



Province of the
EASTERN CAPE
OFFICE OF THE PREMIER

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OTP promise!*

**BUDGET
AND POLICY SPEECH
2023 - 2024**

**LEADING DEVELOPMENT
WITH EXCELLENCE AND INTEGRITY**



**HOME OF
LEGENDS**

**Policy Speech of the Eastern Cape Office of the Premier for the 2022/23 financial year,
delivered on March 28, 2023.**

Madam Speaker.

Honourable Deputy Speaker.

Honourable Members of the Executive Council.

Honourable Members of the Provincial Legislature.

Esteemed Guests, Ladies and Gentlemen

Honourable Speaker we come before this august house today to give an account about our performance in 2022 and what we will we do this year to accelerate the advancement of our people's interests. It is very significant that we do our account in a month that is dedicated to celebrating human rights in our country, because the work that we do is all about ensuring that the people of the Eastern Cape enjoy a better life as enshrined in the Bill of Rights. It is also thanks to established oversight institutions such as this Legislature that we can today say citizens of our province are enjoying human rights. However, we are mindful of the fact that some masses of our people are still confronted by a myriad of challenges such as unemployment, poverty, and inequality.

The policy statement that we are presenting today builds on the **story of good progress** that was presented in the State of the Province Address. We say so because we made a forward step from where we were in the year 2021 towards fulfilling our 2019 electoral mandate. It helped a lot that in 2022 government operations were in full swing after the difficult years of the Covid-19 pandemic of 2020 and 2021. This is the last policy statement

for the 6th administration; therefore, we are not presenting new plans, but rather we will outline areas of emphasis in wrapping up our work in the remaining months of the term.

Honourable Speaker, we completed the organisational structure and design of the Office of the Premier. The work of the organisational structure was at different times shared in 2022/23 with the chairperson of the OTP Portfolio Committee for OTP. The department in year 2023/24 will once again be organised on a four-programme structure. This four-programme structure had been designed to enhance the capability of the OTP to lead and coordinate development policy implementation.

In the recent Budget Speech presented by MEC Mvoko, the Office of the Premier has been allocated a total budget of R1.2billion for 2023 (from previous year baseline of R941million previous year). This is allocated in the new four programme structure as follows:

- Programme 1: which is Administration will be allocated R175.3 million
- Programme 2: which is Provincial Planning, Performance Monitoring and Evaluation will be allocated R155.477million
- Programme 3: which is Executive Support and Stakeholder Management gets R397.3m million.
- Programme 4: which is Governance, State Capacity, and Institutional Development Support is allocated R480.2million.

The OTP in 2023/24 will roll out an Annual Performance Plan (APP) aimed at accelerating key programmes identified for the remainder of the term. The OTP plan is a product of various consultative engagements at provincial government and local government sphere including outcomes partners especially public entities and state-owned entities.

The OTP in 2023 will provide the centre of government leadership and oversight in the following **16 Delivery Facilitation Areas** –which are about consolidation for qualitative outcomes.

Investment Promotion

Honourable Speaker, a key focus of this administration has been to improve our economic trajectory to create jobs for our people. We take great pride in the fact that through the efforts led by the Office of the Premier we attracted investments with a combined value of **R46 billion** to the provincial economy. The operationalization of these investments has already translated to more than 1000 jobs in our province. We insist that this is **a story of good progress.**

In the remaining months of the term, we will upscale our collaborative efforts with our global partners, national departments and SOEs to attract more investments to our province. Our pursuit of new investments takes us to Ghana, Egypt, and Tunisia where we will cement economic ties and conclude agreements that will facilitate more investments to the provincial economy. The Office of the Premier will review investment processes to reduce red tape and benchmark sector focused incentive schemes and tax rebates for the province to create an enabling environment for new investments.

In the OTP, we will commit overseeing investment promotion working with different actors including the ***Provincial Investment Coordination Committee*** that will assist in better coordination of our efforts for investment promotion.

