

State of the Province Address
Delivery by Premier Lubabalo Oscar Mabuyane,
In Bhisho, On 23 February 2021

Honourable Speaker, and Deputy Speaker
Judge President of the Eastern Cape and Members of the Judiciary
Ministers and Deputy Ministers present among us
Members of the Executive Council
Members of the Provincial Legislature
Members of National Parliament and delegates to the NCOP
Leadership of the ANC, Alliance and other Political Parties
Veterans of our liberation struggle
Iikumkani zelizwe lakowethu
USihlalo Wendlu YeeNkosi neeNkosi zonke zephondo lethu
Executive Mayors and Mayors
Leaders of Chapter 9 and 10 Institutions
USihlalo we Moral Regeneration Movement
Vice Chancellors of our Higher Education Institutions
Members of the Diplomatic and Consular Corps
Leadership of our Security Services
Leaders of the Religious Fraternity, Business, Labour and Civil Society
DG, HODs, MMs and CEOs of our State-Owned Enterprises
Manenekazi nani Manene

Kubantu bephondo lethu, abadala nabancinci, ndiyazibulisela ngalentsasa.
Good morning. Goeie more aan u almal. Dumelang. Molweni.

Somlomo obekekileyo, abadala bathi emva kwesitshingitshane semvula, ayawutha amanzi, emva koko kumiliseleke ithemba. Xa ujonga imbali yephondo lethu sidlule kwizitshingitshane eziliqela, ingakumbi esengcinezelo nobandlululo. Saphumela ngapha kwazo ngenxa yegalelo loo nyana neentombi zeli phondo abazijula ijacu bazenza amadini okusiweza kuzo.

Kulo nyaka sikhumbula elinye lamagorhakazi asiweza kwezozitshingitshane zengcinezelo nobandlululo, uMama uCharlotte Maxeke. This year marks the 150th anniversary of her birth. She was a true Imbokodo, a leading voice against patriarchal injustices and all laws that were discriminatory to women. As we continue to engage in the struggle to defeat not only the present storm of our time, the Covid-19 pandemic, but also the scourge of gender-based violence, we draw inspiration from her courage and resilience.

Somlomo, siyalibona lona ilitha elikhanyisayo, neliyimbonakaliso yokuba akusekudala ngoku siphume kulo bhuhane weCovid-19. Kodwa simanxebanxeba. Eyonanto ibuhlungu esenzeyona le ntsholongwane ye Covid-19, yeyokusisubela imiphefumlo emininzi yabantu bephondo lethu. Ndime apha nje namhlanje kungosizi novelwano ukuvakalisa ukuba siphulukene nemiphefumlo yabemi bephondo lethu abayi 11 213. This virus has left behind heartaches and sorrow in many families and communities across the length and breadth of our province. It has left behind orphans, widows and widowers. Even in this august House, it has robbed us of our colleague and one of the most dedicated Members of the Legislature, Honourable Mncedisi Filtane.

In the words of our foremost national poet, SEK Mqhayi, which he shared in memory of the victims of the SS Mendi troopship which sank in the English Channel on the 21st of February 1917, ndifuna ukubopha onke amakhaya aphulukene nezihlobo nezalamane zawo, nditsho ndisithi:

Thuthuzelekani ngoko, zinkedama!
Thuthuzelekani ngoko, bafazana!
Kuf'omnye kade mini kwakhiw' omnye;
Kukhonza mnye kade' ze kuphil' abanye;
Ngala mazwi sithi, thuthuzelekani,
Ngokwenjenje kwethu sithi, yakhekani.
Lithatheni eli qhalo labadala,

Kuba bathi: "Akuhlanga lungehlanga".

Let us commit to keep the memories of all our fellow citizens who succumbed to Covid-19 in our hearts. Let us now observe a moment of silence in their honor.

