EASTERN CAPE PROVINCIAL LEGISLATURE, BHISHO

POLICY SPEECH

2020/21

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MARCH 2020

Theme: Serving our Communities better and faster to grow the Eastern Cape

Speaker of the Provincial Legislature,
Deputy Speaker of our esteemed House
Premier of the Eastern Cape Province,
Members of the Executive Council,
Chairpersons of our Portfolio Committees,
Chairperson of the Provincial House of Traditional Leaders,
Chairperson of SALGA,
Executive Mayors,
Honourable Members of the House,
Leaders of faith based organisations,
Leaders of academic and research institutions,
Government officials present,
Invited guests,
Members of the media,
Fellow South Africans,
Ladies and gentlemen,
Greetings to you all.
INTRODUCTION

Honourable Speaker it is an honour for me to stand before you to present to you Budget Vote 7, a portfolio I am responsible for, in pursuit of the priorities of the sixth administration to realise the objectives of the National Development Plan Vision 2030 (NDP) and the implementation of the Provincial Development Plan (PDP).

In the Constitution of the country we committed ourselves as “freely elected representatives to heal the divisions of the past and establish a society based on democratic values, social justice and fundamental human rights.” To that effect, over the 26 years into democracy much has been achieved in the local government space. The local government sphere is a space where government meets people on a daily basis. It is therefore necessary to remind ourselves about the importance of our constitutional mandate, and adherence to the principles of co-operative governance and intergovernmental relations to ensure efficient coordination of all spheres of government.

Despite the positive records of service delivery in the past years, we are still faced with immense challenges of which some are constant and emerging. For example, in our Province poverty, unemployment and inequality remain our constant challenges that we must deal with aggressively. Whilst at the same breath we observe political instability in local government sphere. Both these factors have a direct impact in the local government environmental narrative.
The department has recorded an unqualified audit outcome with key issues in performance information, and we have to ensure that we improve in this area so that we first become the change we want to see in municipalities and traditional leadership institutions.

In the case of our province, it is in the public knowledge that most of the municipalities, some districts and metros are struggling to fulfil their constitutional responsibilities, leaving the majority of our people vulnerable. There were two (02) municipalities that were under section 139, and 14 municipalities that are financially distressed.

In terms of the Municipal Audit Report for the 2018/19 financial year released by Auditor-General, out of 39 municipalities only Senqu Local Municipality has received a clean audit outcome; fifteen (15) municipalities received unqualified audit opinion with findings; fourteen (14) municipalities were qualified; eight (08) municipalities received disclaimers and one (01) municipality has prejudice (disputing the audit outcome).

Amongst the leading challenges experienced by our municipalities that resulted to the above audit outcomes are non-compliance with legislation, weak governance, weak internal control systems, and supply chain management, poor management of annual financials and performance planning and management. These have a direct impact on service delivery, hence the increase in service delivery protests, and unfortunately they have now become a destruction factor in our communities.
With this narrative, we are committed in restoring the people’s trust back to us, in the local government sphere to be specific.

In the face of all the challenges impeding service delivery, the President introduced the new District Development Model (DDM) as an approach to address the lack of coordination.

OR Tambo District Municipality was pronounced by the President as one of the National DDM pilot sites. The Province has put measures in place to ensure that the pilot site becomes a success and a quintessential model not only for the Eastern Cape but for the country.

The DDM is an approach that calls for all spheres of government to work collaboratively in development of “One plan” “One Budget” for “One District” to speed-up the provision of services to communities. We have profiled the OR Tambo District Municipality and supported institutionalisation of DDM in the Province. We are synchronising the DDM into our Provincial and Local IGR system. The Model is being aligned into similar initiatives such as Programme Management Unit (PMU) and other Frameworks to avoid duplication.

To implement transformation and improve the functionality of the municipalities and Traditional Leadership Institutions our focus is on the implementation of the Back to Basics Programme (B2B) to better serve our communities by getting the basics right.
Department’s Environmental Setting

Honourable Speaker, the department operates in a dynamic environment with both internal and external factors, that unfortunately, have direct effect on our operations. Be that as it may, we are up for the challenge as the department, considering our competent management and staff.

