

State of the Province Address (SOPA) delivered by Eastern Cape Premier Hon. Lubabalo Oscar Mabuyane at the Provincial Legislature on February 24, 2023.

Honourable Speaker

Deputy Speaker

Judge President of the Eastern Cape

Members of the Executive Council

Members of the Provincial Legislature

Members of the National Assembly

Mayors

Traditional and Religious Leadership

Leadership of the political parties

Members of the Diplomatic and Consular Corps

Director General, HODs and CEOs of our Public Entities

Heads of Chapter Nine Institutions

Distinguished Guests

Fellow citizens of the Eastern Cape

Good morning,

Somlomo, masibulele eli thuba usinike lona lokuba sizokudakanca intetho yobume bePhondo.

We come before this assembly to share with the people of our province a **story of good progress** on the work we are doing in the seven priorities of the Sixth Administration. In these priorities our focus is on creating inclusive economic

opportunities; provision of quality healthcare and education; provision of basic services such as water, roads, electricity and building safer communities.

This is our contract with the people of our province. As the ANC led government, we remain committed to this contract.

As you are listening to this address, expect to hear an honest account of the work we did to fulfil commitments made in the last State of the Province Address (SOPA). We will also outline the decisive actions we will take to accelerate progress including in areas where performance was not at desired levels.

The year 2022 was eventful. We had times of hardship but also moments of wonder, that brought great joy in our hearts because they were an affirmation that our efforts of **Building the Eastern Cape We Want** are on track.

Among the key highlights of 2022 was the achievement of a 77,3% matric pass rate. This is an improvement of 4% from the class of 2021. With our sustained investment in education, we are propelling our province towards the achievement of the term target of above 80%. This is a **story of good progress**.

On the sporting front, in 2022 Banyana Banyana won the Women's Africa Cup of Nations beating Morocco in their own backyard. In that conquering Banyana Banyana team there were six young women from our province: Melinda Kgadiete, Kholosa Biyana, Sibulele Holweni, Bamabanani Mbane, Kaylin Swart and Robyn Moodley.

Enkosi maqobokazana for putting the name of our province on the national and continental map. You are an inspiration to young girls who want to take up sport as a career.

We also wish Akhona Makalima all the best as she will be flying the South African flag high as a referee at the 2023 FIFA Women's World Cup. She will be the only South African officiating at this World Cup - from Ngqamakhwe to the world. Hamb' ungemi MaGambu!

We started 2023 with a bang as the Sunrisers Eastern Cape Cricket Franchise won the inaugural SA T20 Championship two weeks ago. This beautiful trophy next to me is the glory they have brought to our province.

In the public gallery we are joined by Coach Adrian Birrell and the executive management of the team represented by Vice President Mr Siva and General Manager Mr Srinath. We take our hats to you. You have made us proud and solidified the position of the Eastern Cape as the Home of Legends.

Honourable Speaker, Honourable Members, and fellow citizens, we also had moments that dampened our spirits in 2022.

The saddest of them all was the tragedy that struck in our province when 21 young people lost their lives at Enyobeni Tavern in Scenery Park. We commend the people of the Eastern Cape for the overwhelming support you offered to the families who lost their children in that tragic incident. You displayed our unbreakable spirit of Ubuntu. We hope never to see a repeat of such an incident anywhere else in our province.

The effects of climate change also impacted negatively on our people with natural disasters pounding our province. This led to loss of lives, destruction of homes and reversal of our progress on infrastructure development.

Criminality in all shapes and forms inflicted a vicious assault on our democracy leaving in its wake our people without a sense of feeling safe and secure in their homes and communities. We witnessed heinous incidents of mass shootings and killings in some parts of our province, a worrying trend that we must put to end.

Investment attraction and job creation

Despite these setbacks, we consider 2022 as a year of tremendous progress towards the fulfilment of the 2019 electoral mandate. Our **story of good progress** begins on the economy because it is the key piece in the puzzle of poverty, unemployment and inequality that we are trying to solve.

The provincial economy is on a path to recovery, after the devastating period of Covid-19 in 2020 and 2021. We recorded growth in the Eastern Cape Gross Domestic Product (GDP) in the first three quarters of 2022. As a result, the number of employed persons in our province increased by 144 000 between Quarter 3 of 2021 and Quarter 3 of 2022. This is **a story of good progress**.

The addition of 144 000 jobs in our economy is a positive trajectory we want to maintain, because there are still far too many citizens of our province who remain unemployed. Every day, our minds are occupied by unlocking more opportunities for economic growth, so that a women, men and young person who needs a job can get one.

Today, I want to assure the people of our province that more jobs are coming. We say so because in 2022 we made history by attracting 11 new investors at our Provincial Investment Conference with a combined value of **R46 billion**. They are Shoprite Group, Tshedza Pictures, Transnet Port of Ngqura, Benteler, SunFarming, South African Breweries, Mhlobiso Concrete, Toyota Material Handling, Sanaha Property Developments, Sanral and Aqora Lithium Battery.

This was the biggest investment value ever attracted to the Eastern Cape economy in one year under the democratic dispensation. Of these newly announced investments, projects worth over R1.3 billion are underway with 1,198 jobs created.

Some of the eleven investors are in the public gallery today. Join me Honorable Members in acknowledging their contribution to our provincial economy with a round of applause.

Where these investments are located our people have jobs, they earn salaries and can put food on the table for their families. Last week, I visited SAB's Ibhayi Brewery where they are investing **R510 million** for plant expansion that will lead to more jobs.

The new investments we received in 2022 take the cumulative total for the sixth administration to **R171 billion**. As a result of these investments, **21 664** people in our province are now employed in various sectors of the economy. This is a **story of good progress** made possible by the decisive actions we have taken to change the economic trajectory of our province.

To sustain the momentum on economic growth and job creation we need more investors to locate in our province. We therefore aim to use economic diplomacy as an instrument to attract foreign investors. It is our belief that through pursuing international partnerships we would be able to attract more foreign direct investors that would create jobs for our people.