Somlomo, iinzame sizenzile kwezi nyanga zilishumi elinanye siqubisana nale ntsholongwane. Today, I want to convey our special gratitude to the people of our province for playing their part in the fight against the pandemic. It is through your cooperation and sacrifices that we have managed to decrease the burden of the virus and achieved a recovery rate of over 90%. You are the ones who stayed at home when we asked you to do so. You are the ones who have been wearing masks religiously and you are the ones who have adhered to physical distancing and all other regulations we introduced. All the adjustments and sacrifices we asked you to make were not easy, but were necessary. They helped us to avoid more deaths in our province. Senza umbulelo ongazenzisiyo kuni nonke, sicela kanaanjalo ukuba ningayekeleli ukusebenzisana nathi ekulweni nalo bhubhane side simoyise.

Madam Speaker, now that the virus is subsiding as evidenced by less infections, less deaths and less active cases, it is time to focus on the reconstruction and recovery of our economy. It is also time to deliver the knockout blow to the virus, and to accelerate the pursuit of the initial goals we set at the beginning of the sixth term. In this regard, our immediate task is to intensify the work of **transforming the economy and creating jobs.**

We are doing this against the backdrop of low economic growth, rising unemployment, ongoing budget cuts, and increasing demands for services. Needless to say, business activity was negatively affected by the pandemic, with many businesses having to slow down or shut down their operations.

We have responded to this pandemic with a range of short-term business relief packages. This included amending the Jobs Stimulus Fund to allow for additional support to businesses in distress. In this regard an amount of R75 million was approved to augment the budget for this fund. To date, 38 businesses have benefited to the value of R26.6 million, thus ensuring the retention of 1 538 jobs in the province. As at 05 February 2021, the Temporary Employer/ Employee Relief Scheme benefitted 76 692 employers and 763 470 employees at a value of R3.164 Billion. Through the Covid-19 Agriculture Support Disaster Fund, R80.4 million was also disbursed to support 1 915 smallholder and communal farmers. The job stimulus fund will remain one of the key instruments for support to distressed businesses in the new financial year.

We recognize that short term interventions are not enough to meet the challenges of growing our economy such that it accommodates all the needs of the people. We therefore need sustainable interventions that will enable us to reconstruct and recover the economy. Accordingly, a number of strategic infrastructure programmes, aimed at connecting, networking and rendering our Province as one big construction site, are being rolled out.

Honourable Members, the Economic Reconstruction and Recovery Plan unveiled by President Ramaphosa articulated the most comprehensive and ambitious interventions aimed at reversing the adverse impacts of COVID-19 and positioning the economy to advance qualitative transformation, broadening the manufacturing base through localization; and attaining growth levels that surpass the pre-COVID-19 levels. An effective recovery should have an equitable geographic footprint, prioritize network industries, and facilitate social compacts. In this regard, the Eastern Cape is assuming its rightful place as a key player in the infrastructure space,

through our own efforts in the Khawuleza PMO and the Coega Development Corporation in partnership with National government and Infrastructure South Africa (ISA). The province will unveil high value infrastructure projects that underpin our Infrastructure Development trajectory.

Honourable Speaker, our focus in attracting investment to building and maintaining state properties remains. We have 20 147 immovable assets which include 7 959 assets in human settlements. The value for our audited assets is R8.1 billion, and the total estimated value is R42 billion. We are going to use this portfolio to transform the property sector.

This year will see the completion and handover of the government Office Park in Maletswai, Komani and Mt Frere as we consolidate Government Office Precincts strategy in Mt Ayliff, Addo and Bhisho in partnership with Infrastructure South Africa. Due to the Covid19 pandemic that negatively impacted many of our plans, we had to review office space needs for the Bhisho Office Precinct. I am happy to announce that the protracted litigation on the Bhisho Erf 1 which many of you know as Amatola Sun has been settled. We estimate that this will unlock more than R4 billion in new property development investment to complement the new Bhisho Government Office Precinct. In Lusikisiki, a state-of-the-art modernised office has been built for the Department of Home Affairs, as part of improving of services to our people, and it is ready to be opened officially.

