

# PROVINCIAL BUDGET FRAMEWORK

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

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 South African Economy remained highly constrained for the greater part of 2018. After two quarters of consecutive negative economic growth (-2.6% and -0.4%) the South African economy rebounded slightly in the third quarter of 2018 and grew at an annualised seasonal adjusted rate of 2.2%. The major contributing sectors to the rebound in the third quarter are manufacturing followed by agriculture, transport, storage and communication, whilst mining suffered most and declined in the same quarter.

Due to low growth levels, overall employment levels in the country remained restrained for most of 2018 with the country's official unemployment rate estimated at 27.1 per in the fourth quarter of 2018, of which youth form the greater part of the population that is hit hard by this high unemployment rate. Most of the employment creation in the province over 2018 was dominated by the Construction (19 000 jobs) and the Community and Social Service (18 000 jobs) which are the biggest employer in the province. Whilst, the second biggest employer in the province (Trade and retailing) lost 39 000 jobs in the fourth quarter of 2018. The 2019 MTEF provincial budget strategy is informed by broader national

and provincial government policies which include NDP, PDP, other government policies and strategic frameworks as the fifth administration draws to an end and the provincial government preparing for the sixth electoral cycle.

During the 2019 MTEF, the provincial government will keep to its promise of protecting expenditure on core essential social services such as access to Education and better Health for all, whilst enhancing own revenue, curbing expenditure on non-core and other forms of wasteful expenditure. Fiscal support for economic growth and jobs creation will receive added impetus in order to catalyse fixed Investment and jobs creation in the province.

The province has taken signal from the national government and established a **Provincial Economic Stimulus Package** as one of the key priorities to boost the provincial economic growth, thus creating job opportunities especially for young people. This package **focuses on agriculture value chains; ocean economy; energy; manufacturing; tourism; and infrastructure development projects.** This is funded through 0.5 per cent budget cut across the provincial departments. Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) will administer the fund as the driver of economic development in the province.

In short, the 2019 provincial budget strategy seeks to carve out an expenditure path that balances expenditure growth on core government services including education, health and social development whilst also availing additional resources through budget and programmes reprioritisation for economic recovery and jobs creation.

Furthermore, own revenue generation is critical in the budget strategy given the reduction of the Provincial Equitable Share (PES) for funding key provincial priorities. In mitigation, the Provincial Treasury completed a research on further own revenue sources for government.

# THE PROVINCIAL FISCAL FRAMEWORK FOR THE 2019/20 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 2019/20 financial year provincial receipts consist of:

- Equitable Share of R68.824 billion which accounts for 83.6 per cent of provincial receipts;
- Conditional Grants of **R12.078 billion** which accounts for **14.7 per cent**; and
- The Provincial Own Receipts of R1.453 billion which accounts for 1.8 per cent.

The province through Provincial Treasury remains steadfast in maintaining fiscal discipline thus ensuring allocative efficacy and fiscal consolidation through maintaining expenditure ceilings, budget reprioritization, curbing of the wage bill and other elements of wastage.

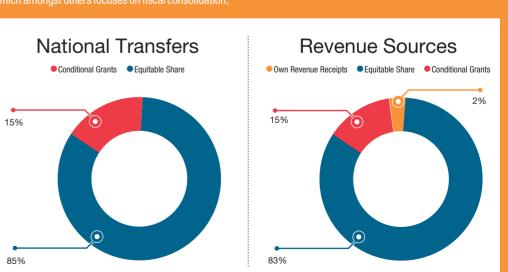
Over the 2019 MTEF, the province has lost a total of **R5.958 billion** of national transfers. This resulted from the revised population data updates caused by outward migration and other variables, which mainly affected the Education and Health sector. In light of the tight fiscal framework and the reduced PES, the province continues to implement its budget strategy which amonast others focuses on fiscal consolidation.

focusing mainly on controlling expenditure on noncore items; budget reprioritization from non-core items to fund core service delivery items; expenditure ceilings; and controlling the wage hill

#### Own revenue

Own revenue amounts to **R1.453 billion** in 2019/20 and **R4.509 billion** over the 2019 MTEF. Given the continued reduction of the PES, Own Revenue generation has become the great opportunity that the province has to ensure that the provincial priorities are funded, especially infrastructure investment that will have multiplier effects in respect of regional economic growth. In this regard the province continues to implement its Revenue Generation Strategy which commenced in 2017/18.