In the next few weeks, I will be leading a team to meet the Secretary General of the African Continental Free Trade Area (AfCFTA), Mr Wanele Mene in Accra, Ghana. The purpose of our visit is to engage the Secretary General on the opportunities that we could exploit in the continent. We will also visit Tunisia and Egypt to conclude agreements that will facilitate more investments to the provincial economy, particularly in the rural districts to give our people a better life.

To scale up the work we are doing, we have established an Eastern Cape Economic Development Fund which we will recapitalise with our private partners to unlock future investments.

Resilient Economic Sectors

Honourable Speaker, even in the toughest economic times, there are sectors that keep the provincial economy going, that keep employing new people and retaining existing jobs. The auto sector does this exceptionally.

We acknowledge the contribution of our OEMs and component suppliers that are resident in our province for the role they play in the livelihood of our people.

In my recent engagement with captains of the auto sector, I assured them that in the Eastern Cape we embrace the transition towards production and consumption of Electric Vehicles. Many people think we have a choice on this matter, we don't.

We must modernise our production systems speedily because the European Union parliament passed a resolution to ban the sale and purchase of diesel and petrol vehicles in their market by 2035. That resolution has consequences for us because the EU is the biggest market for our automotive products.

I have tasked the Automotive Industry Development Centre - EC (AIDC-EC) to work with the private sector to implement projects that would prepare us better for the transition to Electric Vehicles. Key among these projects is the installation of public electric vehicle charging stations in all key routes, enhancement of electric vehicle skills and promotion of renewable energy projects to sustain demands of the auto sector. These are projects of the future.

We are paying attention to component suppliers in the sector because they are as important as car manufacturing companies. We are aware that many component suppliers have financial challenges which makes it difficult for them to service their contracts. We will collaborate with the private sector to establish a Component Supplier Development Fund to expand access to finance.

One area that has been bothering me when it comes to the auto sector is the one of panel beaters and mechanics which is a thriving business in townships. Many panel beaters and mechanics in our townships are missing out on the lucrative contracts, particularly government fleet contracts.

Today we are announcing the establishment of an auto sector aftermarket programme that will benefit 300 panel beaters and mechanics in our province. The programme will be rolled out by the AIDC-EC, and it will focus on training, capacity building and aftermarket funding over the next 3 years. Our vision with this programme is to capacitate panel beaters and mechanics to access the R40 billion annual spend by the insurance industry and the R100million spend by Government Fleet. **Iza kuni lena inkqubo bantakhwethu noo dadewethu abanamashishini okulungisa iimoto, sifuna nilungise nezi zika rhulumente iimoto.**

Honourable Speaker, despite the odds we faced on the economic front, our two operational Special Economic Zones continue to be our beacon of hope and our centres of excellence. In the last few months, the ELIDZ has attracted R535 million investment while the Coega SEZ has received corresponding investment value pledges of R557,7 million. Manufactures in the ELIDZ created an additional 1200 jobs last year.

The development of infrastructure at the Wild Coast Industrial Park in Mthatha is progressing well. Focus is now on bulk infrastructure. Our work on revitalising industrial parks is continuing. Fort Jackson, Vulindlela and Komani have already secured investors.

In Dimbaza we have completed roads and bulk services and the electrical network has been upgraded. We have further injected **R35.2 million** to upgrade the wastewater treatment plant. Similarly, we are also investing **R14.5 million** to refurbish 10 sites in Fort Jackson Industrial Park and **R10.8 million** for similar work at Butterworth Industrial Park.

Madam Speaker, the retail sector has been a formidable partner in bringing retail services closer to the people. Not only that, but the sector is also creating large scale employment.

Last year we opened the doors of the **R500 million** new Boardwalk Mall in Gqeberha. The development created more than 1,300 jobs during construction and over 1000 permanent jobs. The cherry on top is that 80% of work on site was completed by local subcontractors using local labour.

The future looks even more brighter for the retail sector in our province. The reason we say that is because the Shoprite Group is investing **R1,5 billion** in a Distribution Center at Gqeberha that has created 955 jobs and Sanaha Property Developments has pledged **R542 Million** to build Boxer Stores in our province.

Our vision is to partner with big retail companies to build distribution centre across our districts in the province, prioritising especially small towns. I am making a special appeal to traditional leaders and local municipalities to avail land to private investors for economic development for the benefit of our people. **Masincedisani kulondawo.**

We are having ongoing conversations with the retail sector to scale up sourcing of goods such as vegetables from local farmers. To make this possible, government is assisting local farmers to massify production to meet the demands of the retail sector in terms of quantity and quality.

Agriculture

Honourable Members, agriculture is a sector where we have a comparative advantage. We want to increase the contribution of the sector to the GDP and create employment opportunities for our people.

Our programmes to support farmers continued in 2022. We completed 91 infrastructure projects that benefitted 1 549 smaller holder farmers and created 921 jobs. In the new financial year, we are scaling up this programme by investing R139 million to implement 184 infrastructure projects that will benefit 3 132 small holder farmers in our province.

We are investing significant resources in high value commodities such as grain, citrus, vegetables, and meat. Last year we planted 21 906 ha benefiting a total of 8 922 smallholders and 15 209 subsistence producers. This year we are scaling up the programme by investing R102 million, to plant 27 774 ha.

We are further investing R50 million to support commercial scale production in fruits, grains, livestock, vegetables, piggery, and poultry commodities.

Our province is the second largest producer of Citrus in the country after Limpopo. Citrus growers in our province were adversely affected by the price hikes on a number of inputs due to the Covid-19 pandemic and the war in Ukraine. We are putting measures in place to avert any possible liquidation of these businesses as that will threaten industry transformation and lead to job losses. The National **Department of Agriculture, Land Reform and Rural Development (DALRRD)** has already granted approval to redirect funds from

other projects to implement the bailout intervention and in the province, we are finalising implementation processes of this much needed intervention.

Honourable Speaker and Honourable Members, you all know the struggles we had with the Magwa Tea Estate that threatened the very existence of that important employer of the people of Lusikisiki. The good news I bring you today is that the estate is on a path to self-sustenance. Our interventions at Magwa Tea sustained 1 558 jobs in the impoverished communities.