We are pursuing a basket of multi-sectoral priority projects, which include technology and broadband, infrastructure, participation in the roll-out of SA Connect, elimination of inappropriate structures in schools using alternative technology, the eradication of informal settlements and investing in rural roads and construction of bridges.

Honourable Speaker, the availability of water is one of the major challenges facing our province. COVID-19 has exposed the glaring inadequacies of water provision in our province and the health risks associated with the lack of clean portable water. The water situation is also undermining the economic potential of our province. We continue with our commitment to the water security intervention programme starting with Ndlambe and Makana water security interventions.

With respect to the delivery of bulk water infrastructure, several projects are being implemented across the Province, particularly through the Regional Bulk Infrastructure Grant program. Currently, more than nine bulk water infrastructure projects, valued at R4.9 billion are in implementation in the province and are at varying stages of completion. The Amatola Water Six Plant Upgrade comprises six water supply schemes valued at R500 million. The development of the Small Harbour and Beachfront Water Development Projects will catalyse the re-imagining of a new Coastal City which will enhance our Wild Coast Development Plans.

Honourable Members, the uMzimvubu Multipurpose water project has been gazetted as a Strategic Infrastructure Project. I am happy to announce that the technical feasibility studies have been completed and is now at the stage of review to improve affordability. The construction of advance infrastructure will commence before end of 2021 as we complete the financing options for the multi-billion development.

Honourable Speaker, the South African National Roads Agency Limited (SANRAL) has been a credible partner in our growth and development aspirations in the last decade and our key trade routes have improved phenomenally during this period. We welcome the R16.8 billion investment

in our roads budgeted over the next 2 years with R4,6 billion awarded to 14 Projects from Kareedouw to Humansdorp, Jansenville to Wolwefontein, King Williams Town, Fort Beaufort to Alice, Middleburg, Molteno, Maletswai to Lady Grey to Barkley East, from Whittlesea to Komani, Dordrecht to Indwe, Engcobo and throughout the Province contractors are on site contributing to building the Eastern Cape we all want.

The N2 Wild Coast Toll Road project heralds a breakthrough in the development of the Wild Coast Corridor. When the sun rises in Mpondoland, the dust and cranes at the 580m long cable-stay bridge over the Msikaba gorge is confirmation that our dream for balanced geo-spatial development to reverse apartheid planning will be realized. This year will see SANRAL concluding the process to find a replacement contractor for Mtentu bridge. The next phase will be the construction of roads from Lingeni to Msikaba Bridge and from Msikaba Bridge to Mtentu Bridge. We are committed to increasing local content and adherence to our Local Economic Development Framework by ensuring that construction material is sourced locally.

We are further constructing access roads to connect our people to critical services such as health facilities, tourism sites and economic centres. We are happy to announce that the R61 road from Bhaziya to Mthatha airport junction is in the final stages of procurement and an award is due out shortly by SANRAL. Contractors are on site in many of our provincial roads from Jansenville to R63 near Graaff Reinet, Makhanda to Port Alfred, Magusheni to Flagstaff and Phase 3 to Mzamba, the N2 to Siphethu Phase 4 Road and R61 to Hluleka Game Reserve, Willowvale to Dwesa acknowledging that we are prioritising the road infrastructure to our tourism destinations.

Ukongeza Somlomo, sizakuqhubeka silungisa iindlela zasezilalini, sakhe nebhulorho sincediswa liSebe Lomkhosi woKhuselo senze kubelula ukuhamba kubantu basezilalini. Through our partnership with the National Department of Public Works & Infrastructure, and the SANDF we have already completed 8 of the 9 bridges from Zazulwana, Matatiele and Nyosana in PSJ and, from Nkobongo, Tora, Bilatye and Fini Bridges in the Chris Hani District, with Jozana and Sterkspruit in Joe Gqabi being the last bridge to be constructed. These are the first of the 107 bridges we have submitted as part of the 400 bridges to be built countrywide.

