

PROVINCIAL BUDGET FRAMEWORK

The budget process is a consultative process between National Treasury, Provincial Treasuries, Sector Budget Meetings, Technical Committee on Finance, Budget Council, Ministers' Committee on Budget, Provincial Cabinet Budget Committees, Executives Councils, Provincial Departments and Public Entities which culminates in the allocation of resources to departments that in turn compile the budget to be tabled, debated and passed by Legislature.

The budget is the financial expression of national, provincial and local government policy priorities. It is a spending plan used to allocate resources to accomplish the strategic priorities and objectives of the provincial government.

The medium-term growth outlook for the South African economy continues to gradually improve at the back of higher-than-expected quarter-on-quarter growth in GDP of 2% and 2.8% in quarters 2 and 3 of 2017.

Factors contributing to this gradual recovery relate to improvements in domestic business confidence, rising levels of consumer confidence, and a sustained recovery of the global economy which is boosting demand for domestic exports of mining and agriculture commodities, and manufactured goods.

As a consequence, National Treasury has slightly revised upwardly its GDP growth estimates and forecasts for the country. Compared to earlier projections in the 2017 MTBPS, economic growth for 2017 has been revised up from 0.7% to 1% and for 2018 from 1.1% to 1.5%.

The 2018 MTEF provincial budget strategy's main aim is to sustain service delivery within the existing fiscal constraints through protecting core social services whilst growing an inclusive economy targeting agriculture and economic infrastructure investment.

The provincial budget strategy should therefore be viewed simply as nothing more than the financial reiteration of the broader provincial strategic framework, as outlined in the NDP, PDP, PMTSF, Priority of Priorities List and the recent 2018 Mandate Paper, taking into account the fiscal realities faced by the province. When combined these frameworks set out a vision of achieving:

- Quality Basic Education and Skills Development
- Better Health For All
- Rural Development, Land Reform and Food Security
- Transformed economy that creates Jobs and Sustainable Livelihoods
- Province free of Crime and Corruption
- Integrated Human Settlements and Cohesive Communities
- Capable Developmental State that practices Good Governance

However, the province has become fully aware of the difficult choices that need to be made in realising such a vision in a rapidly changing and still uncertain fiscal environment.

THE PROVINCIAL FISCAL FRAMEWORK FOR THE 2018/19 FINANCIAL YEAR AT A GLANCE

The Eastern Cape Provincial Government finances its budget through National Transfers (Provincial Equitable Share and Conditional Grants) and Provincial Own Receipts. The projected receipts for the 2018/19 financial year are **R78.177 billion** and **R249.146 billion** over the 2018 MTEF period.

The 2018/19 financial year provincial receipts consist of:

- Equitable Share of R65.499 billion which accounts for 83.8 per cent of provincial receipts;
- Conditional Grants of R11.263 billion which accounts for 14.4 per cent; and
- The Provincial Own Receipts of **R1.414 billion** which accounts for **1.8 per cent**.

Over the 2018 MTEF period, the government will continue with the fiscal consolidation and budget cuts measures not only limited to goods and services, but to include amongst other things, freezing of non-critical posts, decrease on the non-essential overtime, implementing stricter controls around transfers and subsidies as well as reprioritisation from slow infrastructure projects.

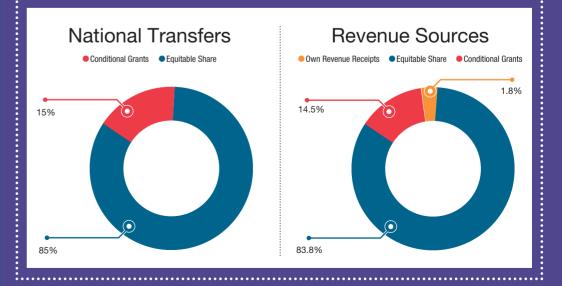
Over the 2018 MTEF, the province has lost a total of R5.902 billion of national transfers over the 2018 MTEF. This reduction consists of R3.117

billion due to data updates from the 2017 Mid-Year Population Estimates, R650.117 million reduction from the government's fiscal consolidation measures to ensure that the country's debt remains on a sustainable path, and conditional grant reductions of R2.134 billion. These budget cuts have resulted in marginal budget growths, which are below the inflation rate for some departments. However, in spite of the budget cuts, departmental budgets have been reprioritised and additional funding from the depleted Provincial Revenue Fund to ensure that key service delivery areas, inclusive of non-negotiable items, are protected.

Own revenue

Provincial own receipts augment national transfers to the province. This type of revenue constitutes the smallest portion of the total receipts, but remains significant.