The strategy focuses on major revenue generating departments such as the Departments of Transport, Health, Public Works, Economic Development, Environmental Affairs and Tourism as well as Rural Development and Agrarian Reform. This strategy was augmented with the research study to determine new sources of revenue at the above mentioned departments. These departments are working on implementation plans for 2019/20. Refer to Chapter 3 in the 2019/20 Estimates of Provincial Revenue and Expenditure for further details on the potential new sources of revenue.



This guide to the 2019/20 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.

### 2019 MTEF BUDGET ALLOCATION - AREAS OF FUNDING

# THE 2019 MTEF IS GUIDED BY THE FOLLOWING KEY PRINCIPLES:

- Allocating resources in line with 14 National Outcomes, Medium Term Strategic Framework (MTSF), National Development Plan and Provincial Development Plan (PDP) with a particular emphasis on education, health, provincial economic development, fight against crime and corruption, creation of job opportunities and containment of the wage bill.
- Specific funding for key socio-economic infrastructure, 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; and
- 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.

The total payments for the province in 2019/20 is **R82.198 billion** reflecting an increase of **2.7 per cent** compared with the revised estimate of **R80.066 billion** in 2018/19 and **R258.048 billion** over the 2019 MTEF.

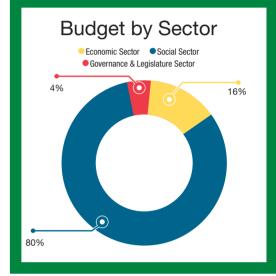
The financing of the provincial expenditure has been supplemented by additional funding from the Provincial Revenue Fund.

#### Provincial summary of payment and estimates by sectors

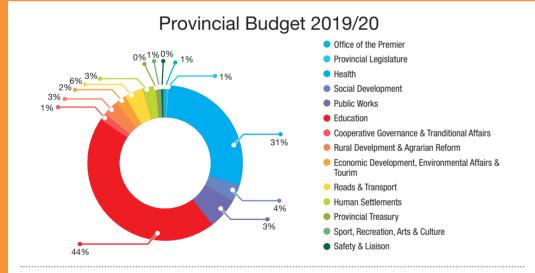
		Percentage share of		
R' thousand	2019/20 2020/21		2021/22	2019/20 total budget
Economic Sector	13 605 469	13 931 172	14 503 569	16.6%
Public Works	2 365 265	2 477 929	2 570 396	2.9%
Rural Development & Agrarian Reform	2 340 324	2 467 269	2 572 537	2.8%
Economic Development, Environmental Affairs and Tourism	1 481 960	1 533 091	1 566 238	1.8%
Transport	4 974 537	4 976 400	5 224 169	6.1%
Human Settlements	2 443 382	2 476 483	2 570 229	3.0%
Social Sector	65 627 317	69 175 136	72 221 353	79.8%
Education	36 328 510	38 286 665	39 798 200	44.2%
Health	25 189 632	26 588 536	27 953 147	30.6%
Social Development	3 020 607	3 155 799	3 275 775	3.7%
Sports, Recreation, Arts & Culture	983 069	1 033 998	1 078 146	1.2%
Safety & Liaison	105 499	110 138	116 085	0.1%
Governance Sector	2 965 459	3 007 595	3 011 691	3.6%
Office of the Premier	973 083	921 727	848 581	1.2%
Provincial Legislature	541 734	565 767	586 646	0.7%
Cooperative Governance & Traditional Affairs	1 009 712	1 072 739	1 112 593	1.2%
Provincial Treasury	440 930	447 361	463 872	0.5%
Total	82 198 245	86 113 903	89 736 613	100.0%

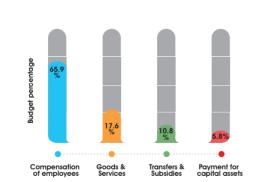
# The following priorities are aligned to the 14 National outcomes and are translated into programmes.

