592	2,807	4,096	4,905	5,499
3.2 Tourism (ECTB)	19,877	11,385	17,000	22,000	21,060	22,071
3.3 Consumer Affairs	6,377	9,777	10,333	12,000	13,976	14,780
3.4 SMME Promotion (ECDC)	-	47,598	50,067	81,000	82,134	86,076
3.5 Investment Promotion (ECDC)	10,248	7,938	9,000	11,900	12,531	13,132
3.6 Gambling & Betting (ECGBB)	8,000	10,000	13,130	12,400	15,501	16,051
3.7 Trade Development (ECDC)	-	1,000	3,000	4,000	4,212	4,414
3.8 Coega Development Corp	56,440	60,000	378,000	375,145	-	-
3.9 ELDZC	-	1,500	50,000	99,141	-	319
3.10 Economic Development	-	-	1,638	29,588	1,672	1,752
3.11 DRISA, AIDC, LED, SDI	-	-	-	29,000	17,578	18,422
4. Environmental Affairs	59,675	80,619	98,256	114,368	118,830	124,344
4. Environmental Affairs	59,675	80,619	98,256	114,368	118,830	124,344
Total	192,101	255,409	665,976	833,397	326,839	341,961

B.4 Co-ordination, co-operation and outsourcing plans

B.4.1 Interdepartmental linkages

The Department co-ordinates the activities of the Economic Growth and Development Cluster, which includes a number of Provincial Government Departments, National Government Provincial representation, Provincial and National Parastatal Organisations and Local Government interests.

B.4.2 Local government linkages

The Department has no service delivery agreements with local authorities, but participates in the activities of the Inter-Governmental Forum and the Provincial IDP Forum.

B.4.3 Public entities

Table 10: Details of public entities

Name of Public Entity	Main purpose of Public Entity	2000/01 Actual	2001/02 Est. Actual	2002/03 MTREF	2003/04 MTREF	2004/05 MTREF	2005/06 MTREF
		R'000	R'000	R'000	R'000	R'000	R'000
Eastern Cape Development Corporation (ECDC)	To facilitate economic development in the Province by promoting investment, small business development and innovative development financing.	9,048	55 536	62 067	96,900	98 877	103,622
Eastern Cape Tourism Board (ECTB)	To promote tourism and tourism development in the Province.	19 877	11 385	17 000	22 000	21 060	22 071
The Eastern Cape Gambling and Betting Board (ECGBB)	To regulate and manage the gambling and betting industry in the Province.	8 000	10 000	13 130	12 400	15 501	16 051
The Coega Development Corporation	To facilitate and promote the Coega IDZ.	56 440	60 000	378 000	375 145	-	-
The East London Development Zone Corporation	To facilitate and promote the East London IDZ.	1 200	1 500	50 000	99 141	-	319
DRISA and AIDC [Not formally designated as public entities]	<u>DRISA</u> : Digital Remanufacture Institute of South Africa. <u>AIDC</u> : Automotive Industry Development Centre.	-	-	-	29 000	17 578	18 422

Operating relationships with Public Entities are conducted on the basis of Service Level Agreements 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 in the PFMA.

B.4.4 Public-private partnerships and outsourcing.

The Department has no public-private partnership arrangements. However, these may become part of the Department's operational activities in the future.

B.4.5 Conditional grants

The Department does not receive any conditional grants.

B.4.6 Proposed use of donor funding

The Department has not received any donor funding.

B.5 Financial Management: Strategies to address Audit Queries

B.5.1 Financial Audit

The Auditor General in his report on the Financial Statements of the Department for the year ended 31 March 2001 issued a Disclaimer of Opinion on the Financial Audit it performed. In other words as a result of some matters which were material in nature and whose effect impaired the credibility of the Financial Statements, the Auditor General declined to express an opinion on the Financial Statements.

The most important issues raised were as follows:

a) **Non-Clearance of Suspense Accounts**

Material amounts showing as balances on "Suspense Accounts" had not been cleared to the appropriate ledger accounts either as expenditure or income. This had the effect of rendering the Financial Statements unreliable and inaccurate.