We started with the diversification and commercialisation of products in Magwa-Majola as promised in 2022. We included Magwa & Majola tea products into the EC Government transversal contract. **This is a breakthrough in the public sector market and will be able to improve the company's revenue generation model.**

Magwa Tea has expanded its market footprint to the hotel and hospitality industry such as Premier Hotel Group and other hospitality establishments with Tea products available in more than 100 retail stores. **Ever since I was introduced to the Magwa Tea product, I have not drunk another tea brand. Let us all buy locally produced products.**

Magwa has entered into a partnership agreement with SAPPI to sell timber and revitalize forestry plantations within the estate. This is another significant investment which presents an opportunity to accelerate the development of a forestry plantation. **Magwa Tea is indeed a story of good progress.**

Aquaculture is an agricultural sector we are focusing on to exploit the vast oceans, estuaries, and rivers that abundant with marine life. This sector is still

in its infancy in the country with an estimated production of less than 10 000 tons per year, while Egypt which leads the rest of the continent boasts of nearly 1,6 million tons of production per year. We are engaging our partners in Egypt both from a technical and funding modality point view. The target for this investment is Mbashe, Coega, and ELIDZs.

In the State of the Province Address of 2022, we committed to contribute inputs that would streamline regulatory processes to enable the development of the Cannabis and Hemp sector. We did that.

There are 91 hemp cultivation licenses that the Department of Agriculture, Land Reform and Rural Development issued to Eastern Cape small holder farmers. That is the highest number of permits issued in the country. This shows that people really want to get involved in cannabis and hemp cultivation.

Fellow citizens of the Eastern Cape this year marks the 110 years of the enactment of the abhorrent and notorious Land Act of 1913. Ulwamvila lwaloo mthetho sisaluva nanamhlanje, kuba abantu bakuthi boohluthwa umhlaba ochumileyo wezolimo.

It is for this reason that we remain committed to the programme of land reform. In this current financial year government redistributed 4 834 hectares of land to beneficiaries.

Ndingabalula abantu abafana no Zizo Dumezweni eAmathole, uSimphiwe Sandlana eSarah Baartman, uSisipho Matinise eJoe Gqabi, no Vanetia Janse eSarah Baartman. They are receiving government support to be successful farmers.

lindaba ezimnandi endiniphathele zona mafama ephondo nabantu abasebenza umhlaba zezokuba urhulumente uzokuqesha amagosa ezolimo (extension officers) ayi 10 000 kwiLizwe lonke. Abayi 1500 bazokusebenza apha eMpuma Kapa bephucula imveliso yenu nemfuyo yenu ikwazi ukulungela intengiso.

The graduates who have qualifications in agriculture, must grab this opportunity with both hands. The work of establishing a Veterinary Faculty at Fort Hare is progressing. We hope a declaration will be made before the end of this term by the Minister of Higher Education, Science, and Innovation.

We are rolling out an elaborate food security programme that will ensure that our people work the land, feed themselves and expand into commercial opportunities where their scale of production allows. We are going to invest **R45 million** to support 22 620 vulnerable households targeting women, youth, people with disabilities and military veterans towards food security.

Tourism

Fellow citizens, we have a gem in this province that is unmatched from a tourism point of view. Please take time to visit the tourism sites of our province on weekends and during holidays.

It gives me great pleasure to inform you that from January to December 2022, 5.7 million domestic tourists visited the Eastern Cape. This was 700 thousand more compared to the previous year. Tourists contributed R8.6 billion to the provincial economy. There is no doubt that the SMART marketing approach we implemented is successful and must be sustained.

We continue to roll-out infrastructure to improve access to tourist destinations and parks. Through the Eastern Cape stimulus fund we invested R7.5 million to build 4 additional chalets and a viewing deck at Hluleka Nature Reserve in the tranquil stretch of O.R Tambo District. To facilitate access to our tourism destinations, we continue to prioritise the improvement of roads, such as the road to Hluleka Nature Reserve and newly gazetted road from Viedgesville to Coffee Bay.

We are engaging Airports Company South Africa to help us make it easy for international tourists to fly directly into our province. The problem of limited international and domestic flights into the province is not only about tourism, but also about reducing the cost of doing business in the province.

Film Industry Promotion

Honourable Members, one of the growing economic sectors in the province is the film industry. In the past four years, government invested R23 million in a localization incentive scheme. The return on our investment was R389 million which resulted to over 6 900 jobs and benefitting 572 SMMEs during the production phases of these projects.

Our province has attracted international and local productions. Thousands of South Africans watch our ground-breaking TV series, Gqeberha: The Empire. Last week, I met the crew on set, and they were enthusiastic about our interventions in the film industry which is an excellent catalyst for youth employment in the province.

SMME Support

Madam Speaker, research attests that a thriving SMME sector is key for job creation and economic growth. Initiatives supporting SMME access to finance and markets, as well as interventions that leverage the public sector spend for support SMMEs remain a priority for the province.

In this regard, the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) working with the Eastern Cape Development Corporation (ECDC) are upscaling the implementation of SMME support. We are working with other partners in the development finance to upscale support for SMMEs. The Seda technology Programme through its incubation unit supports 14 incubators in Eastern Cape to the value of R29.8 million.

Youth Development

Honourable Members, we all agree that we need to scale up on our youth development interventions. The number of young people who are Not in Education, Employment or Training (NEET) in the province is at alarming levels, requiring targeted decisive interventions. This means we must scale up skills development initiative targeting this group of young people and channel their energy in the right direction.

Not all young people aspire to be entrepreneurs. We are collaborating with various Sector Education Training Authorities (SETA), private sector, national youth development agency and other role players to implement various education and skills development programmes. These include bursaries, internships, learnerships and other experiential learning opportunities.

We remain committed to ensure that youth-owned businesses continue to benefit from preferential procurement policy. All state institutions must speed up the implementation of youth responsive planning and budgeting framework so that we can improve from the current baseline of 8% to the 30% target stipulated in the national youth policy by the end of this term.

As at December 2022, two hundred and three million rands (R203 million) was spent on over 3 900 youth owned Eastern Cape based businesses. We are calling on young people to grab this opportunity with both hands and ensure that they invest in their businesses for sustainable growth.