Strategic Projects

Honourable Speaker, the Office of the Premier is paying undivided attention to 6 catalytic projects that are set to change our economic landscape. These include N2 Wild Coast Highway, Umzimvubu Water Project, Eastern Cape Transnet initiatives, N2 Nodal Development, Undersea cables, and Wild Coast SEZ. These projects are at various stages of implementation across the province. The engineering wonder of Msikaba Bridge is taking shape to become a monumental landmark in the wild coast. The construction of Mtentu Bridge will also commence this year.

The OTP will continue with the implementation of the Small-Town Revitalisation Programme in 2023. A total of 12 local municipalities will be supported which include Ngquza Hill, Ndlamble, Port St. Johns, Umzimvubu, Great Kei, Mnquma, Ntabankulu, Koukamma, Engcobo, King Sabata Dalindyebo, Mbashe and Enoch Mgijima.

The OTP will continue with the rollout of the broadband connectivity. More than 900 sites are already connected towards the 2024 target of 2 700 sites being connected.

The government infrastructure programme will be oversighted by the OTP through the and directly reporting to the Executive Council. The infrastructure coordination will also bring in the Khawuleza Project Management facility as a support mechanism for better information management and monitoring. We will coordinate better the funds allocated in provincial government i.e., more than R8 billion allocation, as well as funds directed for infrastructure at the local government sphere.

We have said repeatedly that water is a critical resource for human consumption and for economic development. That is why we have been pushing very hard for the construction of the Umzimvubu Water Project. Under this project construction of Ntabelanga Dam is going ahead as announced by the President and the finance minister confirming the R8 billion funding for it.

The landing of the 2Africa Cable in Gqeberha gives our province another platform of critical ICT infrastructure to enhance connectivity for improved efficiencies in the business environment and for migration towards e-government services.

We are establishing a multi-disciplinary social facilitation team at provincial level to support social facilitation processes at local government level where these projects are implemented.

Youth Development

It is important Honourable Members to highlight that our investment attraction drive is aimed at reducing unemployment in our province which affects men, women, and the youth of our province in particular. As the sixth administration we heightened focus on youth development in an unprecedented fashion focusing on job creation, skills development and building an entrepreneurial mindset amongst the youth. We aim to increase job creation across the economic value chain, SETAs, and Public Employment Programmes. I must add that we are also going to use the remaining months of this term to pursue coherence guided by the Provincial Job Creation Strategy.

The demand for Isiqalo Youth Fund has necessitated us to invest more resources to the programme. Hence R100 million has been availed over the MTEF to finance youth owned businesses. We are establishing multiple Provincial Evaluation Committees to reduce the turnaround time of processing funding applications. We are also initiating systems for holistic grant administration of the fund and ensuring enhanced mechanisms of feedback to young people.

In 2023 our package for youth development also includes creation of work opportunities, support to youth owned enterprises, and strategic skills development.

Skills development remains a critical component for youth development, thus we will develop a provincial database of skills interests based on leading economic sectors. Our work of soliciting investments from SETAs will be enhanced to benefit more young people.

Education is a foundation for skills development. The plight of students in higher education institutions who cannot graduate because of student debt is worrisome to us. Most of these students are the only hope to lift their families out of poverty. As a caring government we are again lending a helping hand by providing R50 million to our four universities to assist students with their debt. However, a more sustainable model to support students especially for the “missing middle-income households” remains a critical issue for consideration.

Crime Reduction

Honourable Speaker, all of us agree that crime needs our sharp focus to ensure that our people are safe in their homes and in their communities. Our approach towards fighting crime is now community based, proactive, preventative, evidence based, and intelligence

driven. This approach is giving us desired results, but more must be done to end the crime spree in our province.