Strategy: A Task Force Team made up of a Deputy Director, three Assistant Directors and all the Regional State Accountants has been assembled to investigate all issues around Suspense Accounts and to clear them before the financial year ends.

b) **Non-Submission of Documents Required for Audit**

The Auditor General reported that supporting vouchers for payments, deposits, salary payments etc could not be produced by the Department during the audit.

Strategy: A Documentation Centre has been created where all the vouchers and supporting documents of transactions will be stored in terms of Treasury Instruction 24/2001. This Documentation Centre will be manned by a person from the Registry.

B.5.2 Compliance Audit

The Auditor General again declined to express his opinion on the Department's Financial Statements for the year ending March 2001 due to the fact tests conducted during the audit revealed that in some instances legislation, rules, instructions and directives issued in respect of the financial management of the Department were not complied with. Specific instances given were as follows:

a) **Transfer Payments**

The Auditor General reported that conditions for transfer payments, in some instances, were not met by the receiving institutions before the transfer of funds were made to them.

Strategy: Compliance with Section 38 (1) (j) of the Public Finance Management Act is being enforced. The institutions receiving Transfer Payments have been informed that funds would be transferred when they have complied with the relevant sections of the Act.

b) **Revenue Management**

The Auditor General reported that adequate controls did not exist in the management of the revenue collected by the Department on behalf of the province.

Strategy: A Revenue Management Section will be created in the course of the year, to be headed by a Director or Deputy Director. This section will oversee all revenue management issues in the Department.

B.5.3 Implementation of PFMA

In the 2002/03 financial year, the Department will focus on the areas of the Act for which much is still required in terms of compliance:

- Non-financial Performance Reporting Procedures particularly for the parastatals receiving transfer payments.
- Establishment of an Internal Control Unit in the Department.
- Documentation and flowcharting of all Internal Control Systems and procedures.
- Effective and efficient management of revenue collected by the Department.
- Proper and efficient management of fixed assets and stock.
- Reconciliation of all creditors and suppliers accounts.
- Efficient management of debtors.
- Effective oversight control over all parastatals.
- Up-dated and regularly reviewed fraud prevention strategies.
- Efficient Cash Flow management.
- Efficient financial management - timely resolution of all outstanding matters in the financial accounts.

Part C: Background information

Appendix 1: Analysis of service delivery environment

C.1 Policy changes and trends

Procurement arrangements in Programme 4: Environmental Affairs were transferred to the ECTB: Game Reserves Division during 2001. This step is preparatory to constituting a separate entity to manage the Department's protected areas, which is referred to as a Provincial Wildlife Management Authority in the Strategic Objectives for Programme 4. This matter will be concluded during 2002/03. The extent to which this impacts on the Strategic Plan for Programme 4 remains to be determined.

A new Directorate for Small Business Development will be introduced into Programme 3: Economic Affairs during the 2002/03 financial year. This will improve the Department's participation in the implementation of DTI policies related to small business development and Black Economic Empowerment. Arrangements for close co-operation with the ECDC, in this regard, will be further developed during 2003/04.

The re-structuring of Programme 2: Information Management, Policy Analysis and Research commenced during 2002/03, and will be finalised during 2003/04.

C.2 Environmental factors and emerging challenges

Demographic Characteristics

The total population of the Province was estimated at around 6.7 million in 1999² (1996 Census: 6.3 million). The distribution of the population across District and Metro Municipalities is indicated in Table 4A and 4B:

Table 11 A: Distribution of Population: 1999 (Urban/Non-Urban)

Municipality	Urban	%	Non-Urban	%	Total	%	% Urban
Metro: Nelson Mandela	950 049	42	19 389	1	969 438	14	97.9
District: Western	127 460	6	340 161	7	467 621	7	27.2
District: Amatole	687 169	31	1 074 802	24	1 761 971	26	39.0
District: Ukwahlamba	121 666	5	198 508	4	320 174	5	37.9
District: O R Tambo	115 445	5	1 167 279	26	1 282 724	19	8.9
District: Alfred Nzo	28 322	1	1 387 753	31	1 416 075	21	2.0
District: Chris Hani	214 889	10	336 108	7	550 997	8	39.0
Total	2 245 000	100	4 524 000	100	6 769 000	100	