Madam Speaker, last year I stood here presenting to this House my deliverables for the department, and I find it appropriate to give a brief account of what the department managed to deliver on as follows;

- We reviewed the Service Delivery Model (SDM) considering decentralisation to improve efficiencies and better experiences of communities. The review also took into account the new District Development Model (DDM) introduced by the President aimed at shaping our department to effectively and efficiently support local economic development, growth and basic service delivery.

- We conducted a coaching programme for SMS Members with the National School of Government in partnership with the European Union.

- The need to enhance employer-employee relations in our department is of paramount importance hence we strengthened the capacity of the Management Labour forum to improve labour relations.
To improve community participatory development, the department reviewed the Integrated Service Delivery Model. In the ISDM the focus is on functionality of ward base planning and participation of communities in service delivery.

As we move closer to the 2021 Local Government Elections the department introduced a rapid petition management process moving from quarterly to monthly monitoring of petitions. The ProvJoints and Priority Committee are now monitoring and updating service delivery petitions on a monthly basis.

All 39 municipalities were supported by the department to develop community engagement plans to avert violent service delivery protests.

To promote good governance in local government the “separation of powers doctrine” project known as governance model remains at a developmental and pilot phase in OR Tambo district municipality and BCMM.

This governance model does hold the executive accountable but increases salary bill as more full time councils and additional staff are needed to implement this model.

On MIG performance a total allocation of R2,996 billion for 2018/19 and R2,802 billion was spent (93%) on the following projects High mast lights, Roads, Water & Sanitation, Building of Community Halls, Sport facilities and landfill sites.
- National CoGTA and the department is working together with SARS through MoU to eliminate illegitimate indigent beneficiaries in the municipal indigent registers.

- The department held the drought water summit in December in Sarah Baartman district municipality to avoid days zero and promote engineering water business for sustainable future. The department allocated funding for drilling and equipping of water boreholes (Makana, Sundays River and Dr Beyers Naude LM) and construction of water treatment plant at Ndlambe LM.

- The department created 47,557 work opportunities through Public Employment Programmes (CWP and EPWP) to reduce level of unemployment in line with Vision 2030 (NDP). However, the allegations of corruption in the CWP led to the Minister to institute investigation on the programme.

- These two (02) programmes assisted the municipalities to eradicate 402 illegal dumping sites across the province, maintenance of 385 community halls/crèche’s/Clinics/ECDC Schools through painting, installing tiles, fixing leaking water pipes and working with DRDAR on drought project. Supported the beautification of five (05) small towns (Lusikisiki, PSJ, Libode, Alice, and Kirkwood) through cleaning and storm water clearing etc.
To increase the participation of traditional leaders in rural and community development programmes, the department developed policy guidelines to give effect to this.

In minimising the claims and disputes, the department has conducted genealogical research of 6 Royal families for Senior Traditional Leaders.

To improve functional Traditional Leadership Institutions, during 2019/20, 163 newly recognised traditional leaders were inducted.

Madam Speaker as we progress with the implementation of the sixth term administration agenda, the department commits to perform the following:
PUTTING PEOPLE FIRST

The department has acknowledged that Integrated Service Delivery Model (ISDM) is a useful tool to enhance public participation and rapid response to community needs. The department commits to foster citizen’s participation by creating ward committees, community outreach programmes, public dialogues with communities and creation of functional ward war rooms.

The department will ensure maximum participation of traditional leaders, civil society or community base organisations, academics and the private sector in these institutional platforms. The department will implement the legal reference guide on public protest, legal strategy against unlawful strategy, municipal complaints norms & standards framework and rapid response petition framework to minimise disruptions before and during local government elections.

The department will support municipalities in the establishment of systems structure to implement SPLUMA through training of municipal planning tribunal members, appeal authority structures, authorised officials and assisting municipalities in the process of reviewing their Spatial Development Framework (SDF) and developing their land use management schemes in order to be SPLUMA compliance. In some areas in the OR Tambo District, participation of Traditional Leaders is improving and we will build on these positive outcomes to ensure full participation in all districts.
To improve IDPs in the province, the department will support development of eight (08) DDM plans for the six (06) districts and two (02) Metros. Support will also be provided in the alignment of IDPs with the new District Development Model (DDM) through district profiling to establish the level of technical capacity.