A few years ago, we set up a fund dedicated for young people and called it Isiqalo Youth Fund. We wanted to assist young entrepreneurs to take the first steps into the world of commerce. There is now more demand for Isiqalo seed funding from young entrepreneurs in our province. **Today we announce an increase to the Isiqalo Youth Fund, it is now R100 million over three years.** We are confident this investment in the young people of our province will give us better returns in terms of job creation. Isiqalo Youth Fund **is a story of good progress.**

Many young people in our province carry the heavy load of student debt. This affects their aspirations to improve their lives and the lives of their families. We must remember that when families send their children to school, they want them to have a better life. Last year we intervened to provide student debt relief amounting to R50 million for students in our four local universities. Again, this year we intend to invest another R50 million to assist students in distress. This is a sign of caring government.

But as a country we must seek a permanent solution to the issue of fees in higher education. I have observed that even the middleclass does not afford to pay fees in higher education.

Honourable Speaker, our efforts to bring more young people into the labour market have been aided by the implementation of the Presidential Youth Employment Initiative (PYEI). Since its inception, thousands of young people have not just benefitted from the programme but have also added value in areas where they are placed, especially in our schools. Again, we want our youth to see this initiative as both an intervention to reduce unemployment levels in our province, but also to equip themselves with skills and experience for entry into the formal job market.

Mainstreaming of women

Honourable Members, as the 6th administration we are equally committed to scaling up our interventions of ensuring the full participation of women in our provincial economy. To this end, as government we need to lead by example if we want the private sector and non-governmental sectors to follow suit in embracing the mainstreaming of women in the economy and in society.

As such, we will continue with our efforts of going beyond meeting our equity targets as it relates to the recruitment of women in senior management positions.

I would like to commend six (6) Government departments that have met the minimum gender equity targets at senior management services, which is an improvement from the three (3) that we reported on in 2021.

We are rolling out development programmes at middle management level, and this gives us confidence that by the end of the term all departments would have reached their targets.

Although 7 298 women-owned Eastern Cape based businesses benefitted from provincial government procurement spend to the value of four hundred and thirteen million rands (R413 million) in the current financial year. We have directed provincial departments to increase this number and ensure that at least 40% is spent on women-owned Eastern Cape based businesses.

Infrastructure as a lever for economic development

Honourable Speaker, our infrastructure delivery programme is a strategic initiative to diversify investments across the province. We are relentlessly pursuing 6 Mega Infrastructure Project which are: N2 Wild Coast Highway, Mzimvubu Water Project, Eastern Cape Transnet initiatives, N2 Nodal Development, Undersea cables, and Wild Coast SEZ.

One of the most critical infrastructures in any economy is the road network as it facilitates movement of people and goods.

The work of transforming the Wild Coast corridor through the construction of the N2 Wild Coast Project is gaining momentum. For the people who do not know the area I am talking about, the project is implemented to benefit two of the poorest districts in our country O.R Tambo and Alfred Nzo. Late last year, a contractor for the construction of Mthentu Bridge was introduced to the community and construction is expected to start in March this year.

This is a R4 billion investment by our government to redefine the economic development landscape for the entire Pondoland region using roads as an enabler for sustainable economic activities. This **is a story of good progress** after delays on this project.

We are moving with greater speed working with SANRAL to construct road arteries that connect our people to social services and economic centres in the N2 Wild Coast. We will soon be breaking ground on the road from Lingeni to Msikaba and from Msikaba to Mtentu.

Plans are at an advanced stage for the rehabilitation of Ingquza Hill memorial Roads, upgrading of roads within Ntlavukazi Village, Lambasi, and R61 to Bambisani Hospital. We also going to attend to the road from Ndwalane to Ntafufu; Ntafufu to Bambisani turn off; Bambisani turn off to Lingeni; Mthentu to Kulumbe and Kulumbe to Mthamvuna.

The N2 Wild Coast Development is a foundation for our province to also benefit from the Eastern Seaboard Development which connects the Eastern Cape and Kwa Zulu Natal. While I am on this point, I am pleased to announce that the blueprint to guide our work in the Eastern Seaboard Development has been gazetted. I encourage fellow citizens to submit comments.

Honourable Speaker, we are also constructing road projects worth over R4 billion in other districts across the province. These road projects include: N2 from KwaBhaca to Ngcweneni River; R336 from Kirkwood to Addo (phase 1); N2 from Grahamstown to Fish River (phase 3); R390 from Cradock to Hofmeyer; N2 from Gamtoos River to Van Stadens River; N2 Ndabakazi Interchange; and R58 Cala to Ngcobo.

I must say to the people of our province we want to fix all the roads they tell us about, but the reality is that we cannot do all of them at the same time. Our budget is not enough to do that. Therefore, we plead for patience.

Thus far, 5600 people are employed in current road construction projects and 524 black owned entities are engaged to a value of R2,3 billion.

Rural roads pose an everyday challenge of access to our communities. The solution to this challenge is a proper construction and maintenance of rural roads, with installation of culverts and drainage systems. **We are in the process of buying 36 new items of yellow fleet plant machinery which we will use to strengthen our efforts on roads maintenance, in collaboration with municipalities.** We will prioritise Districts that are prone to disasters. This programme will open further opportunities for youth employment.

The construction of 19 bridges under the Welisizwe Programme is an intervention to enable mobility of the people within communities. SANDF will soon resume construction of 19 identified bridges in our Province: 8 in OR Tambo district, 6 in Alfred Nzo, 4 in Amathole, and 1 in Buffalo City Metro. We are consolidating damage caused by floods on our roads and bridges with the aim sourcing more funding from national government to rebuild our infrastructure.

Our rail and port infrastructure is also receiving attention. Transnet Freight Rail is planning to open the line from Kroonstad to the Port of East London. At the Port of Port Elizabeth 1200 Ton Slipway Project is to be completed by March. The grain Elevator at the Port of East London is operational. The imports and

exports of maize have started with two vessels handled. All of this infrastructure will improve logistics in our province.