Table 11B: Distribution of Population: 1999 (by Area and Density)

Municipality	Population	Area (sq km)	Density/sq km
Metro: Nelson Mandela	969 438	1 969	492.3
District: Western	467 621	58 266	8.0
District: Amatole	1 761 971	23 645	74.5
District: Ukwahlamba	320 174	25 376	12.6
District: O R Tambo	1 282 724	15 853	80.9
District: Alfred Nzo	1 416 075	7 976	177.5
District: Chris Hani	550 997	36 956	14.9
Total	6 769 000	170 041	39.8

² Based on Municipal estimates and the 1999 October Household Survey.

Whilst the overall population density in the Province is relatively low, at around 40 persons per sq km, there are considerable variations in the distribution, particularly in the Nelson Mandela Metro area where the density is almost 500 persons per sq km in a predominantly urban environment (97.9% urban). Note, however, that in the Alfred Nzo and O R Tambo Districts, the population density is also well above the provincial average (177.5 and 80.9 persons/sq km, respectively), and that these constitute predominantly non-urban settlement environments (only 2.0 and 8.9% of population, respectively, are urbanised).

This spatial discontinuity in the distribution of the population is further evidenced by the significant proportion of people who live in the Nelson Mandela Metro and the Amatole District. Over 70% of the provincial urban population are in these two areas, where they reside in Port Elizabeth/Uitenhage and Buffalo City, respectively. Concomitantly, nearly 60% of the provincial non-urban population live in the Alfred Nzo and O R Tambo Districts.

More than half of the province's total population is under 20 years of age and the overall total fertility rate (TFR) is almost 3.0. Very broadly, this reflects a dynamic demographic structure, with a substantial growth potential, although it should be noted that this is likely to vary from one area to another, probably with a stronger growth potential in rural areas. For example, the TFR in portions of the previous Transkei bantustan area (substantially the Alfred Nzo and O R Tambo Districts) was estimated at around 6.0 in 1994, and there is little to indicate that this has changed significantly since then. In general, therefore, the conclusion that key demographic indicators provide "a compelling basis for according a higher priority to the previous bantustan areas in the Province in terms of development planning and budget allocations"³ remains valid.

Economic Circumstances

The Gross Geographical Product (GGP) of the Province was estimated at R57.3bn in 1999⁴, compared to R36.5bn in 1996⁵, although there are probably shortcomings in both of these estimates.

The sectoral distribution of GGP and employment in the Province in 1999⁶ are indicated in Table 5:

³ Provincial Budget Statement: 2001/02.

⁴ CIMEC Annual Report: 1999/2000.

⁵ DBSA Development Report: 2000.

⁶ CIMEC Annual Report: 1999/2000.

Table 12: Distribution of GGP and Employment in the Eastern Cape: 1999.

Economic Sector	GGP in Rand million	% of Total GGP	Number of Employees	% of Total Employment
Agriculture, Hunting, Forestry and Fishing	2 063	3.6	70 470	13.2
Mining and Quarrying	57	0.1	7 154	1.4
Sub-Total: Primary Production	2 120	3.7	79 744	14.6
Manufacturing	14 783	25.8	97 035	18.1
Electricity, Gas and Water	974	1.7	5 598	1.0
Construction	1 892	3.3	43 635	8.1
Sub-Total: Secondary production	17 649	30.8	146 268	27.2
Wholesale/Retail Trade and Accommodation	9 339	16.3	83 818	15.7
Transport, Storage and Communication	5 501	9.6	32 851	6.1
Financial, Insurance, Real Estate and Business Services	7 048	12.3	35 181	6.6
Government, Community, Social and Personal Services	15 643	27.3	159 453	29.8
Sub-Total: Tertiary Production	37 531	65.5	311 303	58.2
TOTAL	57 300	100.0	535 195	100.0

Whilst the provincial economy is evidently dominated by Tertiary Production sectors (65.5% of GGP and 58.2% of employment), these consist predominantly of relatively unproductive activities, in terms of real value-added, that are associated with government, community, social and personal services. The principal value-adding and employment generating activities are in the Secondary Production sectors, predominantly in Manufacturing (25.8% of GGP and 18.1% of employment); whilst the Primary Production sectors contribute only 3.7% and 14.8%, of GGP and employment, respectively.