To deal with the challenges that lead to delays in infrastructure delivery, we have appointed Coega Development Corporation to assist provincial departments, public entities and municipalities to package projects in order to access funding for socio-economic development.

Honourable Members, our two established Special Economic Zones, the EL SEZ and Coega SEZ, continue to be our shining stars for investment attraction and job creation. Through these SEZs we have been able to attract over R19 billion worth of investment into our Province.

In the last year the EL SEZ completed the construction of 9 investor facilities and the expansion of three existing facilities. These facilities will create an additional 1534 manufacturing and services jobs and these will be operationalized within the next two years. The construction phase created an additional 4039 construction job opportunities between 2019 and 2020. The current year will see an additional 6 new investor facilities being constructed on the EL SEZ Platform, while an additional two investors will be expanding their facilities in the zone. One of these will be Sundale Dairy which will be building a new cheese facility in the zone. These investors will create 409 additional manufacturing and services jobs which

will be operationalized from 2021/22. The construction phase will lead to the creation of 1 800 construction job opportunities.

During the 2020 SOPA we reported a huge investment by a black owned company, VA Automotive in Berlin which is operating a blanking facility contracted by MBSA to supply parts for the W206 model (latest C Class). VA Automotive is gearing for optimum operation by the month of June as MBSA would have ramped up for the full roll out at the time. The operation is set for a full launch aligned with the launch of the W206 model.

Similarly, the Coega Development Corporation has created 481 operational jobs and 3 951 construction jobs by the third quarter of the 2020/21 financial year. We expect these numbers to increase by the end of the fourth quarter.

Madam Speaker, we are concerned about the continuing power outages that negatively affect business. The availability of a reliable supply of energy is critical in the reconstruction and recovery of our economy.

We have done considerable work on the Gas-to-Power Programme to host additional gas-driven power generation of between 1000 to 3000 MW. We will host the first infrastructure site for the importation of Liquefied Natural Gas (LNG). The Coega Development Corporation has signed a Joint Development Agreement with Central Energy Fund and Transnet which will anchor this project. The construction of this infrastructure will catalyse the development of a gas industry in the province and energy intensive investments. We envisage a network of pipelines from the existing Dedisa power plant, to other major industrial areas and new gas to power plants that will be built when the Department of Mineral Resources and Energy (DMRE) invites bidders for the construction of new Gas to Power Plants.

We are looking at other domestic gas opportunities beyond the LNG. In particular, we all are aware of the discovery of natural gas and condensate through the Brulpadda and Luiperd wells by the Total-led consortium that holds a licence for a site that is located near Mossel Bay. We are positioning Coega as the natural location for the critical off-take projects that will be needed to unlock the development of the offshore projects, and thus use this domestic gas for power generation and gas-based industrialisation. This is the critical next phase of the work to develop the gas hub at Coega.

We note that the project sponsors are negotiating with the DMRE, and from our perspective we are ready to support all these processes that will lead to multi-billion-dollar investments both offshore as well as at the Coega SEZ over the next decade. We will be working with all the partners, including relevant SOC's and the DMRE, to make this potential realised.

Honourable Members, in his book titled Freedom and Development, the late President of Tanzania Muwalimu Nyerere wrote: "If real development is to take place, the people have to be involved." Kungoko ke sibulela abantu base Ncise eMthatha ngentsebenziswano kulwakhiwo lwe Wild Coast SEZ. The Wild Coast SEZ will contribute to the development of economic infrastructure in the eastern part of the Province, particularly freight and logistics. Progress to date in the Wild Coast SEZ includes; completion of the Land and Topographic surveys; appointment of the bulk and top infrastructure consultants and a fencing contractor.

In the previous SOPA, we emphasised the importance of revitalizing our State-owned industrial parks. Through support from Department of Trade, Industry and Competition and the use of the provincial economic stimulus

fund, an amount of R178.8 million has been allocated for the critical upgrading of infrastructure at these parks. Infrastructure projects have commenced in Komani, Dimbaza and Vulindlela Industrial Parks.