I can share with the House that Conviction rate for Femicide is 96%; for Intimate Partner Femicide it is 92% and for sexual offences it is 83%. I can also confirm that SAPS in the province recovered 701 firearms which were reported as stolen, lost, or illegal firearms. The police also made arrests in the high-profile murder cases that happened in Hogsback (Professors from Fort Hare University) KwaNobuhle (5 men killed in their packed car), Bityi (seven people killed in Sitebe Admin Area) and an arrest has been made in the recent killing of 8 people in New Brighton, Gqeberha.

The OTP will ensure that the province meets the obligations set in the National Strategic Plan in GBV&F through ensuring; promotion of justice, safety, and protection; prevention and rebuilding social cohesion; and response; care support and healing; and economic empowerment. OTP will facilitate initiatives of the local GBV&F command councils, and establishment of two Thuthuzela Centres in Joe Gqabi and Sarah Baartman.

SAPS statistics indicate that most domestic related crimes such as GBV&F happen over weekends and alcohol is a major cause for fights. The OTP will facilitate the oversight of compliance of the liquor outlets and ensure quarterly spot-checks in the province. We will also facilitate an oversight of Community Policing Action Plans in hotspot areas and develop an advocacy plan to support municipalities in community safety interventions.

Honourable Speaker, the state is not immune to crime which comes in the form of corruption and fraud. As we mentioned in the SOPA our anti-corruption machinery agencies are making

progress in bringing perpetrators of corruption to book with 49 cases already referred to the courts of law. The OTP will facilitate the implementation of a Programme of Action for the Eastern Cape Provincial Cross- Sectoral Anti-Corruption Forum to ensure synchronized efforts of the Anti-Corruption agencies in the fight against fraud and corruption. We will harness the investigative capacity in the OTP Shared service to strengthen the fight against corruption in the provincial administration and municipalities. We will establish Anti-Corruption Structures in 3 District Municipalities (CHDM, ADM and ORTDM) & 1 Metro (BCMM).

The lifestyle audits will be a constant feature for the remainder of the term and beyond to restore integrity in the state. We will facilitate the implementation of Lifestyle Audit Framework in 13 Depts to promote ethical conduct and maintain integrity. The lifestyle audit will be cascaded to local government as all spheres must be cleaned from the dark mark of corruption.

Support to departments.

Honourable Speaker, we believe that Office of the Premier is doing a great job in providing meaningful support to departments. We enter this year with a highlight of improved audit outcomes in provincial departments (7 clean audits), and entities (7 clean audits). This is a historic achievement in our province. The Office of the Premier is one of the few departments that must graduate from unqualified audits to clean audits and that we aim to achieve in this financial year when we address issues that lead to findings in our audit outcomes. Two areas of focus in this regard will be ensuring compliance with relevant prescripts in relation to management of resources (HR, Finances, Assets, etc) and ongoing assessment of the internal control environment as informed by the audit plan.

We also take pride in improvements in the implementation of the Education Turnaround Plan which has culminated in the improved performance in the National Senior Certificate which recorded a 77.3 percent matric pass rate, which is an approximate 4 percent improvement from the class of 2021.

In the implementation of the Health Turnaround Plan we have also seen significant improvements. In the past 3 years the OTP has been a partner towards the reduction of medico legal liabilities. To that effect there is a marked improvement in controlling these unsustainable cash outflows in the health sector.

We will continue to coordinate the successful defense of medico legal cases. The digitisation of systems for improved records management and strengthening of Specialised Litigation Unit (SLU) for Medico-legal cases/claims are some of our strategies to mitigate medico legal claims.

We remain committed to our 2019 pledge on supporting the turnaround programmes in the education and health sector. These two-sector interface with our citizens daily, and we must be impact focused in these two critical sectors. We will streamline the implementation of Broadband Rollout Programme and the SA Connect to towards the digitisation of different areas of business and delivery in the health and education. The OTP will further support the overall impact of the Back-to School programme, and service delivery optimization in the department of health.