Own revenue portion amounts **R4.492** billion allocated for 2018 MTEF of which **R1.414** billion is for 2018/19. Provincial Treasury as part of its revenue enhancement strategy engaged the services of a private researcher to identify new revenue streams and the work is scheduled to be completed in 2018/19.



This guide to the 2018/19 Eastern Cape Provincial Budget is published by the Eastern Cape Provincial Treasury to keep people of the Eastern Cape Province informed of how the Provincial Government is responding to the needs of the people. Any suggestions to improve this publication or comments are welcome and should be addressed to The Accounting Officer and Head of Department: Eastern Cape Provincial Treasury, Private Bag X0029, BHISHO, 5605, e-mail: budgetoffice@ectreasury.gov.za.

2018 MTEF BUDGET ALLOCATION - AREAS OF FUNDING

THE 2018 MTEF IS GUIDED BY THE FOLLOWING KEY PRINCIPLES:

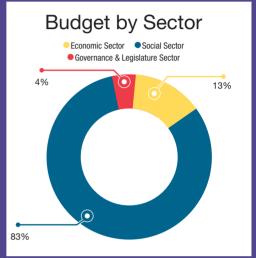
- Allocating resources in line with 14 National Outcomes, Medium Term Strategic Framework (MTSF) and Provincial Development Plan (PDP) national with a particular emphasis on education, health, fight against crime and corruption, agricultural development, creation of job opportunities and containment of the wage bill and consultants etc.
- Specific funding for key socio-economic infrastructure, drought relief and programmes aligned to the priorities.
- Reprioritisation, shifting expenditure away from consumption to service delivery items, improvement of efficiency and effectiveness of public spending to enhance service delivery.
- Reprioritisation of the budget to fund core service delivery programmes where action will continue to be taken to ensure that non-core items do not grow at the expense of core items over the MTEF.
- Funding to sustain and maintain poverty alleviation programmes of Provincial Government will be implemented through the 3 sectors (Economic Sector, Social Sector and Governance Sector), with the Provincial Legislature providing overall performance oversight.

The total payments for the province in 2018/19 is R78.433 billion representing an increase of 3.3 per cent compared with the revised estimate of R75.909 billion in 2017/18 and R248.845 billion over the 2018 MTEF. The financing of the provincial expenditure has been supplemented by additional funding from the depleted Provincial Revenue Fund.

Provincial summary of payment and estimates by sectors

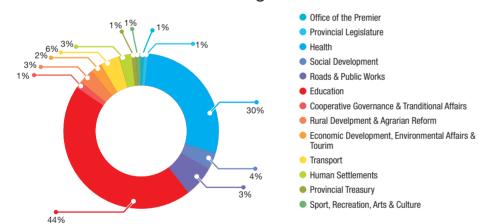
		Percentage		
R' thousand	2018/19	2019/20	2020/21	share of 2018/19 total budget
Economic Sector	10 629 998	10 672 713	11 325 880	13.6%
Economic Development, Environmental Affairs & Tourism	1 146 006	1 140 580	1 199 467	1.5%
Roads & Public Works	2 344 172	2 384 734	2 525 732	3.0%
Transport	4 811 584	4 759 814	5 067 851	6.1%
Rural Development & Agrarian Reform	2 328 236	2 387 585	2 532 830	3.0%
Social Sector	64 729 266	68 649 884	73 415 160	82.5%
Education	34 772 126	36 810 483	39 327 048	44.3%
Health	23 699 560	25 223 210	27 043 459	30.2%
Sports, Recreation, Arts & Culture	942 760	993 757	1 054 585	1.2%
Social Development	2 836 581	3 043 850	3 234 084	3.6%
Human Settlements	2 376 749	2 474 761	2 645 847	3.0%
Safety & Liaison	101 490	103 823	110 138	0.1%
Governance Sector	3 074 683	3 132 592	3 215 064	3.9%
Provincial Treasury	591 487	570 992	587 174	0.8%
Cooperative Governance & Traditional Affairs	983 800	1 028 476	1 104 247	1.3%
Office of the Premier	973 396	984 164	945 390	1.2%
Provincial Legislature	525 999	548 960	578 253	0.7%
Total	78 433 947	82 455 189	87 956 103	100%

These priorities, which have been integrated into the 14 National Outcomes, are translated into programmes.

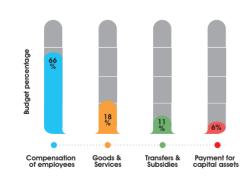


FOCUS AREAS OF THE 2018/19 BUDGET

Provincial Budget 2018/19



How the budget is allocated?