The department will intensify integration between Traditional Leaders, democratically elected structures and rural communities in the area of Integrated Development Plans (IDPs) and other service delivery programmes such as formulation of development plans. The department will use Municipal Support Intervention Framework (MSIF) to diagnose and categorise all municipalities in line with B2B framework for differentiated support and intervention. In line with the existing Memorandum of Understanding (MoU) with DBSA the department will facilitate the integration of the PMU and DDM. Through the existing MOU that we have with Fort-Hare University, the department will explore the institutional support to OR Tambo District DDM.

The department will also be assisting municipalities in processing all land development applications in terms of the Land Use Management Schemes. The department will prioritise municipalities in various districts to conduct cadastral surveys for access to land rights.

Honourable Speaker, in strengthening governance and administration in Traditional Leadership Institutions, the department will continue to facilitate advocacy campaigns on the new
Traditional and Khoi-San Leadership Act 2019 (Act No. 3 of 2019). Furthermore, the Eastern Cape Customary Male Initiation Practice Act, 2016 (Act No. 5 of 2016) will also be subjected to review for the purposes of addressing the challenges and weakness that have been identified during the implementation of the Principal Act. The review process will be influenced by sub-cultural dynamics prevailing in the Eastern Cape Province to ensure stability during the implementation. We are aware that the implementation of the Traditional and Khoi-San Leadership Act No. 3 of 2019 will require major budget allocation.

The traditional leadership institutions will facilitate partnerships with government and non-governmental institutions to improve service delivery in traditional communities.

**DEdeliverING BASIC SERVICES**

Madam Speaker, the department has developed the Provincial Municipal Infrastructure & Service Delivery (PMISD) Reporting System that will monitor municipal capital grants performance on quarterly basis.

To support delivery of Municipal Infrastructure, the department is introducing a web-based Local Government Management Information System (LG-MIS). This system will enhance and inform the department’s strategies or mechanisms in supporting and intervening in troubled municipalities.
To enhance efficiencies of basic infrastructure delivery, the department has introduced the Provincial Municipal Infrastructure Coordination (PMIC) guidelines. The system will also help the department to support and monitor MIG Projects such as water project, sanitation, roads, community halls, sport fields, landfill sites and street lights.

The goal is to detect early poor performance of infrastructure projects and service delivery backlogs. The Province is allocated R3.025 billion for 2020/2021 MIG infrastructure projects and 36 Municipalities will benefit from this allocation.

The South African Free Basic Services Framework and national guidelines makes provision for indigent support of poor households. However, to remove illegitimate beneficiaries in the Municipal indigent registers – CoGTA will support the data cleansing project in 39 municipalities.

On Local Economic Development (LED), FNB incubation programme is currently incubating 21 entrepreneurs in Joe Gqabi in collaboration with COGTA. These incubation programmes are on financial management, cash flow management and business management. FNB is running these incubation programmes on small businesses and cooperatives over a period of six months. The next district to benefit in this programme is Chris Hani, which will start in the new financial year in 2020/2021.
Madam Speaker, over the next 3 years 800 local SMMEs have been targeted in the FNB incubation programme. Twenty (20) projects have been identified to drive economic development in local municipalities of which 8 (Amahlathi LM, Enoch Mgijima LM, Koukamma LM, Ndlambe LM, Ngqushwa LM, Mbizana LM, Port St Johns LM and Raymond Mhlaba LM) are being packaged for possible investments. Youth and women are being prioritised in this incubation programme.

The department in 2020/21 will conduct a technical site verification training for the departmental CDWs (Community Development Programme) to intensify site verification on all MIG and other sector grants. This will broaden the number of sites to be visited on a quarterly basis, to inculcate a culture of accountability by municipalities and to ensure that there is value for money in all MIG funded projects.

Ladies and gentlemen, the partnerships between seven (7) municipalities and Federation Canadian Municipalities (FCM) to support and drive economic development is taking shape. The programme is aimed at providing additional capacity to municipality on LED, GIS System and Asset Management. In KSD Municipality, the partnership is seeking to explore the utilisation of waste to drive a bio fuels programme similar to what is being done by the city of Surrey in Canada.
Partnerships with retailers such as SPAR have been brokered to support entrepreneurs to sell their products through the Fast Moving Consumer Goods programme (FMCG). These products include fruit, veggies, bread, toilet paper, garlic and so forth. The programme provides SMMEs easier access with less barriers to entry to make their products available on the shelves and at eye level. This is being done in collaboration with the Local Development Agencies, Municipalities and the ECRDA.