- Quality Basic Education and Skills Development;
- Better Health for All;
- Rural Development, Land Reform and Food Security;
- A transformed economy that creates jobs and sustainable livelihoods;
- A province free of crime and corruption;
- Integrated Human Settlements and Cohesive Communities; and
- A capable and developmental state that practices good governance.



# **FOCUS AREAS OF THE 2019/20 BUDGET**





How the budget is allocated?

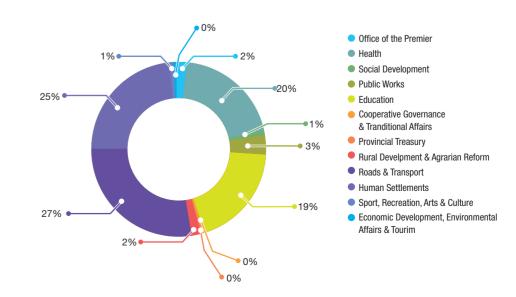
#### Summary of provincial payments by economic classification

	%	2019/20	2020/21	2021/22	
R' thousand	Share of 2019/20	Medium-term estimates			
Current payments	83.5%	68 611 109	72 780 073	76 136 045	
Compensation of employees	65.9%	54 152 699	57 961 946	61 022 756	
Goods and services	17.6%	14 458 411	14 818 127	15 113 289	
Transfers and subsidies	10.8%	8 844 685	8 726 053	8 928 281	
Payments for capital assets	5.8%	4 742 451	4 607 777	4 672 287	
Payments for financial assets	0.0%	-	-	-	
Total economic classification: Eastern Cape Province	100.0%	82 198 245	86 113 903	89 736 613	

#### **Infrastructure Allocations**

Infrastructure Allocations 2019 MTEF	2019/20	2020/21	2021/22
Transport	2 220 228	2 079 142	2 167 893
Human Settlements	2 023 680	2 034 402	2 111 778
Health	1 656 655	1 506 016	1 477 289
Education	1 589 722	1 564 208	1 685 128
Public Works	257 302	272 606	287 435
Rural Development & Agrarian Reform	190 314	150 853	159 209
Office of the Premier	173 726	94 469	-
Social Development	66 423	67 377	65 265
Sports, Recreation, Arts & Culture	60 447	57 347	59 698
Economic Development, Environmental Affairs and Tourism	31 624	-	-
Provincial Treasury	14 000	-	-
Cooperative Governance & Traditional Affairs	7 681	10 962	11 370
Total Infrastructure Budget	8 291 801	7 837 381	8 025 065

#### Infrastructure Allocations



#### **Education**

The department aims 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 2019 MTEF budget with R114.413 billion or 44.5 per cent of the total provincial budget, of which R36.328 billion is allocated for 2019/20 financial year. The allocation is to fund over the 2019 MTEF and 2019/20 the following, amongst other things:

- School funding Norms and Standards: Per Learner Funding: 2019 MTEF (transfers to schools)The Norms and Standards allocation provides school funding to all qualifying Public and Independent schools in the province, in line with the prescribed regulations i.e. Rand Value per learner for each quintile category. This allocation enables the provision of critical goods and services that are required for proper functioning of the schools. Consequently, the department will distribute (for Public Ordinary Schools) funding amounting to R6.866 billion over the 2019 MTEF to 5 265 qualifying schools in the province.
- National School Nutrition Programme (NSNP): The NSNP is a poverty alleviation strategy introduced by the South African government, in 1994, as part of the reconstruction and development programme (RDP), which was based on a conceptual framework for understanding how health and nutrition factors influence school achievement. This programme provides nutritious meals to all learners in quintile 1 3 primary and secondary schools, as well as other identified special schools. The NSNP is funded through a conditional grant that is appropriated in terms of Division of Revenue Act (DORA). The total allocation for the 2019/20 financial year is R1.244 billion and this is intended to benefit 5 051 schools in the province and 1 645 442 learners.
- Universalization of Early Childhood Development (ECD): this function has been allocated R2 billion over the MTEF with R602.070 million allocated for 2019/20, of which R21.368 million is for transfers to qualifying Public Ordinary schools to resource Grade R teaching and learning.
- The Post Provisioning Norms (PPN): declaration is at 54 026 and will remain as such over the 3 year period (Multi-year agreement) for the school-based educators. This makes provision for posts at qualifying schools for the appointment of educators for critical subjects, posts for substitutes, special intervention, curriculum and growth, mother-tongue languages and Therapists. Therefore, an aggregate amount of R82.273 billion is set aside over the MTEF to fund the PPN with R26.012 billion provision in 2019/20 financial year. Important to note is that the 2019 MTEF (3-year agreement) is maintained at the current status quo largely due to budget constraints and the intent to deal with other inefficiencies such as additional educators.
- Learner Attainment Improvement Strategy (LAIS):
   This programme was developed, particularly to improve matric results at the end of academic year.
   The programme targets various underperforming districts in the province (through the provision of extra classes during holidays and weekends). Funding is made available to the amount of R267.212 million over the MTEF period of which R84.320 million is for