Madam Speaker, the agriculture sector was one of the sectors with a positive growth to the national and provincial GDP growth levels throughout the pandemic. According to the Q3 Review; in the primary sector agriculture increased at 16.5%. Citrus yielded R3.4 billion in exports in the last season. With the support of government, black citrus farmers grew by 25% from 2019 to 2020. Our two export abattoirs, namely the East London Red Meat and Sovereign Poultry Abattoir recorded an export output of 4 593 tons, valued at R359 million, during the period April 2020 to January 2021, and provided employment for 2 152 workers. We have set aside R332 million for the next financial year towards support for the development of the agriculture value chains for major commodities in the Province which encompass both crop and livestock production.

Honourable Members, the Cannabis plant remains in our radar for economic growth and job creation. The Departments of Agriculture and Rural Development, Health and DTIC are developing legislation to commercialize cannabis production. The bill on the use of cannabis for private purposes is currently being considered by the National Assembly. Government is also working on the commercialization of hemp and we are pleased to announce that hemp has been de-scheduled from the restrictive schedules of the medicines and related substances act of 1965 and this paves the way for hemp to be declared as an agricultural crop. Our medium-term strategic goal is to establish five Cannabis Production Corridors focusing on creating a value chain for medicine, fiber, fuel and food.

With respect to Irrigation Schemes, our work at Ncora has resulted in the planting of 439 ha of grain, 100 ha of beans and 150 ha of vegetables. We have a working model in the Ncora Irrigation Scheme and we will build on growing the investment that has attracted the interest of Anglo-Gold Ashanti and EXXARO who will contribute towards the creation of 1 277 permanent jobs in the 5 000 hectares which are under irrigation. The R1 billion investment in dairy and related agricultural production will be the base for agro-processing investment in the Wild Coast SEZ.

At Qamata we planted 185 ha of maize and 150 ha of vegetables, while at Zanyokwe we are supporting an area of 43 ha with irrigation schemes for 100 ha of vegetables. We will leverage the partnership with Infrastructure South Africa to refurbish infrastructure in our irrigation schemes in Chris Hani, Amathole and OR Tambo Districts.

Last year, we spoke about the efforts we are going to employ in making our Rural Enterprise Development (RED) Hubs fully productive. As part of this commitment, we have finalized the commodity diversification at Mqanduli and Mbizana RED Hubs, which have continued to support local markets with super maize meal, samp and animal feed. With respect to agro processing, Mqanduli RED hub processed 332 tons of grain, while Mbizana processed 325 tons. Furthermore, with respect to grain production, a total of 27 269 ha has been planted this season, with a target yield of 4 tons per ha.

Amongst the partnerships we have established in support of agricultural initiatives, is a partnership with national government to revive the Biofuel initiative. Moreover, we are accelerating the implementation of the Magwa-Majola Agri-Ecotourism project. We have stabilised governance, increased

the market footprint and are in the process of commodity diversification targeting other viable markets.

Our province is the lead producer of livestock, and we are now the exporter of cattle, sheep and goats to other countries. Our potential to capture world markets requires investment in science and technology to improve the quality of our livestock and develop a research plan to improve the production and quality of local farmers and producers. 886 animals were also sold from the 15 custom feedlots which are in Chris Hani, OR Tambo, Amathole, Joe Gqabi and Alfred Nzo, generating R8.3 million in revenue.

Madam Speaker, through District Mechanisation centres we have provided cost effective mechanisation services to farmers to enable local communities to increase the utilisation of the arable land. In addition to the 3 mechanisation centres, which are Chris Hani, OR Tambo and Joe Gqabi, 3 more centres with a budget allocation of R7.9 million will be established in Sarah Baartman, Amathole and Alfred Nzo in partnership with district municipalities and their development agencies.