Thus, in terms of output, value-added, employment and relative efficiency, the Manufacturing sector is the key productive sector in the provincial economy. However, in terms of distributional equity, manufacturing activities are heavily skewed towards the urban agglomerations in the Nelson Mandela Metro and Buffalo City, where the Province's two principal ports and generally superior infrastructure constitute a focus for industrial investment, growth and development. In fact, some 90% of manufacturing GGP in the Province is generated in these two areas.

In the medium- to longer-term, the manufacturing dominance of the Nelson Mandela Metro and Buffalo City will be intensified due to substantial anticipated private sector investment and developments associated with the establishment of Industrial Development Zones at Coega (Nelson Mandela) and East London (Buffalo City), which are currently significantly supported by infrastructural and operational financial investments by the national, provincial and local government spheres. Whilst this represents a key aspect of state intervention to promote sustainable, value-adding and

export-oriented manufacturing development, it is imperative that hinterland and rural development should not be neglected.

Towards this end, significant new investments by national, provincial and local government institutions are planned for areas outside of the direct sphere of influence of the dominant urban agglomerations. These are directly and indirectly linked to the Integrated Sustainable Rural Development Strategy (ISRDS) and the Spatial Development Initiative (SDI) Programme, which consist of the following undertakings, amongst others:

- *Wild Coast SDI*

The Wild Coast SDI consists of portions of the O R Tambo, Amatole and Alfred Nzo District municipalities and includes the following programmes and projects:

- Rural revitalisation: infrastructure and commercial agriculture,
- Wild Coast Conservation Area,
- Strategic infrastructure development,
- Nodal development at Dwesa/Cwebe, Coffee Bay, Port St Johns and Mkambati,
- Local government LED projects,
- Investment promotion through public and private sector participation.

- *N2 Toll Road*

A contract for a 550 km toll road between East London and Durban, incorporating the upgrade of existing roads (N2 and R 61) and greenfields developments, was awarded to the Wild Coast Consortium by the NRA in November 2000.

- *Rural Livelihoods Programme*

A nine-year integrated programme consisting of pilot projects to improve the living conditions of rural communities, focused initially on areas in the Emalahleni and Mbashe Local Municipalities in the Chris Hani and Amatole Districts, respectively.

- *Rural Economic Development Zones Programme*

A strategic intervention programme in areas of high poverty, political conflict and instability, specifically to address infrastructure development, community structures, and to co-ordinate multi-sectoral economic activities. Initial focus is in the Emalahleni Local Municipality (Indwe, Dordrecht), followed by the Ikhwezi Local Municipality (Jansenville, Klipplaat), based on the formulation of appropriate Integrated Development Plans (IDPs).

- *District and Local Municipality Economic Development Plans*

Guidance and support for the formulation of sustainable economic development planning associated with the IDP initiatives undertaken by District Municipalities.

- *Designation of Nodal District Municipalities*

Promoting rural economic development in the District Municipalities that have been designated as nodal areas in terms of the ISRDS. These are the District Municipalities of O R Tambo, Alfred Nzo, Ukhahlamba and Chris Hani.

All Provincial Government Departments, including the Department of Economic Affairs, Environment and Tourism, are closely involved in these developments, which will and must have significant budgetary implications in the short- to medium-term, in order to provide sustainable foundations for longer-term growth and development. However, the emphasis is increasingly on integrated inter-governmental co-operation and the involvement of private sector and civil society interests, principally through the Inter-Governmental Forum and the Cabinet Committees established by the Provincial Executive Council.