My department in collaboration with National CoGTA and municipalities will maintain CWP employment safety net for 47 184 participants across the province as well as empower 1500 participants through training for better labour market opportunities in line with the National Development Plan (NDP), which advocates for the reduction of the triple challenges of unemployment, inequality and poverty.

Furthermore, the department will utilize CWP participants to provide labor-intensive inputs for minor infrastructure maintenance, which includes pothole repairs general cleaning, clearing of illegal dumpsites, road markings, unblocking of storm water drainage in the small towns.

Provincial Disaster Management Centre (PDMC) will facilitate and monitor the implementation of drought mitigation measures such as drilling and equipping of boreholes in Sarah Baartman District Municipalities. Key to the disaster mitigation measure is a system (Disaster Management Integrated Information System)
that we have installed in the Department to detect and respond to disasters in the Province. COGTA is establishing a drought war room with Department of Water and Sanitation (DWS) to assist Municipalities affected by drought.

An amount of R3.8m is allocated for Disaster Risk Assessment in the Province. Department has procured six (06) Water Carting Trucks that will assist drought stricken municipalities. To improve the Provincial Disaster Management Centre operations more funding is required to build capacities to respond to droughts and disasters in the Eastern Cape. In partnership with Water Research Council (WRC) the Department will conduct a scientific study to explore a long-term drought solution in the Province.

As part of our mandate in providing support to traditional leadership institutions, eight (08) Traditional Councils (TCs) will be constructed at a total cost of R9, 3 million. Out of these eight (8) TCs, construction of five (05) TCs will be continuous projects flowing from the previous year. The three (3) constructions will be new projects.

**GOOD GOVERNANCE**

As an Executive Authority of COGTA, I envisage to effect changes that will promote good governance in the department. We are embarking on a renewal program to ensure that COGTA is an agile institution that is capable of dealing with all the challenges that are facing municipalities and Traditional Leadership
Institutions. Together with CoGTA team. I am focusing on building professionalism and the ability for CoGTA to move with speed on issues that affect our good governance.

The department will continue to ensure that there is proper Governance in respect of Municipal Councils. All Municipal Councils will be monitored as to whether they are in compliance with the relevant legislations. Illegal decisions taken by Municipal Council will have consequence management implemented, holding the councillors personally liable. The department commits to support municipalities enforce their own municipal by-laws. The department will evaluate and provide after care support to those municipalities that are and were under Section 139 Interventions.

To promote good governance and uphold the code of conduct in the Municipalities, the department will monitor the functionality of good governance structures including MPACs, Section 79 & 80 Committees and Audit Committees.

The department will conduct and confirm Genealogical Research in eight (8) Royal Families for Senior Traditional Leaders during the 2020/21 period. This will assist in reducing Traditional Leadership Claims and Disputes (TLCD). The department will also ensure that an internal dispute resolution committee is functional to deal with dispute resolutions of traditional leaders.
FINANCIAL MANAGEMENT

The department intends to maintain the unqualified audit outcomes and commits to pay service providers within 30 days. We also commit to investigate and clear all irregular and fruitless expenditure. The department is strengthening internal controls by implementing finance policies and develop audit intervention plans. We have a functional audit committee that will continue to render oversight performance. We commit to procure 80% of our Service Delivery budget to local service providers.

The irregular expenditure in municipalities is increasing at an alarming rate; the department will support the Municipal Public Accounts Committees (MPACs) to investigate in compliance with the MFMA and implement consequence management thereof.

The department will continue to assist municipalities in collecting revenue from government entities, I would also like to thank Rhodes University by providing the MPAC members the opportunity to enrol for the MPAC certification in supporting our municipalities to achieve good financial governance.

Madam Speaker, considering the challenges experienced by amalgamated municipalities in the province, I have made engagement with the National Minister of CoGTA requesting financial assistance specifically for these municipalities to enhance their viability.
My Department will conduct a scientific study on assessment of the distressed municipalities in 2020/21 to make findings and recommendations.