Water Infrastructure

Honourable Members, our National and Provincial Development Plans identify the provision of water supply for domestic and commercial use as critical for economic development. In previous years we made a commitment that the Mzimvubu Water Project would be implemented during the 6th administration. I am pleased to announce that our relentless pursuit of this catalytic project has enabled us to unlock for its implementation. Government will fund the project with R8 billion. Esithe sizakuyenza siyayenza.

The Stats SA general household survey of 2021 indicates that our province is progressing towards achieving universal access to water. Access to water in our province now stands at 71%. We are scaling up reticulation of water to our communities through the multi-year Regional Bulk Infrastructure Grant amounting to R10 billion. Thus far, we have spent a cumulative amount of R6,8 billion.

This year we are completing bulk water projects in Matatiele; Mount Ayliff; Makana; Graaf Reinet; Janseville; Klipplaat; Misgund; Paterson; and Addo. In the new financial year, the last phase of the **R577 million** Xora bulk water project will be completed. The completion of these projects will provide water to our communities and also unlock socio-economic potential of municipalities.

Honourable Members, if I were to choose where the heavy rains we are experiencing must go, I would say to Nelson Mandela Metro. For eight years,

the Nelson Mandela Metro has been battling a prolonged drought. This has been an inconvenience to the residents and businesses in the Nelson Mandela Metro.

We are doing three things to mitigate the challenge. We have mobilised the community to use water sparingly to avoid day zero. Water usage in the Metro is very high at 280 mega litres, it has to be reduced to 230 mega litres. Secondly, we are managing demand by installing pressure reduction devices in areas where high water use is detected. We are also working with the private sector to repair water leaks. I must commend the Nelson Mandela Metro Business Chamber for the leading role they are playing on this programme. The third action we are taking is sourcing additional water from boreholes, ground water development and also exploring desalination.

The good news I am bringing the people of Nelson Mandela Metro is that Department of Water Affairs will commence with the construction of the Coerney balancing dam in September to ensure more water storage capacity. In the short term, water tankers will continue to provide water to communities.

Challenges of access to water require us to have innovative solutions. We implemented seven spring water projects in Emalahleni, Dr B Xuma, Intsika Yethu, Elundini, Mhlontlo, Raymond Mhlaba, Ntabankulu and Umzimvubu. This initiative resulted in the installation of 230 taps benefitting a total number over 1900 households including 3 schools, 1 clinic and 3 churches. The implementation of the projects created 421 temporal jobs. We are going to expand this initiative to other communities as water never stops coming out of taps from spring water projects. **This is a story of good progress.**

When we talk rural development, we talk about initiatives of this nature that are implemented by various role players. Rural development is a cross-cutting function which requires strategic partnerships between government, private sector, development agencies and civil society. We are moving the Rural Development Coordination function to the Office of the Premier so that the Department of Agriculture can focus solely on agriculture.

We have also made big strides on the eradication of sanitation backlogs from 62% to 30%. We are working with national government to reach unserved communities, especially in the former homelands.

The N2 Nodal Development which is a strategic economic and housing provision intervention programme in Gqeberha is progressing. There is a need for greater speed in the implementation of bulk infrastructure and approval of environmental assessments and designs.

ICT infrastructure

Honourable Members, the *2Africa* cable has landed in Gqeberha and will be ready for service by December 2023. The landing of this sea cable will amongst other things improve connectivity in municipalities across the province. The issue of connectivity is not a luxury, it is also a security matter in an environment where crime is rife.

The provincial broadband project continues to be rolled out to connect government sites which includes schools, hospitals, and offices. It is through our investment on ICT infrastructure that we are now able to digitise operations in government. We now have e-health and e-education platforms that have led

to improved efficiencies. In the past people who wanted to apply for government posts had to buy envelopes and post applications.

But now our e-recruitment platform makes it possible for people to send their application in the comfort of their homes. This **is a story of good progress**. To date, we have connected 982 sites through the broadband initiative.

Vodacom is expanding broadband coverage in rural communities They have spent **R34 million** connecting 23 villages and they are now investing **R71 million** to connect 86 more villages by June.

MTN South Africa (SA) invested **R600m** just in the EC Region to protect network coverage and connectivity amid escalating load-shedding and vandalism across the province. MTN embarked on an aggressive rollout of batteries and generators, and they continue to explore practical and innovative solutions to the power crisis.

Higher Education Infrastructure

As a former leader of students. I always take a keen interest in the welfare of students. The Department of Higher Education invested R2.8 billion to upgrade infrastructure in 16 TVET Colleges across the country. Upgrades at Graaf-Reinet, Aliwal North and Ngqungqushu TVET Colleges have been completed while Ikhala College campus in Sterkspruit is under construction. This **is a story of good progress**.

Government allocated **R350 million** to Walter Sisulu University for renovations. Labs have been renovated at the Mthatha Campus, renovations

on internal residences have been completed at Ibika Campus and buildings have connectivity and modern ICT equipment. **This is a story of good progress.**

With the support of government, the Nelson Mandela University invested **R623 million** for infrastructure projects. The implemented projects include the 1800 bed residence development, a new science centre and a renewable energy project to install PV panels to reduce energy costs for the university. **This is a story of good progress.**

Rhodes University is also implementing exciting infrastructure projects worth **R308 million** which include refurbishment to the Chemical and Pharmaceutical Sciences building, the construction of the building for the Institute for Nanotechnology Innovation. When completed, the Nanotechnology building will have state of the art research equipment which will be used by researchers to address among other things cancer treatment. Rhodes University has also commissioned a new student accommodation for female students. **This too is a story of good progress.**

Government is investing **R521 million** for infrastructure projects at Fort Hare University which includes building a new student centre and an Early Childhood Development Centre in East London; Part of the funds are for upgrades to water treatment works, upgrades for the library and building a research hub in Alice. **This is a story of good progress.**

Bhisho Office Precinct

In 2019, we committed that the Bhisho Precinct will take off during this term. There has been delays in this project as we are negotiating with potential partners for its implementation. But also, we had to engage partners to fund bulk infrastructure. I am still confident that in the next three months we will announce a breakthrough on this project.