Selected Social Indicators

A selection of Social Indicators, which reflect overall socio-economic circumstances in the Province, compared to the nation as a whole, are shown in Table 6⁷. It should be noted that such broad indicators tend to disguise the reality of significant intra-provincial variations, particularly in poor rural areas where population densities, household income and unemployment are inevitably well above the provincial average.

Table 13: Selected Socio-Economic Indicators for the Eastern Cape and South Africa

Indicator	Year	Eastern Cape	South Africa
Infant Mortality Rate (Death before age one/1000 live births)	1996	55.0	41.0
Total Fertility Rate (Number of live births per woman)	1996	2.9	2.7
Unemployment Rate (%)			
Total	1996	48.4	33.8
Men	1996	44.6	27.1
Women	1996	52.4	41.9
Urban Areas	1996	36.8	28.7
Rural Areas	1996	62.9	44.2
Education Participation Rate (%)			
Primary Education	1998	140.7	123.8
Secondary Education	1998	66.7	72.4
Pupils per Educator	1998	33.8	33.5
Literacy Rate (% of population with functional literacy)	1996	73.1	82.8
Incidence of HIV-infected women at antenatal clinics (%)	1998	15.9	22.8
Individuals living in poverty (%)	1996	74.3	56.9
Children living in poverty (%)	1996	81.5	66.9
Household with access to the following services (%):			
Electricity	1996	31.3	57.3
Water	1996	53.5	79.8
Sanitation	1996	64.2	82.5
Telephone	1996	15.5	28.6

The relatively underdeveloped status of the Eastern Cape is evident from these indicators. Equally evident is the imperative for government expenditure allocations to

⁷ Source: DBSA Development Report: 2000.

address the fundamental causes of entrenched inequality and poverty in the Province, particularly in rural areas.

Towards these ends, the Provincial Government's budgeting process is guided by key priority areas that have arisen from the Budget Indaba of August 2000 and the Budget Indibano of 2001. These are the following:

- Integrated Rural Development, with specific attention devoted to infrastructure development, food production and food security, and building the capacity of local government institutions.
- Social Security, particularly with respect to improving the pension and social grants payout procedures, since these constitute crucial support systems for the poor, especially in rural areas.
- Transformation and Development of the Public Service in order to ensure that budget allocations for development are efficiently and effectively administered and managed.
- Address the incidence of HIV/Aids, which constitutes a fundamental threat to future livelihoods of people, and will impact significantly on the Province's labour force in the medium-term if not adequately dealt with.
- Institute innovative procurement reforms and an improvement in tender turnaround times so as to facilitate delivery, particularly in infrastructure development projects.
- Expedite and facilitate integrated planning procedures at the Provincial and Local levels in order to ensure that:
 - GIS management information and base maps are available,
 - CAPEX projects are planned and ready for implementation from April 2002,
 - Provincial planning initiatives, such as the Spatial Development Plan, the Provincial Growth and Development Plan, District Municipality IDPs and the Provincial Land Transport Framework, are concluded.
 - Specific projects are formulated for the Urban Renewal Programme in Motherwell, Mdantsane and Ngangelizwe.

These priority areas are intended to focus the attention of the Provincial budgeting process on effective planning for the efficient allocation of government resources towards spatial and sectoral areas where their impact will be maximised, and will facilitate the participation of private sector and civil society interests towards a better life for all citizens of the Province.

C.3 Evaluation of current implementation performance

The Department concluded a Half-Year progress report covering the period from April 1 2002 to September 30 2002. This report constitutes a review of implementation performance.