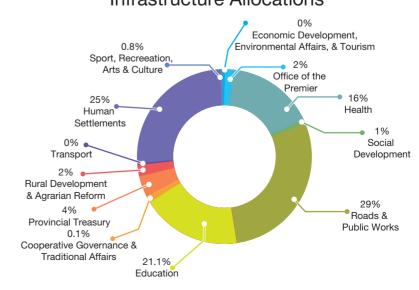
Summary of provincial payments by economic classification

		2018/19	2019/20	2020/21
R' thousand	usand Medium-term estimates			
Current payments	84%	65 708 997	69 958 080	74 525 884
Compensation of employees	66%	51 378 623	54 861 188	58 528 455
Goods and services	18%	14 330 374	15 096 893	15 997 430
Transfers and subsidies	11%	8 272 114	8 313 458	8 785 712
Payments for capital assets	6%	4 452 837	4 183 651	4 644 507
Payments for financial assets	0%	-	-	-
Total economic classification: Eastern Cape Province		78 433 947	82 455 189	87 956 103

Infrastructure Allocations

Infrastructure Allocations 2018 MTEF	2018/19	2019/20	2020/21
Office of the Premier	210 173	185 400	103 175
Health	1 585 071	1 526 896	1 592 526
Social Development	66 316	67 890	71 700
Roads & Public Works	248 554	257 488	269 606
Education	1 492 501	1 394 253	1 547 060
Cooperative Governance & Traditional Affairs	6 957	15 082	15 362
Provincial Treasury	191 575	150 000	142 000
Rural Development & Agrarian Reform	211 597	237 270	241 439
Transport	2 240 906	2 024 106	2 133 851
Human Settlements	1 976 522	2 051 762	2 196 657
Sports, Recreation, Arts & Culture	46 569	45 829	50 118
Economic Development , Environmental Affairs And Tourism	64 181	-	_
Total Infrastructure Budget	8 340 921	7 955 975	8 363 495

Infrastructure Allocations



Education

This department is mandated to provide learners with opportunities to become productive and responsible citizens through quality basic education. The department will implement appropriate and relevant educational programmes through quality teaching and learning, and at the same time mobilizing community and stakeholder support through participation and to institutionalize a culture of accountability at all levels of the department.

Education is the largest beneficiary of the 2018 MTEF budget with R110.909 billion or 44.5 per cent of the total provincial budget, of which R34.772 billion is allocated for 2018/19 financial year. The allocation is to fund over the 2018 MTEF and 2018/19 the following, amongst other

- Public Ordinary Schools: Norms and Standards funding amounts to R6.345 billion over the MTEF with R2.003 billion for 2018/19 allocated between R1.166 billion for centralized procurement / payment for goods and services and R836.362 billion in respect of transfers to schools.
- **Universalization of Early Childhood Development** (ECD): this function has been allocated R2.5 billion over the MTEF with R785.5 million allocated for 2018/19 of which R20.807 million is for transfers to qualifying Public Ordinary schools to resource Grade R teaching and learning. A provision is made for R23.325 million in 2018/19 to continue funding the training of Pre-Grade R practitioners on the content of the National Curriculum Framework
- Inclusive Education Public Special Schools: An amount of R2.577 billion is set aside over the MTEF with R805.812 million allocated for 2018/19 of which R73.096 million is for norms and standards transfer to specialized education through the expansion of Public Special schools. The main purpose is for the improvement and resourcing of existing schools is to strengthen teaching and learning for disabled learners. In 2018/19, R23.957 million is set aside to assist learners with profound intellectual disabilities
- Independent schools: Norms and Standards funding allocation in respect of transfers to schools amounts to R415.308 million over the MTEF and R131 million for
- Educator Post Provisioning Norm (PPN): The department by declared 54 026 posts in respect of the PPN for Public Ordinary and Public Special schools for the 2018 academic period. This makes provision for posts at qualifying schools for the appointment of Grade-R educators, posts for critical subjects, posts for substitutes, special intervention, curriculum and growth, mother-tongue languages and Therapists. An amount of R82.917 billion is set aside over the MTEF to fund the PPN with a R23.541 billion provision in 2018/19. Of the 2018/19 PPN budget R252.340 million is set aside for the appointment of