Madam Speaker, I am proud to inform this seating that the province has just completed the 2023 Batho Pele Service Excellence Awards, and the department of health shined in collecting different service delivery awards, and scoped awards including in innovations related to rural health. This is evidence of the work on the Health Turnaround Plan that is gaining maturity in areas of service delivery and records management. The improvement of matric results even in rural districts is evidence of the impact of a focused implementation of the Education turnaround plan.

We have taken lessons from the fight against coronavirus pandemic where we have close cooperation with unions in the health and education sector, as part of building a healthy labour environment. We must work together to strive for the wellness programmes that support the frontline cadre in health and teachers, especially those that are working in hinterland and crime hotspots, as social ills simmer into classrooms and health sites.

Support to Local Government

Honourable Speaker, contrary to popular belief it is not all doom and gloom in local government. In the SOPA we highlighted the improvement of audit outcomes in 50% of municipalities to unqualified and 4 clean audits. This was due to the continuous implementation of Operation Clean Audit Programme. The four municipalities that achieve clean audits were recipients of the Batho Pele Service Excellence Awards to encourage and motivate the workforce to maintain that standard. We believe more municipalities will break into the clean audit space in the coming financial year. The local government also recorded a decrease in irregular expenditure from R3billion in 2020/21 to R1.35billion in 2021/2022.

Having said that we acknowledge that some of our municipalities are faced with challenges of service delivery and underspending on infrastructure grants. We have already started efforts to accelerate the support to local government which includes risk adjusted approach to conditional grant spending aimed at improving service delivery areas of water provision, electricity, roads infrastructure and disaster responsiveness.

We cannot keep on explaining ourselves to our people every year on funds that are returned to Treasury, while we have damaged roads, bridges, and schools with pit latrine toilets. The crack team led by Director-General which I announced in the SOPA will be up and running from the 1st of April 2023. I have told MECs and Mayors and their administration heads that the crack team on infrastructure is a delivery mechanism to help departments and municipalities to improve project implementation and infrastructure grant spending. I encourage all of them to cooperate with the team to lift us out of the dark cloud of underspending on conditional grants.

We have a standing agreement between the two spheres of government to implement sustainable measures to reduce debt owed to and debt owed by municipalities. To achieve this the OTP will set up a multi-disciplinary team inclusive of South African Local Government Association (SALGA) aimed to support these initiatives. These initiatives will be monitored in the Premiers Intergovernmental Forum and other technical structures.

Honourable Speaker, we are a disaster-prone province. It would serve us well to accept that reality. For the past three years many communities were hit by disasters in the form of storms and floods. I must say our response to disasters has not been agile enough to help our people to rebuild their lives after disasters.

Through the Intergovernmental Relations capability in the OTP, we will ensure all hands-on deck towards coherent disaster management and response. Already we have re-engaged the machinery of the Provincial Disaster Command Council and its technical support on the Provincial Disaster Operations Committee to front a renewed campaign to our disaster response. We will strengthen capacity of COGTA, in terms of information consolidation in respect of disasters. We will also set up Rapid Response Teams to collaborate with district disaster management centres in responding to disasters and empowerment of municipalities in giving early warnings to communities. We will work with teams including national, provincial, and local government to verify and assess the progress we are making in supporting municipalities and communities.

Research

We hold a strong view that our work must be informed by reliable data which comes from scientific research. The OTP will coordinate a research agenda which includes areas focuses on the following policy areas; youth development, small businesses development, performance management system in municipalities, community health care, early childhood development, agricultural development, oceans economy, water and sanitation, and rural school infrastructure.

Already the Province in 2023 has launched the 1st Eastern Cape Local Government Evaluation Seminar that mirrors the South African Monitoring and Evaluation Association (SAMEA) biannual series. The Eastern Cape seminar series included knowledge experts focused on evidence building and recommendations to municipal support and turnaround. This is an important milestone as the 6th Term Administration committed on evidence-based

decision making, and use of objective knowledge to influence programmes of policy development and implementation.