2019/20, mainly to cover costs relating to learning / study camps e.g. accommodation, catering activities and related operating costs, whilst students are in these camps.

- Rationalization of schools and provision of school furniture: In line with the continuous process of rationalisation and merger of small and unviable schools, the department continues to identify a surplus of school furniture (desks and tables) in a number of schools in the province. These items require revamping and refurbishment and as such, the department had contracted a number of service providers to refurbish broken material (furniture) for reuse. Therefore, an allocation of R741.294 million over the MTEF has been set aside for the procurement of new furniture and revamping of broken material at schools, of which R204.212 million in 2019/20.
- Infrastructure Development: The Education
  Infrastructure Grant (EIG), which provides funding for
  the ongoing infrastructure programme in province,
  including the maintenance of existing infrastructure
  and the building of new structures has been increased
  from the original baseline by a total amount of
  R262.954 million over the 2019 MTEF. The total
  allocation for the MTEF amounts to R4.834 billion
  of which R1.585 billion is for 2019/20 to assist the
  department in addressing infrastructural needs at
  schools.
- Teacher Development (Training and Bursaries): The training of educators at Public Ordinary Schools, as part of transformation plan, remains one of the key focus areas in the department over the MTEF. This will also include the provision of continuous training of ECD practitioners to attain NQF qualifications. The provision of training is aimed at improving the functionality of schools in line with the department's transformation plan. An allocation of R260.221 million in 2019/20 and R770.296 million over the MTEF for training and development of teachers and practitioners.
- Learner Teacher Support Material (LTSM): The department has the responsibility to provide quality teaching through the procurement and provision of adequate Learner Teacher Support Material at schools. The procurement of quintiles 1 to 3 textbooks and stationery is centralized with many quintiles 4 and 5 opting in to this process annually, this therefore leaves fewer schools (under Q4&5) receiving budget for LTSM as part of transfer.For this reason, a total amount of R1.864 billion has been made available over the MTEF period, with R590.998 million allocated in 2019/20 for the annual procurement of textbooks and stationery for all learners in Grades R to 12.
- Maths, Science and Technology (MST) Grant: an amount of R49.434 million is set aside in 2019/20 and R156.007 million over the MTEF to provide support and resources to schools, teachers and learners for the improvement in Maths, Science and Technology in selected schools.
- HIV and Aids (Life Skills Education) Grant: an amount of R45.455 million is set aside in 2019/20 and R143.844 million over the MTEF to support South Africa's HIV prevention strategy by increasing sexual and reproductive health knowledge amongst Learners and Teachers.
- External Examination (Exams): The department makes provision for exam marking costs, which necessitates operational requirements for marking and other personnel related expenditure. Therefore, an amount of R354.561 million and R1.145 billion over the MTEF period.