Notwithstanding the good progress I have referred to in a number of these economic infrastructure projects, there is a clear need for us to improve our capacity across the infrastructure value chains. We must collaborate and share best practices on how to deliver infrastructure projects faster and within budget. We delivered infrastructure projects on time during Covid-19, we want that standard.

Now that the Khawuleza PMO has taken off the ground, we are activating the Premier's Infrastructure Coordinating Council (PICC) to drive infrastructure development across all sectors of our economy. We are also setting up a crack team for infrastructure delivery led by Director General to deal with technical and administrative bottlenecks that delay infrastructure delivery.

Sustainable energy infrastructure

Honourable Speaker, sustainable energy supply is vital for economic development but also our people use electricity for their daily lives. The challenge of electricity in our country is regrettable, it is an inconvenience to all of us and is disruptive to businesses.

I know of Barber Shop owners who turn away clients during loadshedding. I know of manufacturing companies that are forced to downscale production, which affects their exports to international markets. What I am highlighting is that we must move with speed to end the nightmare of loadshedding.

We welcome the declaration of a State of Disaster on our energy crisis by the President in his State of the Nation Address.

As a province we are putting in place short, medium, and long-term interventions to manage loadshedding. We acknowledge the steps taken by Buffalo City Metro, Nelson Mandela Metro, the Business Chambers, and stakeholders in managing the impact of loadshedding. These steps are progressive in ensuring the balance between business continuity, and job sustainability.

We encourage citizens to install rooftop solar panels. The Minister of Finance has said individuals who install solar panels will get a tax rebate of 25% of the cost of panels.

To solve our energy crisis in the medium to long term, there are a few economic structural issues we must deal with. The inadequate capacity of our province's electricity transmission grid remains a challenge. We are engaging Eskom and the Department of Energy to ensure that investments to enhance the province's electricity grid are secured.

As government we are exploring ways in which we can reduce the reliance of public sector institutions on the national grid. We also encourage the private

sector and individual households to invest in solar panels and other sources of energy.

In the last 9 months the ELIDZ recently approved 4 new investment projects to the combined investment value of R2,57 billion. The bulk of these projects are in the renewable energy sector and are targeted for establishment in Ntabozuko.

This is also an opportune time for the country to be decisive on building the Nuclear Power Plant in Tyspunt.

Madam Speaker, our country is endowed in oil and gas. Two years ago, we informed this House about our intentions to position Coega and the Eastern Cape Province as a Gas Hub leveraging the discovery of natural gas in that area. Today, we report that the first Environment Authorisations which include the Mosselbay and Coega have been gazetted and are paving the way to build a 400km gas pipeline from the Mosselbay to the 1000MW Gas Power Station in Coega.

Last year, we also made an undertaking that the multi-billion Hive Energy Project in the green hydrogen sector will be one of our mega catalytic projects. Today, I am pleased to report that the Green Ammonia Plant project valued at R100 billion is officially gazetted.

We also welcome the announcement by the Department of Mineral Resources and Energy that legal exploration of South Africa's Shale Gas endowments can go ahead to establish its commercial viability. We support that exploration of the Shale Gas.

We hope this message will resonate well with our investors and they will see we are developing a long-term plan to supply them with energy.

Education

Honourable Speaker, let me now turn to the work we are doing in the social needs cluster. There is no better way to start 2023 than the achievement of the matric class of 2022. The 77.3 % was achieved because of the successful implementation of the Education Turnaround Plan adopted in this term of government. The quality of the results is also improving in our province. The number of Bachelor passes increased by 2.5 % from 34.3% in 2021 to 36.8% in 2022. District performance in 2022 took a new turn, with no District below 70% at all.

I want to pay special recognition to the Alfred Nzo West Education District for being the district with the highest NSC pass rate at 82.7%. That is the district that birthed President General Oliver Tambo, a maths and science genius in his own right.

I invite Members of House to join me in congratulating Landingwe Khanyisile the top achiever from Nyanga Senior Secondary School in the historically disadvantaged category and the overall provincial top achiever Claassen Kian from Grey Boys High. Both of them have full scholarships from the Provincial Government. We wish them well in their studies.

In the gallery today we have special guests who were previous recipients of the Premiers Scholarship Award. They are Dr Avela Jama and Dr Iviwe Fakela.

The stories of these three young people inspire me a lot, I hope they inspire other people too. Thank you for serving our nation.

While the Grade 12 pass rate has been widely discussed and praised, we are also pleased to announce that the overall pass rate in the lower Grades has been consistently above 80% in the last three years. In 2020 the pass rates for Grades 1-9 stood at 82%, and it improved to 91.7% in 2021, and now stands at 92.3% in 2022. This **is a story of good progress**.

Now that we are achieving good results inside the classroom, we are injecting agility to fix infrastructure in schools. We are prioritising school infrastructure, such as hostels to improve schooling environment. The Provincial Infrastructure Coordinating Council and the crack team I announced earlier will prioritise the delivery of school infrastructure in our province.

We will support schools to improve reading capabilities. To achieve this work, we are launching the Eastern Cape Reading Academy, an online Teacher Training Model targeted.

We will continue to promote inclusive education in line with the Bonke Ngabethu programme. To this end, we have approved the Post Provisioning Norms of Therapists and Psychologists to provide services in our special schools.

Honourable Speaker, we have a serious challenge of learners who are not finishing their schooling. Ndiyanicela bazali bonke abantwana mabaye esikolweni, ingcango zezikolo zivuliwe.

Health

Madam Speaker, our turnaround plan on health is also succeeding. Covid-19 is no longer viewed as a pandemic, and we have moved in the last year to adapt our daily lives to living with COVID19 endemic in our communities.

As a result, our healthcare programmes targeted at children, women and men are being scaled up. The immunization of children under 1 year is above 82%, due to the catch-up campaigns we launched. Our investments on child health programmes have led to reduction in under 5 years' mortality rate; reduction in deaths due to diarrhoea, pneumonia and severe acute malnutrition. This **is a story of good progress**.

Honourable Speaker, we have recorded a significant drop in the rate of deaths of mothers from 140 deaths per 100,000 to under 86 deaths per 100,000. For the first time the Eastern Cape has dropped beneath the 96 per 100,000 live births national target. We remain cautiously optimistic that the efforts of encouraging women to book before 20 weeks of pregnancy; training staff on emergency steps and the investment in machinery and equipment are starting to show that we are providing better and safer care for pregnant women the province.