Appendix 2: Organisational information and the institutional environment

Regional Offices

The activities that are conducted in the Department's Regional Offices are managed by the respective Regional Directors, guided by Programme 1: Administration, Programme 3: Economic Affairs and Programme 4: Environmental Affairs. The Regional Directors facilitate, co-ordinate and monitor activities related to the Department's overall goals and objectives and are indicated below:

Key Performance Areas	Activity Details	Purpose/Outcome
Facilitation	<u>Administration</u> <ul style="list-style-type: none"> ▪ Finance ▪ Personnel ▪ Auxiliary Services/Procurement <u>Economic Affairs</u> <ul style="list-style-type: none"> ▪ LED Project Identification ▪ Special Programmes Implementation ▪ Project Design ▪ Effective PM <u>Environmental Affairs</u> <ul style="list-style-type: none"> ▪ Observation of EIM Requirements ▪ Stakeholder (Police) Co-operation 	<p>Efficient and effective administrative management at the regional level</p> <ul style="list-style-type: none"> ▪ Analysis Economic Benefits ▪ Optimise Beneficiation ▪ Advice on Social Dynamics ▪ Guidance on Decision Making to the Department
Co-ordination	<ul style="list-style-type: none"> ▪ National and Provincial Linkages i.t.o. Plans/Strategies ▪ Project Funding e.g.Donor Funds, Poverty Alleviation. ▪ Institutionalise Stakeholder Relations [ECDC,ECTB,LG] ▪ Reporting and Accounting 	<ul style="list-style-type: none"> ▪ Vertical Alignment. ▪ IDP Aligned. ▪ Institutionalise Interfacing. ▪ Foster Cooperation. ▪ Maximise Economic Benefits. ▪ Account Properly. ▪ Special Programmes Alignment [IDZ/SDI/URS/ISRDS] Alignment.
Monitoring	<u>Economic Affairs</u> <ul style="list-style-type: none"> ▪ Performance Agreements with Agencies. ▪ Adherence to Policy and Legislation <u>Environmental Affairs</u> <ul style="list-style-type: none"> ▪ Coastal Zone Management ▪ Protected Areas ▪ Waste Management ▪ Facilities/Law ▪ EIA Implementation 	<ul style="list-style-type: none"> ▪ Adherence. ▪ Performance Management Reports ▪ Identify Gaps and Recommend Compliance
Advice and Referral	<u>Advice and Referral</u> <ul style="list-style-type: none"> ▪ Research Findings ▪ National/Provincial Policy Imperatives ▪ Environmental Management 	<ul style="list-style-type: none"> ▪ Informed Decisions ▪ Special Project Purpose Achievement ▪ Affirm [Technical Capacity]
Capacity Development	<u>Capacity Development</u> <ul style="list-style-type: none"> ▪ Needs Based 	<ul style="list-style-type: none"> ▪ Improved Performance

Implementation	<u>Environmental</u> <ul style="list-style-type: none"> ▪ Law Enforcement ▪ Education and Awareness ▪ Establishment of Monitoring Stations ▪ Biodiversity Management <u>Consumerism</u> <ul style="list-style-type: none"> ▪ Awareness ▪ Trade Inspection 	<ul style="list-style-type: none"> ▪ Compliance ▪ Sustainability EIM ▪ Data Capturing Comparisons ▪ Reports
<p>The strategic role and functional responsibilities of Regional Offices was reviewed towards the end of 2002, and a revised approach will be adopted during 2003/04.</p>		

Parastatal and Statutory Organisations (Public Entities)

The Department's key operational activities are conducted through separately established parastatal and statutory organisations.

C.4 Organisational design

Departmental organogram (See Appendix 4)

Management reporting lines to deputy-director level (See Appendix 5)

Map showing organisational boundaries (See Appendix 6)

C.5 Delegations

Financial delegations have been instituted to the sub-Programme level. All delegations are reflected in the Performance Agreements concluded in terms of the Senior Management Service.

C.6 Capital investment, maintenance and asset management plan

The Department's overall Asset Management Plan is in the process of being finalised, and an electronic/bar coded asset register has been compiled.

The Nature Reserves that fall under the Department's responsibility have Reserve Management Plans, which contain a section dealing with asset management.

Key capital investments are involved in the development of the Coega and East London Industrial Development Zones and in the Wild Coast SDI. During 2002/03, for example, the Department invested R 80 million in the Coega IDZ and R 50 million in the East London IDZ. These major projects are developed and managed in accordance with the MoU concluded between the Department and the DTI regarding the development of IDZs in the Province.