Madam Speaker, working with the relevant national departments, we are pursuing the establishment of a veterinary science school at the University of Fort Hare. This will transform the animal production, food production and support the development of local farmers to anchor of our livestock production and meat markets.

In fostering co-ordination and alignment of financial and non-financial resources towards agricultural support in the Province, we have renewed our close relationship with the Land Bank. Our specific focus will be on Commercialization of Emerging and Development of farmers in Rural, Semi Urban and Urban areas, together with the creation of a broader pool of

Black entrepreneurial practitioners in the broader Agriculture value chain beyond primary agriculture.

Honourable Speaker, our efforts to rebuild the economy will be bolstered by the recovery of the tourism sector. We are currently implementing tourism infrastructure projects in our province. The East London Beachfront Development and East London Waterworld are under construction. The upgrading of beaches at Ndlambe Local Municipality will start in the next financial year. The six-days hiking trail from Coffee Bay to Port St Johns is under construction and focuses on three sites along the coastal zone nature reserves such as Mngazana, Mpande and Hluleka.

Honourable Members, our province has an 800-kilometre coastline, from which we aim to benefit from several opportunities including fishing, bunkering, oil and gas industry development, coastal and marine tourism, as well as marine transport and manufacturing. Since the approval of the Oceans Economy master plan, we have invested R206 million from the stimulus fund for development of the first 100 ha of the Aquaculture Development Zone in Coega. Phase 1 construction started in September last year and will be completed in November 2021. This project is targeted to create 500 construction and 5 600 operational jobs. Yinkitha yemisebenzi ezoxhanyulwa ngoonyana neentombi zephondo lethu leyo.

The marine tilapia project is one of the national gazetted projects through the Sustainable Infrastructure Development Symposium. The Eastern Cape Rural Development Agency is working with Mbashe Municipality to facilitate implementation of this project which has a potential to create 4 700 jobs on aquaculture farms and processing facilities and benefit over 150 000 small scale farmers who will supply feedstock for the fish feed. The

OR Tambo District Municipality has procured 4 refrigerated containers for the four coastal municipalities and fishing gear for small scale cooperatives.

We welcome the decision to relocate the Transnet National Ports Authority Head Offices to our province as it will contribute towards the growth of our economy. Our Ports play an integral part in the facilitation of trade for the country, and they contribute immensely to the growth and development of the provincial economy. These Ports must provide efficient, cost effective port services to a number of sectors in the South African economy.

Transnet has committed to invest in the East London Port to grow volumes and expand the capacity of the port. They will deepen and widen the entrance channel to accommodate larger vessels. This will enable the port to support the city's positioning as a manufacturing hub anchored by a strong automotive sector. This commitment will cater for the continuous growth of export volumes by Mercedes Benz SA in the next three years. Kuzakusetyenzwa kubemdaka iisali.

Madam Speaker, we welcome the R16 billion investment by Ford in South Africa. Transnet will invest in the extension and the upgrade of the SouthCor rail corridor, which will realize the high logistics rail corridor for the movement of goods between Gauteng and Nelson Mandela Bay. Working with Transnet we are going to turn the Port of Port Elizabeth into a mixed-use precinct anchored by the waterfront development. By the end of December 2021, the Manganese terminal will be relocated to the Port of Ngqurha. Transnet will also initiate a process to identify a cargo owning equity partner for the Transnet Port Terminals at Ngqura to drive the transshipment strategy on volume uplift from Asia, specifically China.

Our railway branch lines are critical to improve trade routes in the Province. The branch lines from Cookhouse to Blaney and the East London to Mthatha are currently being restored. This will enable the transshipment of containers from Port Elizabeth to East London and Mthatha.

Madam Speaker, with respect to the provision of transport services in the Province, we have noted with appreciation that the SA Civil Aviation Authority has granted a category 5 license to the Mthatha Airport, placing the facility in a better footing to attract other airlines. We also welcome the news that British Airways operated by Comair will start flights to East London in March this year. This is a sign of growing confidence by business in our province.