We remain committed to accelerate the rehabilitation service for cerebral palsy patients through the Rehabilitation Centres of Excellence which include Nelson Mandela Academic Central Hospital (NMACH), Cecilia Makiwane and Frere Hospital academic complex; as well as Dora Nginza Hospital. To this effect,

critical posts have been filled and R4,5 million has been invested in rehabilitation services including specialised machinery and equipment.

Whilst the recent judgement on medico legal in the high court offers us relief on unsustainable cash out-flows, in terms of lump sum payments, it also imposes responsibility and obligations to strengthen our public health care systems. The judgement further reaffirms the responsibility that officials, must serve diligently and act ethically.

We have resourced the establishment of a second oncology facility in the Nelson Mandela Central Academic Hospital. This is a significant step towards equitable access to health care services and it provides a referral catchment for cancer patients on the eastern side of the province.

People with Disabilities

Honourable Speaker, the province has made it a norm that all new government buildings built by this government are disability-friendly and are accessible to persons with disabilities. A programme to revamp old buildings which are not accessible to persons with disabilities is underway.

We are committed to addressing the backlogs in the provision of assistive devices to people with disabilities. This year, we provided for more than 22 000 assistive devices with an investment of more than **R9,8 million** rand. Our health facilities are always ready to receive persons with disabilities for assessment by our skilled therapists. We call on our communities, especially parents of disabled children to timely approach our facilities for assessment so that their lives can improve.

Strengthening Governance

Madam Speaker, in 2022 we stood before this august house and committed to improve audit outcomes in our government institutions. I am happy to report that, the provincial government and its entities has for the 2021/22 financial year received the highest number of clean audits in the history of the province, achieving 14 clean audits.

In Local Government there has been an improvement in the audit outcomes with 50% municipalities on unqualified and 4 on clean audits. We are taking lessons to accelerate Operation Clean Audit. It is also important to note that irregular expenditure in the province decreased from R3 billion in 2020/2021 financial year to R1.35 billion in 2021/2022.

Lifestyle Audits

Madam Speaker, we committed to conduct Lifestyle Audit as part of our quest for clean governance for a corruption-free administration. I am glad to report that lifestyle audits for Premier, Members of the Executive Council and the Director General were conducted by the State Security Agency. The lifestyle audit will be cascaded to local government.

Heads of Department and Senior Management Service have completed the annual financial disclosures, these have been analysed and there were no adverse findings.

From now we will direct our focus to the levels below prioritizing Supply Chain Management officials. We continue to rid our system of any employees to eliminate any chances of public servants trading with government.

Anti-Corruption

Our anti-corruption machinery agencies are at work and investigations of reported cases are at different stages. The work of these agencies is starting to bear fruits as we can now report that of the 95 reported cases, 49 have already been referred to the courts of law. The Special Investigating Unit has completed investigating the 748 Personal Protective Equipment (PPE) cases referred to them. Of these PPE transactions, 200 cases were found to be irregular. These have been referred for consequence management by respective institutions.

Support to Local Government

Madam Speaker, municipalities are the closest sphere to our people. We must make them efficient. We are supporting municipalities in distress to improve their functionality. Our support to Local Government was multi-pronged, and the Small-Town Revitalisation Programme is part of the support we offer to improve socio-economic infrastructure.

An amount of **R433 million** is allocated in 2021/22 MTEF to expand the programme with an addition of fourteen projects in eight more municipalities.

Because of the economic spin-offs of the small towns revitalisation programme and its effect on the lives of our people in our small town, we promised to

expand this life changing programme to 8 more municipalities. True to our promise, this work is being rolled out through 21 projects across these municipalities. To date, eight of these projects are more than 60% complete and seven are at completion stage.

These include Installation of streets lights in Ngqamakhwe (Mnquma), installation of parameter fencing in Joubertina, Surfacing of Joubertina traffic route and road reconstruction projects in Koukamma.

Having observed the slow spending on conditional grants in municipalities we have adopted a risk adjusted to approach strengthen their capability. Furthermore, at a provincial level this work will be driven and overseen by the Office of the Premier, Provincial Treasury, Department of Cooperative Governance and Traditional Affairs, Department of Public Works, and Infrastructure as well as South African Local Government Association (SALGA).

Madam Speaker, our province is constantly experiencing natural disasters. This comes in the form of drought and floods threatening the lives and livelihoods of our people. As a government that cares we have an obligation to respond to these disasters and alleviate the plight of the citizens. We welcome the announcement made by the Minister of Finance that resources will be made available for disaster interventions.

Crime & Gender Based Violence & Femicide

Madam Speaker, in response to the scourge of Gender Based Violence and Femicide (GBVF), in the previous SOPA, we pronounced on the establishment

of the Provincial Forensic Laboratory. We are pleased to announce that the Forensic laboratory is now operational which will improve our ability to resolve cases of GBVF.

We commend the responsiveness of our criminal justice system as seen in the heavy sentences meted against GBVF perpetrators in the Province, particularly the life sentence handed down to Louis Pepping for raping six (6) year old Ngobozana child. This judgement is a demonstration of our zero tolerance towards crime. We also commend all stakeholders including communities for working together towards improving the conviction rate in femicide cases, which now stands above 90%. The gains I have just mentioned would not have been realised without the collaboration between Government and Civil Society.

To date, over 17 700 GBVF victims and survivors accessed victim support and shelter services. We commend our Thuthuzela Centres, victim support shelters, rapid response teams and other civil society support systems for the critical role they play in the fight against GBVF.

Having observed the challenge of non-availability of victim friendly rooms in some of our police stations, we are addressing this by providing structures in hotspot areas. In partnership with the Department of Justice and Constitutional Development and other stakeholders, we are working towards establishing Thuthuzela Centres in Sarah Baartman and Joe Gqabi. We are also in the process of establishing a Command Council to oversee the provincial GBVF response.