### **Transport**

The aim of this department is to provide, facilitate, develop, regulate, and enhance safe, affordable and reliable multimodal transport system which is integrated with land uses to ensure improving levels of accessibility and optimal mobility of people and goods in support of socio-economic growth and development in the province of the Eastern Cape. An amount of **R4.974 billion** has been allocated in 2019/20 and a total amount of **R15.175 billion** over the MTEF. The allocation for 2019/20 is to fund amongst other things the following

- Provincial Roads and Maintenance grant: is allocated R1.483 billion in 2019/20 and R4.526 billion to supplement the provincial investment on road infrastructure maintenance inclusive of those effected by disasters.
- Subsidised Bus Services R532.865 million has been allocated in 2019/20 and a total of R1.678 billion over the 2019 MTEF to ensure that people in the most rural areas have access to affordable bus services. The

- empowerment of the public transport industry will be continued concurrently with the continuing review of the Provincial Integrated Public Transport Master Plan.
- Scholar Transport Project in 2019/20, R570.449 million and R1.763 billion over the 2019 MTEF has been set aside to transport 81 000 qualifying learners to the nearest public schools. Priority will continue to be given to those qualifying learners that come from deep rural communities;
- Traffic Law Enforcement R352.686 million has been allocated in 2019/20 and a total of R1.123 billion over the 2019 MTEF in order to maximise traffic control and law enforcement on the roads.
- Community development R584.109 million has been provided for 2019/20 and R1.677 billion over the 2019 MTEF for the creation of job opportunities mainly through the monitoring and coordination of SMME development within infrastructure projects through the Contractor Development Programmes and on the job training of youth through the National Youth Services program.

### **Safety and Liaison**

The department is mandated to promote safer communities through civilian oversight of the police and community participation. A total amount of R331.722 million has been allocated to the department over 2019 MTEF of which R105.499 million is allocated for 2019/20. The allocation over the 2019 MTEF period is to fund amongst other things the following:

- Monitoring and Evaluation: an amount of R4.103 million is allocated in 2019/20 and a total of R13.946 million over the 2019 MTEF for monitoring and evaluating the police performance and conduct, and assessment of SAPS provincial components; and
- Safety Promotion: an amount of R36.498 million is allocated in 2019/20 and a total of R107.002 million over the 2019 MTEF to fund monitoring of 196 police stations of which 137 police stations are to be evaluated utilizing unannounced monitoring tool.

#### **Sports, Recreation, Arts & Culture**

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The aim of the department is 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 R3.095 billion has been allocated to the Department of Sports, Recreation, Arts and Culture over the 2019 MTEF, of which R983.069 million is allocated for 2019/20.

The allocation for 2019/20 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: R222.934 million which includes among others, hosting of arts and culture festivals, national significant days and commemoration partnership projects.
- Library and archives Services: R257.268 million that includes among others, building of library infrastructure and digitisation of archives.
- Sport and Recreation: R176.845 million that includes among others, hosting of major sport tourism events and school sport competitions.

# **Social Development**

TThe department aims 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 **R9.452 billion** has been allocated to the Department of Social Development over the 2019 MTEF, of which **R3.020 billion** is allocated for 2019/20. The allocation for 2019/20 is to fund amongst other things the following

- Services to Older Persons: An amount of R87.990
  million has been allocated in 2019/20 and a total of
  R278.661 million over the 2019 MTEF.The allocation
  is for Old Age Homes, Welfare Organisation and Service
  Centres.
- Services to Persons with Disabilities: An amount of R33.638 million in 2019/20 has been allocated and a total of R105.933 million over the 2019 MTEF to fund 23 583 persons with disabilities who will be accessing Community Based Rehabilitation Services and 793 persons with disabilities accessing services in funded Protective Workshops.
- Early Childhood Development (ECD) and Partial Care: An amount of R298.953 million has been allocated in 2019/20 and a total of R943.422 million

- over the 2019 MTEF amongst other things to fund 19 058 children to access registered ECD programs. The number of days funded for ECD centres will increase from 237 to 264.
- Youth Development: An amount of R3.366 million has been allocated in 2019/20 and a total of R8.826 million over the 2019 MTEF to fund 1 506 youth to participate in skills development programmes.
- Women Empowerment: An amount of R3.639 million in 2019/20 is allocated and a total of R9.643 million over the 2019 MTEF to fund 34 women livelihood initiatives supported;
- Poverty Alleviation and Sustainable Livelihoods:
   An amount of R15.023 million has been allocated in 2019/20 and a total of R57.166 million over the 2019 MTEF to fund 3 882 people accessing food security and nutrition initiatives; and
- The department received additional funding of R22.815 million in 2019/20, for Sanitary Dignity Project which is aimed at providing sanitary products to female learners in grade 4 to grade 12 in quintile 1 to quintile 3 schools.