- professionally qualified ECD educators.
- Teacher Development: An amount of R752.087 million is made available over the MTEF with R215.188 million in 2018/19 for teacher development at Public Ordinary and Special schools. This includes R116.950 million towards the professionalization and training of ECD educators and practitioners.
- Learner Attainment Improvement Strategy (LAIS): The department will focus on learner improvement at schools in districts that performed below 60% in the 2017 National Senior Certificate (NCS) examinations. As part of its learner pass rate improvement process the LAIS will provide additional tuition in critical subjects to learners on Saturdays and during school holiday programmes to support Grade 11 and 12 learners in quintile 1-3 schools. An amount of R80 million is set aside for 2018/19 and R255 million over the MTEF for this purpose.
- Learner Teacher Support Material (LTSM) and School Furniture: an amount of R2.297 billion is set aside over the MTEF and R731.241 million for 2018/19 to resource Public schools with stationery and textbooks for quintiles 1 to 3 schools:
- School Furniture: an amount of R692.748 million is set aside to fund school furniture over the 2018 MTEF and R228.994 million in respect of 2018/19;
- Maths, Science and Technology (MSTE) Grant: an amount of R46.805 million is set aside in 2018/19 and R148.114 million over the MTEF to provide support and resources to schools, teachers and learners for the improvement in Maths, Science and Technology in
- **Education Infrastructure:** over the 2018 MTEF, an amount of R4.433 billion is allocated for Education infrastructure of which R139.204 million is for Public Special school infrastructure. Of the R1.492 billion allocation in 2018/19 to build and resource infrastructure, R145.696 million is in respect of maintenance and repairs and R1.193 billion for upgrades and refurbishment for schools and district
- National School Nutrition Programme (NSNP) Grant: an amount of R3.862 billion is set aside over the MTEF and R1.216 billion in 2018/19 for school feeding to enhance learning capacity and promote learner well-being for Grade R to Grade 12 learners at quintile 1 to 3 as well as qualifying learners at quintile 4 and 5 Public Primary and Secondary Schools and Public Special schools; and
- HIV and Aids (Life Skills Education) Grant: an amount of R136.395 million is set aside over the MTEF and R43.062 million in 2018/19 to support South Africa's HIV prevention strategy by increasing sexual and reproductive health knowledge amongst

Health

This department is mandated to provide and ensuring accessible comprehensive integrated services in the Eastern Cape, emphasizing the primary health care approach, optimally utilising all resources to enable all its present and future generations to enjoy health and quality

A total amount of R75.966 billion has been allocated to the Department of Health over the 2018 MTEF, of which R23.699 billion is allocated for 2018/19. The allocation for 2018/19 is to fund amongst other things the following:

- Health Infrastructure: an amount of R1.585 billion is allocated for Health infrastructure within the province in 2018/19 and a total of R4.704 billion over the 2018 MTEF for maintenance and repairs, upgrades and additions and rehabilitation and refurbishment for health facilities.
- Comprehensive HIV/AIDS and TB: R2.098 billion in 2018/19 is allocated for comprehensive HIV/AIDS and TB programmes and R6.952 billion over the 2018
- Training and Development: the department is allocated with R885.346 million in 2018/19 for training and development of health professionals (nurses, doctors, registrars and bursary holders etc.) and **R2.812 billion** over the 2018 MTEF;

- Tertiary and Specialized Hospital Services: R3.447 billion in 2017/18 is allocated to fund tertiary hospitals (Nelson Mandela Academic, Frere and Livingstone Hospitals) and **R11.017 billion** over the 2018 MTEF;
- National Health Laboratory Services for blood testing (HIV, Diabetes, High Blood Pressure, Cancer, etc): an amount of R746.747 million in 2018/19 is allocated for this function and **R2.347 billion** over the 2018 MTEF:
- Medicine: an amount of R1.956 billion in 2018/19 is allocated for medicine and R6.513 billion over the 2018 MTEF:
- Medical Supplies encompassing blood products and medical implants: An amount of R746.572 million in 2018/19 and R2.481 billion over the 2018
- Emergency Medical Services: An amount of R1.284 billion is allocated in 2018/19 and R4.256 billion over the 2018 MTEF for the operationalization of the existing 416 ambulances and paramedics in the province; and
- Priority Hospitals: additional funding for Compensation of employees of R678.060 million in 2018/19, R724.171 million in 2019/20 and R764 million in 2020/21 to cater for the carry through costs in dealing with the staff shortages in the top 18 highly litigated hospitals.

R4.657 million is allocated in 2018/9 and a total of R14.176 million over the 2018 MTEF for monitoring

Safety Promotion: an amount of R34.241 million is allocated in 2018/19 and a total of R100.495 million over the 2018 MTEF to fund stations are to be evaluated utilizing unannounced

Transport

This department is mandated to provide, develop, regulate and facilitate the provision of affordable public transport services in the province as well as to regulate registration. licensing of all privately, and government owned vehicles. Furthermore, the department provides specialist services and internal construction capacity in terms of road infrastructure planning, design, construction, management and maintenance.