C.7 Personnel

The Department's personnel composition, as at March 2002, is indicated below:

Types of Occupation	Number	Percentage of total
Senior Managers	16	1.53%
Middle Managers	67	6.38%
Junior Managers	235	22.40%
Clerical and semi-skilled workers	360	34.32%
Labourers	371	35.37%
Total	1049	100

C.8 IT systems

The Department has an established internal computer network system that extends to all of the Regional Offices.

An effective Intranet system has been designed and installed, and is in constant use by staff to access information.

Comprehensive Internet facilities have been made available for information access.

The Department continues to co-operate with the Office of the Premier regarding the establishment of a Provincial GIS facility.

C.9 Performance management system

The performance management system has been introduced in the Department and was effective from April 1 2002. It is not possible to assess the extent to which the desired results will be achieved until it has been fully implemented.

C.10 Financial management

Details of Expenditure for the past three years:

1999/2000 (R'000)

Programme	Budget	Adjustment	Total	Expenditure	Over/ Under
Administration	23 053	9 402	32 455	37 644	-5 189
Research, Policy and IS	-	-	-	-	-
Economic Affairs	48 359	4 100	52 459	44 454	8 005
Environmental Affairs	60 293	-	60 293	40 884	19 409
Total	131 705	13 502	145 207	122 982	22 225

2000/2001 (R'000)

Programme	Budget	Adjustment	Total	Expenditure	Over/ Under
Administration	17 038	3 145	20 183	25 608	-5 425
Research, Policy and IS	2 702	-	2 702	531	2 171
Economic Affairs	50 175	58 715	108 890	106 287	2 603
Environmental Affairs	57 561	8 500	66 061	59 675	6 386
Total	127 476	70 360	197 836	192 101	5 735

2001/02 (R'000)

Programme	Budget	Adjustment	Total	Expenditure	Over/Under
Administration	31,477	(106)	31,371	20,709	10,662
Research, Policy and IS	4,886	6	4,892	4,291	601
Economic Affairs	134,397	16,055	150,452	149,790	662
Environmental Affairs	78,056	10,149	88,205	80,619	7,586
Total	248,816	26,104	274,920	255,409	19,511

The Department transfers more than fifty percent of its budget to the parastatals mandated to perform certain economic and developmental functions for the Province.

Efficiency Measures to assess the performance of these parastatals are as follows:

- Number of jobs created per R1 million transferred.
- Number of tourists - local and foreign who came to the province.
- Number of tourist facilities and information centres.
- Casino taxes collected during a month.
- Liquor Licences issued, illegal liquor businesses closed.

C.11 Financial System in place

The Department moved on to the Basic Accounting System (BAS) as its financial management system with effect from October 1, 2001. Training was offered to all the staff involved in the financial management process in the various functions, such as receipts, payments, subsistence and travelling, entities maintenance etc.

Further training in issues affecting the clearance of suspense accounts, debt management and bank reconciliation in BAS will be needed in the next financial year to enhance the skills of the staff working on these functions.

C.12 Implementation of PFMA

The Province engaged the services of consultants (KPMG) to monitor the implementation of the PFMA in all the departments. The salient provisions of the Act required to be complied with have been broken down into ten focus areas. The consultants have designed a monthly monitoring system in respect of how far departments have complied with the ten focus areas. An evaluation is done monthly on targets achieved and this is reported to the Provincial Treasury.