#### 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 of life.

A total amount of **R79.731 billion** has been allocated to the Department of Health over the 2019 MTEF, of which **R25.189 billion** has been allocated for 2019/20. The allocation for 2019/20 is to fund amongst other things the following:

- Comprehensive HIV/AIDS and TB: the department is allocated R2.397 billion and R8.028 billion over the 2019 MTEF;
- Training and Development: the department is allocated with R253.131 million for training and development of health professionals (nurses, doctors, registrars and bursary holders etc.) and R801.925 million over the 2019 MTEF;
- Tertiary and Specialized Hospital Services:

the allocation for Nelson Mandela Academic, Frere, Livingstone and Fort England Hospitals is R3.626 billion & R11.462 billion over the 2019 MTEF;

- National Health Laboratory Services: an amount of R1.006 billion is allocated for blood testing (HIV, Diabetes, High Blood Pressure, Cancer, etc) and R2.932 billion is allocated over the 2019 MTEF;
- Medicine: R1.899 billion is allocated for medicine and R6.506 billion over the 2019 MTEF;
- Medical Supplies: R724.844 million is allocated for blood products and medical implants and R2.446 billion over the 2019 MTEF;
- Emergency Medical Services: an amount of R1.393 billion is allocated for the operationalization of the existing ambulances and paramedics in the province and R4.358 billion over the 2019 MTEF; and
- Human Resource Capacitation: the department is allocated R58.253 million for the provision of critical staff at health facilities and R186.422 million over the 2019 MTFF.

## **Human Settlements**

The aim of this department is 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 **R7.490 billion** has been allocated to the Department of Human Settlements over the 2019 MTEF, of which **R2.443 billion** is allocated for the 2019/20 financial year. Amount of R1.960 billion or 83 percent of the allocated budget is the Human Settlements Development (HSD) grant allocation received by the department. The grant is core driver of the service delivery in the department. The allocation for 2019/20 is to fund amongst other things the following:

- Rural Interventions: An amount of R889.724 million is set aside to facilitate access to housing opportunities in rural areas.
- Informal Settlements Development and Upgrading:
   An amount of R353.726 million set aside to address challenges of informal settlements and facilitating assessment of informal settlements from land ownership to number of households and living conditions.
- Title Deeds Restoration: An amount of R60.904 million to transfer title deeds to beneficiaries. This is aimed at ensuring the promotion of home ownership and security of tenure.
- Social and Rental Intervention: An amount of R88.222 million is to facilitate and monitor the implemention of social housing units

# Rural Development & Agrarian Reform

This department is mandated to provide vibrant, equitable, sustainable rural communities and food security for all. The department continue with the implementation of the 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 R2.340 billion in 2019/20 and R7.380 billion over 2019 MTEF period. The allocation for 2019/20 is to fund amongst other things the following:

- Food security (crop and livestock production): an amount of R175.473 million is allocated in 2019/20 and R664.553 million allocated over the 2019 MTEF to enhance food security in the province. This is mainly to fund the expansion of crop production and commercialization of livestock.
- Veterinary Services: The department will continue to provide veterinary services (animal health services) in order to ensure healthy herd for the province. In 2019/20, 7.8 million treatments will be applied to sheep for the control of sheep scab to improve the quality and quantity of the wool clip; 3.8 million treatments will be applied to animals for external parasites control, as well as vaccinating 1,5 million animals against anthrax,

black quarter cattle and rabies in pets. A total budget of **R290.138 million** in 2019/20 has been allocated for animal medicine and this amounts to **R925.741 million** over the 2019 MTEF.