Honourable Speaker, in SOPA 2022, we also committed to rehabilitate two (2) police stations during the current financial year. The National Department

of Public Works and the South African Police Service are working on the planning phases of these projects which has taken longer than anticipated. Despite this setback, we applaud the South African Police Service for the opening Steytlerville and Qhasa Police Stations in Dr Beyers Naude and Winnie Madikizela Mandela Municipalities, respectively. A mobile Police Station has been established at Majola.

Fellow citizens murders in the Province of the Eastern Cape have over the years proved to be challenging, especially in districts such as OR Tambo, Nelson Mandela Metro and Buffalo City Municipality. This is despite persistent efforts by the South African Police Service to conduct operations, stakeholder engagements and general community education campaigns. Of great concern is the brutal manner in which the people get killed. With the help of intelligence as well as the community whistle blowers, some of the culprits have been arrested.

The SAPS will implement a series of measure to prevent crime in our province. These include; Establishing multi-disciplinary Task Teams led by Provincial Organised Crime. Deploying Extra Tactical Response Team (TRT) and Public Order Police (POP). Deploying National Intervention Unit (NIU) to Nelson Mandela Bay to stabilize crime in that area. Additional vehicles have been allocated to police stations.

Integrated Human Settlements

In the quest to ensure human dignity and improve quality of life for our people, housing provision is critical as it also ensures access to basic service such as water, electricity, and sanitation. We delivered 5338 houses against the annual

target of 7666. Of the 5338 houses, 2203 benefitted women (including Child headed families), 483 to Youth, 134 to Persons with Disabilities (PwD) and 16 to Military Veterans. The underperformance in the Nelson Mandela Metro as well as the slow pace in the delivery of houses for military veterans remains a concern which is receiving our attention.

Madam Speaker, we are also concerned about the land use practices in some of our areas where human settlement are fast mushrooming in the peri-urban areas. This trend limit development and expansion of our towns and cities. Whilst Spatial Planning and Land Use Management Act (SPLUMA) review has not been finalised we are appealing to our communities to respect the rule of Law and refrain from grabbing land as this negatively affects development.

Lo gama lungekagqitywa uhlaziyo lomthetho olawula ukucwangciswa nokusetyenziswa komhlaba siyazibongoza iiNkokheli zethu zomthonyama ukuba zibambisane nathi ekuthinteleni ukusetyenziswa gwenxa kwanokuzitaphela kwabantu kumhlaba wethu.

Ndikuqonda kakuhle ukuxhalaba kweeKumkani neeNkosi zethu malunga nezinye iinkqubo zethu ezinje ngawo wona lo mthetho. Kodwa, ndiyabacenga abanNtwana begazi ukuba bawuxhase lo mthetho ngenxa yokubaluleka kwawo ekukhuseleni ilifa lethu elingumhlaba. May we all take the opportunity that will be presented to us at the time of public hearings on this law.

Social Protection

The Provincial Government working together with Medical Bureau for Occupational Diseases (MBOD), Tshiamiso Trust and Qhubeka Trust have

facilitated the compensation for over 18 600 ex-mine workers for occupational diseases. In addition, over 5 400 Ex-mine workers have been paid their Unemployment Insurance Fund by the Department of Employment and Labour while 197 have been paid Provident Fund by the Mine Workers Provident Fund.

To reduce abject poverty, government is providing social protection of R30 billion annually to the most vulnerable segments of our society. We welcome the increase on social grants announced by the Minister of Finance.

Social Cohesion

Madam Speaker, we continue to drive programmes that bring our people together in pursuit of a united, non-racial, non-sexist, democratic, and prosperous society.

In recognising the contribution to the indigenous music of the province, a documentary that focuses on the life and work of our cultural legend Dr Latozi Madosini Mpahleni is expected to be completed by June this year.

Starting this year, we are commemorating annual frontier wars to celebrate the heroic efforts of our traditional leaders who fought relentlessly against the colonisers to protect our land.

In developing province's resistance and liberation heritage route and enhancing branding of the Eastern Cape as the Home of Legends, the statue of Canon James Calata was unveiled and Kumkani Ngqika's burial site has been refurbished. We are on a campaign to restore all the memorial sites of our legends starting with Nkosi Jongumsobomvu Maqoma's burial site at Ntaba

kaNdoda. Furthermore, in continuing with our repatriation and reburial programme, We repatriated and reburied James Hambile Boo, Nontimber Mbozwana, Bonakele Ngcongolo, and Phineas Mlotywa.

Conclusion

Madam Speaker, the work we are doing has its own challenges, but we are resolute to succeed. We learn from the constructive criticism of our people, and we are equally motivated by the people of our province who give us unwavering support. It is this unwavering support that propels us to keep on working hard to solve the complex challenges facing our communities.

We call on all leaders in our province from various strata to work together to lend a helping hand to vulnerable people, be it young people who can't afford tuition for varsity, be it people who need wheelchairs and be it schools that need food and mattresses for education grade 12 camps. Anything we can do to make a difference in lives of other people, we must reach out.

On that note, let me conclude by reminding all of us that this year marks 29 years of our democracy, a democracy that we achieved through the selfless sacrifices of many heroes and heroines of our country, ordinary men, women, and young people who fought and defeated the brutal regime of apartheid to end its 46-year reign of terror against the masses of our people.

Among the heroes of our people who played defining roles in the struggle for our liberation were President General Oliver Tambo and Commander in Chief of Umkhonto we Sizwe, Chris Hani. Sadly, both our heroes did not live to see

the birth of a new South Africa in 1994, as they departed the world of the living in the same month of April, in 1993.

These two selfless sons of our province distinguished themselves as true agents of change throughout their lifetime.

It was Oliver Tambo who said: **“I had other plans for my life. But God had other plans for me. Gods plan was for me to fight in the political liberation for my people.”**

It was Chris Hani who insisted that: **“we must build a different culture in this country and that culture should be one of service to the people.”**

As we mark the 30th year of their passing this year, I appeal to all of us as leaders of today to roll up our sleeves and make **2023 truly a year of decisive action** to advance the interests of our people. We must work together more than we have ever done before to re-write the history of our province, from a history of hopelessness to a future of prosperity.

Makubenjalo!!!!