A total amount of R14.639 billion has been allocated to the Department of Transport over the 2018 MTEF, of which R4.811 billion is allocated for 2018/19. The allocation for 2018/19 is to fund amongst other things the following:

Public Transport: an amount of R502.128 million has been allocated to subsidise buses to ensure increased mobility (MTC, AB350, Algoa) and R1.236 billion has been allocated over the 2018 MTEF;

- Scholar Transport: R504.531 million has been allocated to scholar transport to qualifying learners in 2018/19 targeting 80 552 learners and **R1.597 billion**
- Law enforcement on Provincial Roads has been allocated R308.777 million in 2018/19 and R1.038 billion over the 2018 MTEF as well as additional allocation of R26.500 million towards construction of Traffic Control Centre in 2018/19: and
- Roads Infrastructure: R2.184 billion and **R6.423 billion** over the 2018 MTEF has been allocated for the re-gravelling of 450 km of roads and 13 000 km of roads will be graded. Furthermore, 43 km of roads will be upgraded to surfaced roads.

Provincial Legislature

This institution is mandated to conduct oversight that will ensure accountability of the provincial government to the people of province, facilitate the law making, public participation in the legislative processes; and to foster relations with local and international oversight bodies.

A total amount of R1.653 billion has been allocated to the Institution over the 2018 MTEF, of which R525.999 million is allocated for 2018/19. The allocation for 2018/19 is to fund amongst other things the following:

Constituency, caucus and political allowances: For the political parties represented in the provincial legislature has been allocated R337.705 million over the 2018 MTEF with R107.179 million allocated for 2018/19 to enhance democracy. Included in this amount is R4.738 million allocated in 2018/19 for the political parties represented at Legislature to enhance voter education for the 2019 Provincial and National

- Research Services: an amount of R73.248 million is set aside over the 2018 MTEF with R23.289 million in 2018/19 for the supports of the committees in exercising the oversight function, conducts impact assessments on socio-economic laws passed, secures information in the Legislature, and provides registry services and research services;
- Committee Services: An amount of R133.632 million is set aside over the 2018 MTEF with R34.480 million allocated for 2018/19 for the oversight over the provincial departments and public entities.
- Public participation: An amount of R72.887 million has been allocated over the 2018 MTEF with R21.561 million allocated for the public participation and awareness amongst other things Taking Legislature to the People (TLTP), sector parliaments, and social dialogue in order to realise a fully democratic society.

Social Development

This department is mandated to transform our society by building conscious and capable citizens through the provision of integrated developmental social services with families at the core of social change. A total amount of R9.114 billion has been allocated to the Department of Social Development over the 2018 MTEF, of which R2.836 billion is allocated for 2018/19. The allocation for 2018/19 is to fund amongst other things the following:

- Provision of Social Welfare Services to communities: An amount of R1.124 billion in 2018/19 has been allocated and a total of R3.619 **billion** over the 2018 MTEF to fund the implementation and strengthening of the social welfare services in the province. Currently there are 2 574 social workers in the department.
- Violence Against Women and Children: the department received additional funding of R27.998 million in 2018/19, R39.499 million in 2019/20 and R41.355 million in 2020/21 to assist the province to address the challenge of social distress and killing of women and children.
- Frail Care Services: an amount of R126.721 million is allocated over the 2018 MTEF, of which **R40 million** is in 2018/19.
- Services to Older Persons: An amount of R86.170 million has been allocated in 2018/19 and a total of R290.042 million over the 2018 MTEF, amongst other things to fund 2 038 older persons who will be accessing residential facilities.

- Services to Persons with Disabilities: An amount of R30.315 million in 2018/19 has been allocated and a total of R96.102 million over the 2018 MTEF to fund amongst other things 14 380 persons with disabilities who will be accessing Community Based Rehabilitation Services and 820 persons with disabilities accessing services in funded Protective Workshops.
- Early Childhood Development (ECD) and Partial Care: An amount of R272.483 million has been allocated in 2018/19 and a total of R860.363 million over the 2018 MTEF amongst other things to fund 35 000 children to access registered ECD programs.
- Development: An amount of R2.385 million has been allocated in 2018/19 and a total of R7.562 million over the 2018 MTEF amongst other things to fund 810 youth to participate in skills development programmes.
- Women Empowerment: An amount of R2.624 million in 2018/19 has been allocated and a total of **R8.318 million** over the 2017 MTEF amongst other things to fund 26 women livelihood initiatives to be supported.
- Institutional Capacity Building: An amount of R12 million has been allocated in 2018/19 and a total of R38.041 million over the 2018 MTEF to fund capacitation of NPOs according to the capacity building

Human Settlements

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This department is mandated to facilitate and co-ordinate provision of quality, integrated and sustainable human settlements that offer Eastern Cape communities a better living environment. A total amount of R7.497 billion in 2018/19 has been allocated to the Department of Human Settlements over the 2018 MTEF, of which R2.376 billion is allocated for 2018/19.