In order for Traditional Councils to be financial viable and self-sustainable the department will conduct financial oversight to these structures in all regions. An additional budget of R21 million has been allocated to fund operations of all seven (7) Kingships/Queenship.

**INSTITUTIONAL CAPACITY BUILDING**

In 2020/21, the department will continue with decentralisation of functions to the Districts and the professionalization of workforce programme. In this period of 2020/2021, we intend to have an intake of 20 internship programme learners.

We are negotiating with European Union and School of Government for the next intake of Middle Management Service (MMS) and remaining Senior Management Service (SMS) to undergo a coaching programme.

In the Municipalities, the department will conduct capacity building for the Troika (Office Bearers) and Portfolio Heads in order to make sure that Councils take legal resolutions. Through our partnership with the Rhodes University, we are going to conduct training for MPAC structures on Essentials and Oversight roles of these committees. In the context of decentralisation, the Local Houses
will be capacitated with the support staff to enable them to perform their statutory obligations and enhance their functionality.

Honourable Speaker, the capacity development of Traditional Leaders is also one of our main priorities to enable them perform their responsibilities. The department is committing to train 20 additional traditional leaders in leadership and governance programme.

In enriching the content of the induction programme, we worked in collaboration with the National School of Government (NSG) to develop a comprehensive induction manual which we are currently piloting. In addition, 120 traditional leaders will be inducted on the new Traditional Leadership Induction Manual (TLIM) with a particular focus on customary and constitutional roles and mandates.

In partnership with the South African Judiciary Education Institute, CoGTA will train 60 Senior Traditional Leaders who will be presiding over the operations of the Traditional Courts. The training programme will help restore the role of the traditional leaders in managing the traditional affairs matters.

Madam Speaker, the initiation practice in the Province is governed by East Cape Customary Male Initiation Practice Act, 2016 (Act No. 5 of 2016). However, there has not been non-compliance with the act which results in deaths and injuries of initiates.
Death of initiates is caused by the dehydration and inexperienced traditional surgeons who fail to adhere to the standards set out in the applicable legislation. In addition, there is lack of parental involvement and non-participation of some traditional leaders in the initiation programme is the cause for concern as it weakens monitoring and intervention strategies.

The Province has gone through various strategies to deal with the challenges yet, we lost twenty-nine (29) abakhwetha in all districts except in Buffalo City where there were zero deaths.

Forty-three (43) people including iingcibi and parents have been arrested for various crimes like unlawful circumcision and use of fraudulent identification.

To support compliance with initiation legislation, the department will ensure that all Traditional Councils establishes the initiation working committees to strengthen monitoring. There is a commitment to setup a Special Project Unit for two years to intensify continues awareness for the purposes of combing death of initiates. The unit will be placed under the House of Traditional Leaders accountable directly to the MEC.

Eastern Cape Province is rich in heritage as nine (09) frontier wars were fought in the province. The House will resuscitate the engagements with Department of Sports, Recreation, Arts and Culture to revive the heritage sites in the Province to preserve culture and boost tourism in the province. To enhance the Home of
Legends, we welcome the Premier’s commitment to in appreciating the role played by Traditional Leaders pre 1912.

**OUR BUDGET ALLOCATION**

We understand that government is under severe pressure, however, our allocation of R1,080 billion in 2020/21 is not sufficient. The Department is under pressure given the role of support required by local government and traditional leadership institutions.
CONCLUSION

Honourable Speaker, the department will maintain the support to municipalities and traditional leadership institutions. I say this because developmental local government requires all spheres of government to join forces in an integrated manner to deal with constant triple challenges experienced by our municipalities.

Honourable Speaker, allow me to express my gratitude to the Premier for the guidance and the Executive Council for the support in the process of building capable and viable municipalities and traditional leadership institutions. We all belong in this province and it is upon us that we unite and build a sustainable province.

I therefore hereby present the Policy Speech, Strategic Plan, Annual Performance Plan and Annual Operational Plan 2020/21 for the Department of Co-Operative Governance & Traditional Affairs.

Thank you very much
### SUMMARY OF PAYMENTS AND ESTIMATES BY PROGRAMME: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

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<th>Outcome</th>
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<th>Adjustment appropriation</th>
<th>Revised estimate</th>
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