C.13 Audit queries

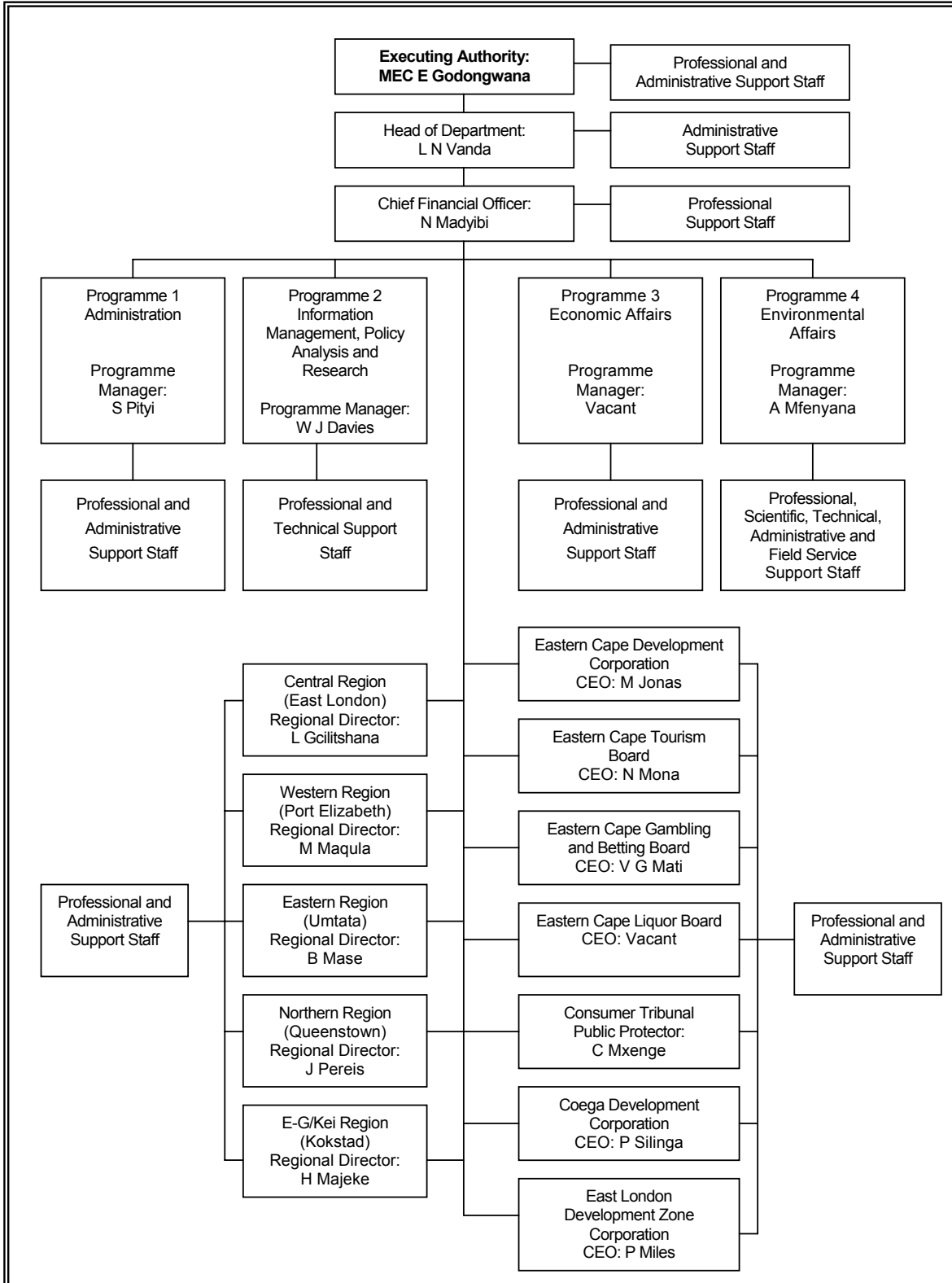
All audit queries for the 1998/99, 1999/2000 and 2000/01 financial years are reflected in the Auditor-General's Reports for the respective years. These have been dealt with by the Department and represent points of departure in the formulation of this Strategic Plan.

C.14 Internal audit

The Department shares an internal audit facility with the Office of the Premier. Regular meetings are arranged with the internal audit team by the Chief Financial Officer.

**Appendix 3: Analysis of changes to programmes (Not required for
2003/04 Strategic Plan)**

Appendix 4: Departmental Organogram (Summarised)



Appendix 5: Management Reporting Lines to Deputy Director

Appendix 6: Map of Regional Boundaries