The service delivery in the department is mainly driven by the conditional grant and the department received R1.976 **billion** in 2018/19 for conditional grant funding.

- An amount of **R1.908 billion** allocated in 2018/19 is to build 8 950 housing units
- Rural Interventions: An amount of R902.578 million is set aside in 2018/19 to facilitate access to housing opportunities in rural areas and over the 2018 MTEF an amount of R2.707 billion
- Informal Settlements Development and Upgrading: An amount of R363.649 million in 2018/19 set aside to address challenges of informal settlements and R1.090 billion over the 2018 MTEF.
- Title Deeds Restoration: An amount of R65.583 million in 2018/19 to transfer and handover title deeds to beneficiaries and R207.889 million over the MTEF.

Safety and Liaison

through civilian oversight of the police and community participation. A total amount of R315.451 million has been MTEF of which **R101.490 million** is allocated for 2018/19. The allocation for 2018/19 is to fund amongst other things

• Monitoring and Evaluation: an amount of

The allocation for 2018/19 is to fund amongst other things

Rural Development & Agrarian Reform

This department is mandated to provide vibrant, equitable, sustainable rural communities and food security for all. Over the 2018 MTEF the department continues with the implementation of the new Agricultural Economic Transformation Strategy to promote commercialization of agriculture in rural communities focusing on crop and livestock production. The department has a total budget of R2.328 billion in 2018/19 and R7.248 billion over 2018 MTEF period. The allocation for 2018/19 is to fund amongst other things the following:

- Food security (crop and livestock production): an amount of R165.290 million is allocated in 2018/19 and R515.303 million allocated over the 2018 MTEF to enhance food security in the province. This is mainly to fund the expansion of crop production and commercialization of livestock implemented in partnership with the Commodity Partners.
- Veterinary Services: The department will continue to provide veterinary services (animal healt 0 mm h services) in order to ensure healthy herd for the province. In 2018/19, 7.5 million treatments will be applied to sheep for the control of sheep scab

- to improve the quality and quantity of the wool clip; 3.9 million treatments will be applied to animals for external parasites control. A total budget of **R281.916** million in 2018/19 has been allocated for animal medicine and this amounts to **R901.384** million over the 2018 MTEF.
- Agricultural Infrastructure (Livestock & Crop Production): The critical infrastructure focus over 2018 MTEF include completion of the Ripple-mead citrus pack-shed, maintenance and development of basic facilities and building infrastructure in the two agricultural colleges, fencing (supporting maize, high value crop production and livestock), tunnel production facilities to support aquaculture, feedlots, dipping tanks, stock water facilities and soil conservation works. A total of R211.597 million is allocated in 2018/19 and R690.306 million over the 2018 MTEF.
- Magwa Business Rescue: The department is allocated R53.313 million in 2018/19 and R66.914 million over 2018 MTEF to assist in the Magwa Business Rescue Process.

Cooperative Governance and Traditional Affairs

This department is mandated to effectively support, monitor and promote developmental municipalities and viable institutions of traditional leadership. The department has been allocated an amount of **R983.800 million** in 2018/19 and a total amount of **R3.116 billion** is allocated over the 2018 MTEF.

- Municipal Support: an amount of R242.475 million in 2018/19 and R755.967 million over the MTEF is allocated for support to municipalities. Included in this, is the following:
 - Section 139 Intervention to Walter Sisulu Municipality: an amount of R15 million in 2018/19 is set aside to address the ESKOM debt.
 - o Municipal Intervention: an amount of

R7.6 million in 2018/19 and R42.600 million over the 2018 MTEF is set aside for Section 139 Municipal Interventions in Walter Sisulu, Enoch Mgijima, Makana, and Mnqumalocal municipalities to ensure good governance, institutional capacity, sound financial management and provision of basic services, creating decent living conditions.

- Support on Traditional Leaders: an amount of R10.792 million and R34.304 million over the 2018 MTEF for support of Traditional Leaders in the province.
- Traditional Councils: an amount of R4.8 million in 2018/19 and R35.257 million over the 2018 MTEF has been allocated for the construction of Traditional Councils infrastructure.