Agricultural Infrastructure (Livestock & Crop Production): An amount of R190.314 million in 2019/20, and R500.386 million over the MTEF, has been set aside to implement critical infrastructure which includes the following; development of 320 ha for the Amajingqi Macademia nuts project, establishment of Pome fruit production hub in Sakhisizwe, and the processing plant for export and local supply and processing. In addition the department will expand citrus production which involves uprooting and replacement of old cultivars, installation of new irrigation system and fencing in Raymond Mhlaba and Ngqushwa, construction of 633.7km of fencing for grain production, as well as completion of 5 grain storage sheds and feasibility study fees for grain silos. Furthermore, completion of water works for the two agricultural colleges, tunnel production facilities to support aquaculture, feedlots, dipping tanks, stock water facilities and soil conservation works

## **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. A total amount of R2.365 billion in 2019/20 and a total of R7.413 billion over the 2019 MTEF is to fund amongst others the following:

- Development of skilled and capable workforce to support the strategic goals of the department through an allocation of R887.102 million set aside for Compensation of Employees in 2019/20 and a total of R2.835 billion over the 2019 MTEF, to focus on the following:
  - o Investment and Urban Planning, Construction Procurement and other Built Environment and Real Estate Professionals, Project and Programme Management as well as Infrastructure delivery and coordination of intergovernmental structures as envisaged in the Eastern Cape Infrastructure Plan (ECIP):
  - o Continue supporting 107 candidates in various areas to become professionals: Candidates, Construction Project Management candidates (37), Quantity Surveyor candidates (33), Architectural candidates (7), Electrical candidates (5), Mechanical candidates (9), Building construction (3), Construction Engineering, Economist and Technologists (13):
  - Appointment of 186 in 2019/20 interns in various disciplines as part of youth development initiative;
     and
  - o Supporting the 117 existing bursary holders:
    Architectural Studies (12), Property Studies
    (6), Electrical Engineering (28), Construction
    Management (34), Environmental Management
    (4), Buildings (28), Land Surveying (1), Real Estate
    (1), Construction Health & Safety (1), and Town &
    Regional Planning (2) with 40 new bursaries in
- Public Works Infrastructure: an amount of R1.665 billion is allocated in 2019/20 and a total

of **R5.262** billion over the 2019 MTEF to ensure Immovable Assets regime 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;
- Provision of office accommodation to client departments through 'office parks' such as district cluster offices so as to house various government departments in single premises for facilitation of easy access to government services by the people;
- Conducting condition assessments to state owned buildings that will bolster maintenance needs required:
- The payment of Property Rates and Taxes for state owned buildings; and
- Putting in place enablers and systems to enforce revenue collection in line with the Department's revenue generation strategy.
- Expanded Public Works Programme: an amount
  of R120.758 million is allocated in 2019/20 and a
  total of R355.007 million over the 2019 MTEF for
  ensuring sustainable livelihoods through empowered
  communities and emancipated emerging construction
  contractors underpinned by sustainable job
  opportunities and economic growth and this includes:
  - o To bring about the development and empowerment of impoverished communities through the creation of 2 940 EPWP work opportunities through labour intensive method, undertake 4 beneficiary empowerment interventions which include 900 Accelerated Professional and Trade Competency Development (APTCoD) and 100 National Youth Service (NYS) programmes as well as Contractors Development programme: and
  - Oversee that EPWP Compliance is coordinated and monitored by assisting 50 public bodies in the province report on the work opportunities created to ensure is reported in the EPWP-RS.

# **Cooperative Governance and Traditional Affairs**

The purpose of the department is to effectively support, monitor and promote developmental municipalities and viable institutions of traditional leadership. The department has been allocated an amount of **R1.009 billion** in 2019/20 and a total amount of **R3.195 billion** is allocated over the 2019 MTEF. The allocation over the 2019 MTEF is to fund amongst other things the following:

- Municipal Support: An amount of R243.280 million in 2019/20 and R751.568 million over the MTEF is allocated for support to 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

**R342.309** million in 2019/20 and **R1.116** billion over the 2019 MTEF for support of Traditional Leaders and Rural Development facilitation in the province.

 Traditional Councils: An amount of R5.6 million in 2019/20 and R27.932 million over the 2019 MTEF has been allocated for the construction of Traditional Councils infrastructure.

The National Department of Cooperative Governance in collaboration with the department are implementing **community work programme (CWP)** within the province and achieved in the 2018/19 financial year the following:

 Created 44 669 actual work opportunities within the Eastern Cape province (Participants currently on the ground)

## **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 R440.930 million in 2019/20 and R1.352 billion over the 2019 MTEF to continue to support provincial departments and municipalities in order to ensure sound financial and resource management.