Beneficiation of designated Groups and Military Veterans

Honourable Speaker veterans, work to support other designated groups in particular women, military veterans and people with disabilities will be heightened. The OTP will develop and implement a skills development strategy for military veterans, review and update the military veteran's database. We will also conduct workshops on the needs of Military Veterans and track commitments of provincial departments and local municipalities in relation to programmes for military veterans.

Employment Equity

Our conscious decision to achieve 50 % employment equity will be heightened in the remaining months of the term. Six departments have already met equity targets at Senior Management Services which is a marked improvement from the three departments that achieved employment equity in 2021.

We aim to also achieve 7 % employment equity for people with disabilities and 20 % for employees below the age of 35 as part of creating a younger cadre of public servants. All these initiatives are critical policy imperatives to transform our society.

Procurement beneficiation

We are taking further steps to affirm the designated groups economically by increasing our procurement budget spend on their businesses. We are now saying 40% of the OTP

procurement spend must go to Women, 30% must go to Youth, 7% to People with Disabilities and 60% to EC based businesses especially Micro, Small Medium Enterprises.

To achieve these targets, we will ensure Timely procurement planning and budgeting. We will customize procurement policies and integrate with other stakeholders to plan, implement, and monitor Preferential Procurement Policies. We will heighten supplier days to advocate for the preferential procurement policies, in conjunction with Provincial Treasury and Economic Affairs Environment and Tourism. We want all procurement planning to be done before the beginning of the financial year to avoid incidents of underspending.

Training

Honourable Speaker to improve government performance we must improve constantly improve the skills of our greatest asset, the public servants. Leadership development programmes will continue to be rolled out with strategic partnerships within and outside of government to leverage on potential sponsorships and broaden the scope of development. We will continuously determine the relevance of training courses through an analysis of Provincial data to address relevant problems – based on real time data and knowledge management resources. We will also develop and implement a Change Management Strategy.

Traditional Leader

Honourable Speaker, I recently presented the SOPA to the House of Traditional Leaders as they are a critical stakeholder in the implementation of government programmes. Some of their concerns relate to finalization of disputes and claims.

We are developing a Standard Operating Procedure to guide the timeous finalization of disputes and claims.

Organisational Maturity

Honourable Speaker for the provincial government to be coordinated properly we need a matured OTP institution. That means the structure must be fully capacitated with the right skilled workforce. We will instill some agility in the implementation of Annual Recruitment Plans. We will also implement organisational change/culture strategy and plan and automation of the PMDS.

To improve our relations with service providers, particularly on the matter of paying invoices within 30 days, we are introducing an automated service tracker for invoices. This will be augmented by improved planning and implementation of procurement plans. Monitoring of departmental expenditure will be a monthly task.

Perception Management

Honourable Speaker in the SOPA I highlighted that many people in our province provide us with constructive criticism that helps us to improve how we service our communities. We want to know the feelings of the people we serve on a constant basis so that we do not leave anyone behind. We will implement a MoA with GCIS to conduct stakeholder perceptions on behalf of the EC government. We will also develop and implement integrated communications plan in response to the stakeholder perception report and continued proactive engagements with media platforms to improve visibility of leadership.

Conclusion

Somlomo, as I mentioned at the beginning that this is the last policy statement for the sixth administration. This means we must redouble our efforts to implement our programmes with some agility and precision. We have been in this business for more than 4 years now, we know the ins and outs of our environment and how to navigate it.

We commit to push extra hard so that when we meet here next year, we can demonstrate concretely how we have transformed the lives of our people as the Office of the Premier, a leader of the provincial administration. We urge Members of the House to walk this journey once more with us as they have done so diligently throughout the past 4 years. The journey we are embarking on needs patriots who wear the Eastern Cape cap rather than party political caps.

I now table this Policy Speech as well as the Annual Performance Plans and Operational Plans for both the OTP and ECSECC.

Thank you.



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