Public Works

The department is the custodian of the provincial government immovable assets and a provider of sustainable infrastructure resulting in socio-economic reforms, sector transformation and development. The department is mandated as the provincial nerve centre for infrastructure planning, coordination and delivery. An amount of **R2.344** billion in 2018/19 and a total of **R7.254** billion over the 2018 MTEF is to fund amongst others the following:

- Development of skilled and capable workforce to support the strategic goals of the department: An amount of R26.163 million in 2018/19 and a total of R86.297 million in order to:
 - o Support 101 candidates in the department (Architects 11, Construction Project Management 32, Construction Management 4, Electrical Engineers 7, Mechanical Engineers 12 and Quantity Surveyors 35) to become professionals.
 - o Support the current 133 bursary holders (in various discipline) across the province. For the 2018 Academic year this number will be increased by a further 25 students who wish to study towards areas identified by the department as scarce skills.
- Expanded Public Works Programme: an amount
 of R95.511 million is allocated in 2018/19 and a
 total of R291.112 million over the 2018 MTEF for
 ensuring sustainable livelihoods through empowered
 communities and emancipated emerging construction
 contractors underpinned by sustainable job
 opportunities and economic growth and this includes:
 - To bring about the development and empowerment of impoverished communities through the creation of 1 724 EPWP work opportunities through labour intensive method:

- o To developing 200 contractors and providing skills through empowerment interventions to the youth;
- o Youth Development Interventions: 900 learners will be trained to be artisans through the APTCoD Programme of which 100 learners will be supported to pass the trade test and become fully-fledged artisans. Furthermore, 100 unemployed learners will be enrolled into the National Youth Service Programme (NYS); and
- O Oversee that EPWP Compliance is coordinated and monitored. In this regard, 115 600 work opportunities in 2018/19 must be reported in the EPWP-RS by public bodies aligned to the approved EPWP Phase 3 Business Plan targets.
- Public Works Infrastructure: an amount of R1.667 billion is allocated in 2018/19 and a total of R5.117 billion over the 2018 MTEF to ensure Immovable Assets portfolio is fully responsive to the needs of the provincial government and its socioeconomic transformation agenda. This includes:
 - Implementation of construction, rehabilitation and maintenance projects for client departments in the province;
 - o Provision of office accommodation to client departments:
 - In supporting easy access of government services by the people, the department will continue to implement the district development programme aimed at housing various government departments in single premises;
 - Conducting condition assessments to stateowned buildings that will bolster maintenance needs required; and
 - The payment of Property Rates and Taxes for state owned buildings.

Sports, Recreation, Arts & Culture

This department is mandated to develop and promote Sport, Recreation, Arts and Culture for spiritual, intellectual, physical and material upliftment of the people of the Eastern Cape. A total amount of **R2.991 billion** has been allocated to the Department over the 2018 MTEF, of which **R942.760 million** is allocated for 2018/19.

The allocation for 2018/19 will continue to fund projects with a view to contribute towards the attainment of a cohesive society emanating from the departments programmes namely:

- Cultural Affairs: R215.774 million which includes among others, hosting of arts and culture festivals, national significant days and Commemoration partnership projects:
- Library and archives Services: R251.266 millio that includes among others, building of librar infrastructure and digitisation of archives:
- Sport and Recreation: R180.611 million that include among others, hosting of major sport tourism even and school sport competitions.

Economic Development, Environment Affairs & Tourism

The department is mandated to lead economic development and environmental management in the Eastern Cape. A total amount of **R3.486 billion** has been allocated to Department of Economic Development, Environment Affairs and Tourism over the 2018 MTEF, of which **R1.146 billion** is allocated for 2018/19 financial year. The allocations is to fund amongst other things the following:

- Environmental Affairs is allocated R319.777 million in 2018/19 and R1.024 billion over the 2018 MTEF to support and strengthen the environment and conservation function. Included in this allocation, is a transfer of R206.805 million to Eastern Cape Parks and Tourism Board in 2018/19, and a total amount of R650.910 million over the 2018 MTEF as well as R2.204 million for EPWP in the 2018/19 to create 70 job opportunities within the sector.
- Economic Development and Tourism is allocated R591.542 million and R1.711 billion over the 2018 MTEF to promote and administer sustainable economic development and job creation. Included in this allocation is the following:
 - o An amount of **R55.761 million** is allocated to the Eastern Cape Gambling and Betting Board in 2018/19 with a total of **R176.105 million** allocated