- Sustainable Resources Management: an amount of R79.391 million is allocated in 2019/20 and R251.780 million over the 2019 MTEF to continue with initiatives aimed at ensuring effective and efficient planning, utilization, implementation and monitoring of provincial resources. Included in this amount is R15 million allocated over the MTEF to increase technical capacity in provincial infrastructure management.
- Asset and Liabilities Management: an amount of R28.228 million is allocated in 2019/20, and

**R89.281 million** over the 2019 MTEF to promote and enforce transparency and effectiveness of Supply Chain and Asset Management in the province.

- Financial Governance: an amount of R87.678 million is allocated in 2019/20 and R269.235 million over the 2019 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 R76.844 million is allocated for 2019/20, and
  R208.067 million over the 2019 MTEF to support
  municipalities in order to achieve sound and
  sustainable financial management. Included in this
  amount is the budget of R14 million allocated for the
  completion of the Joe Gqabi drought relief programme
  as well as R29.864 million allocated over the MTEF for
  Municipal interventions.

# **Economic Development, Environment Affairs and Tourism**

The aim of this department is to lead economic development and environmental management in the Eastern Cape. A total amount of **R4.581 billion** has been allocated to Department of Economic Development, Environment Affairs and Tourism over the 2019 MTEF, of which **R1.481 billion** is allocated for 2019/20 financial year. The allocation for 2019/20 is to fund amongst other things the following:

- Support and strengthening of the environment and conservation function: a total of R336.060 million is availed in 2019/20 and R1.054 billion over the 2019 MTEF. Included in this is the transfer of R215.119 million to Eastern Cape Parks and Tourism Board in 2019/20, and a total amount of R678.575 million is allocated over the 2019 MTEF.
- Effective business regulations: an amount of R58.710 million is allocated to the Eastern Cape Gambling and Betting Board in 2019/20 with a total of R182.313 million allocated over the 2019 MTEF to regulate gambling within the province. An amount of

R62.483 million has been allocated to Eastern Cape Liquor Board for 2019/20 with a total allocation of R197.962 million allocated over the 2019 MTEF to regulate liquor industry within the province.

- **LRED Fund:** an amount of **R20 million** is allocated to support co-operatives within the province in 2019/20 and **R61 million** over the 2019 MTEF.
- **EPWP:** an amount of **R2.670 million** is allocated for in the 2019/20 to create 72 job opportunities within the sector.
- Provincial Economic Stimulus Package: An amount of R339.402 million is being ring-fenced in 2019/20 with R1.1 billion over the 2019 MTEF for Provincial Economic Stimulus fund. This amount has been approved by EXCO as exclusive allocation to fund Economic development projects that will contribute to the GDP of the province. Expenditure of the fund is contingent on the successful submission of credible business plans by Provincial Departments and Entities.

### 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 socioeconomic transformation aligned to constitutional and legislated prescripts. The department is allocated an amount of R973.083 million in 2019/20 and R2.743 billion over the 2019 MTEF to fund amongst other things the following:

 Planning, Monitoring and Evaluation: an amount of R38.252 million in 2019/20 and R121.257 million over the MTEF to lead and coordinate effective oversight on governance and service delivery in the province.

- Human Resource Development Support: an amount of R70.157 million and R190.457 million over the 2019 MTEF to coordinate the development and implementation of strategic human resource development interventions.
- Provincial ICT: an amount of R84.509 million is allocated in 2019/20 and R257.947 million over the 2019 MTEF to provide and coordinate the provision of an integrated information and communications technology service.
- Intervention projects: are also continuing which include rollout of the Broadband project, Small Town revitalization project as well as Youth projects with an allocated budget of R213 million, R173.726 million and R42.550 million respectively in 2019/20.

# **Extended Public Works Programme**

Expanded Public Works Programme an amount of R157.225 million is allocated in 2019/20 financial year for ensuring that various departments in the province create 108 783-jobs opportunities.

## Conclusion

Despite the current fiscal constraints, the province is determined to continue with the implementation of essential social services such as Education and Health, whilst ensuring that key catalytic projects are funded and

implemented to stimulate the provincial economy and job creation.

"fiscal consolidation, social protection and inclusive growth".