- over the 2018 MTEF to regulate gambling within the province:
- An amount of **R59.541 million** has been allocated to Eastern Cape Liquor Board for 2018/19 with a total allocation of **R189.437 million** allocated over the 2018 MTEF to regulate liquor industry within the province;
- o For Local and Regional Economic Development (LRED) an amount of **R21.001 million** is allocated to support co-operatives within the province and **R1.800** million for Chemin Incubation in 2018/19 and **R75.286 million** over the 2018 MTEF.
- o Funds has been allocated through Eastern Cape
 Development Cooperation (ECDC) for economic
 infrastructure with R12.600 million for the
 Dimbaza Industrial Park fencing, R7 million
 for the revitalisation of the Mdantsane Mall and
 R7 million for the Queenindustria electrification.
- An amount of **R30 million** is allocated to Coega Development Cooperation in 2018/19 with a total of **R94.947 million** allocated over the 2018 MTEF to cover the operational costs in support of the transition from being an IDZ to a fully-fledged SEZ.

Provincial Treasury

This department is mandated to provide a strategic and technical leadership in the allocation, management and utilization of financial resources in order to improve the quality of life in the province. The department is allocated an amount of **R591.487 million** in 2018/19 and **R1.749 billion** over the 2018 MTEF to continue to support provincial departments and municipalities in order to ensure sound financial and resource management.

- of R72.381 million is allocated in 2018/19 and R227.031 million over the 2018 MTEF to ensure the effective and efficient planning, utilization, implementation and monitoring of Provincial Fiscal Resources.
- Asset and Liabilities Management: an amount of R27.120 million is allocated in 2018/19, and R86.639 million over the 2018 MTEF to provide and promote

Procurement Reforms and Supply Chain Managemen Regulatory Framework.

- Financial Governance: an amount of R86.024 million is allocated in 2018/19 and R274.470 million over the 2018 MTEF to promote accountability through accounting practices, financial information systems governance as well as compliance with financial norms and standards.
- Municipal Accounting and Reporting: an amount
 of R243.638 million is allocated for 2018/19, and
 R649.974 million over the 2018 MTEF. Included
 in this amount is the budget of R483.575 million
 allocated for social infrastructure intervention
 projects such as Rural Access Roads implemented
 in various municipalities, completion of the Joe
 Gqabi Drought Relief, and KSD Electrification
 intervention project.

OFFICE OF THE PREMIER

This department is mandated to lead and coordinate the provincial administration in inclusive, transparent, and accountable governance and evidence based decision-making for integrated policy formulation, planning, monitoring, reporting, evaluation and review of government programmes towards the achievement of efficient and effective service delivery that supports integrated socio-economic transformation aligned to constitutional and legislated prescripts.

A total amount of **R2.902 billion** has been allocated to the Office of the Premier over the 2018 MTEF, of which **R973.396 million** is allocated for 2018/19. The allocation for 2018/19 is to fund amongst other things the following:

- Interventions by the department: an amount of R1.234 billion over the MTEF and R441.421 million in 2018/19 for interventions made by the department. These include the following:
 - o Revitalisation of Small Town allocation amounting to R498.748 million has been provided over the MTEF period, of which R210.173 million is for 2018/19. This allocation is primarily provided to facilitate support on the provision of electricity, water and sanitation in identified small towns in the province, i.e. Alice, Kirkwood, Libode, Ngqeleni, Mt Ayliff, Port St Johns, Mt Fletcher, Ntabankulu and Mbizana.
 - Broadband Initiative and amount of R735.643

million is allocated, of which R231.248 million is for 2018/19. The allocation is for the revamping of Bisho Campus Network, Provincial Virtual Private Network and the Provincial broadband. This will create an enabling environment to facilitate connectivity to corporate sites, Education and Healthcare institutions etc.

- Planning, Monitoring and Evaluation: an amount of R404.516 million in 2018/19 and R1.173 billion over the MTEF has been allocated to support the provincial administration's programme of action; lead evidencebased decision-making for integrated developmental policy formulation; planning, monitoring and reporting; evaluation and review of government programmes. Of which the following is included:
 - o Youth Development Projects an amount of R43.730 million has been provided over the MTEF, of which R18.594 million is for 2018/19, mainly for the Youth Projects in line with the National Youth Policy and the Provincial Youth Development Strategy.
- Human Resource Development Support: an amount of R47.533 million and R126.729 million over the MTEF has been allocated to coordinate the development and implementation of strategic human resource development interventions.

Extended Public Works Programme

Extended Public Works Programme (EPWP) has been allocated an amount of **R129.908 million** to create 61 763 job opportunities by various departments.

Conclusion

Despite the current fiscal constraints, the province will continue creating more jobs through the implementation of socio-economic infrastructure, sustainable rural and agricultural development

programmes, EPWP and implementing drought relief projects. Possibilities of implementing all these would depend on "Building a united front for Economic Growth and Job Creation."