Honorable Speaker, the Competition Commission has issued new guidelines that will introduce significant transformation in the automotive industry. This will increase the number of authorized body-repairers, as the Original Equipment Manufacturers will be required to increase the entry of new motor-body repairers, with preference for companies owned by historically disadvantaged individuals. These changes, will be beneficial for the government as they will improve the effectiveness of managing and maintenance of our fleet.

Honourable Members, our economic reconstruction and recovery plan will be amplified through the utilization of government procurement for local economic development. In the year under review R16, 8 billion (61.4%) was spent on Eastern Cape based suppliers and service providers. Similarly, R4.1 billion (39.6%) was spent on SMMEs, while R1.5 billion was spent on designated groups, amounting to 15.3% of total expenditure.

Honourable Speaker, last year we announced our plans to roll out the 'Have-I-Been-Paid' system to eight more provincial departments in order to improve turnaround times for the payment of service providers within 30 days. I am pleased to announce that through the rollout of this system, we have reduced the average turnaround time for the payment of service providers to 14 days. We are paying special attention to the Departments of Health and Education to improve their turnaround times.

During this pandemic, the informal sector of the economy was also one of the hardest hit sectors, but remained resilient particularly spaza shops. To cushion this sector against the Covid-19 hardship, 713 spaza shop applications were approved from the Spaza Shop Scheme, which has saved 850 jobs.

Honourable Members, the revitalization of our small towns is critical to attract investments as part of economic reconstruction and recovery. We are now going to give assistance to a new cohort of small towns such as Whittlesea, Komga, Ngqamakwe, Engcobo, Mqanduli, and Koukamma. These towns will be assisted to improve access to basic services with specific focus on transport hubs, roads, electricity, water and sanitation underpinned by local economic development. I am also happy to announce that the program that was being implemented but was not completed in Ntabankulu Local Municipality will be included in our small-town revitalization work in the 2021/22 financial year.

Moving forward, we will continue to support municipalities with STR, especially those that are spending their MIG and other infrastructure budgets properly.

Madam Speaker, during this pandemic, ICT has enabled government and other sectors of society to operate effectively under the Covid-19 restrictions. Through ICT connectivity, we have been able to coordinate the work of all three spheres of government through virtual platforms. This demonstrates the need for more investment into ICT for improved connectivity. We are pleased to report that as at the end of March this year we will have connected 150 sites, and this will grow to 600 sites by December 2021 through the broadband project. As we also committed in our precious SOPA, we have not left out SMMEs in the implementation of the broadband project. SITA has accredited 114 SMMEs that will be able to participate in the rollout of broadband connectivity.

Through the EL SEZ we are also rolling out an ICT Services strategy that will see the development of a Multi-Purpose ICT hub. In addition to this, Liquid Telecoms South Africa has committed to establish an ICT academy in Mthatha which will broaden the participation of our people in the broadband connectivity project.

Madam Speaker, we are also happy to announce that the 2Africa undersea cable will be landing in the Coega SEZ. This will have two immediate benefits, namely the creation of a Focal Point for Digital Transformation, as well as the retention of ICT Skills that will have a multiplier effect in the Eastern Cape.

Madam Speaker, our challenges of youth development include high levels of unemployment and young people who are not in education or in training which impacts on youth employability. Resolving these requires multi-faceted and multi-stakeholder interventions with scale and impact. We are responding to this challenge in several ways, informed by our Provincial Youth Development Strategy. Our focus in this regard will be on placement

of youth in vocational programmes, skills development, township and rural youth development hub, entrepreneurship and development. This will require us to strengthen and centralize the coordination of youth development in the Office of the Premier, including the Isiqalo Youth Fund which will be located in the OTP with effect from the 1st of April 2021. Having spent much of its inaugural year on planning, in its second year, the Isiqalo Youth Fund has done well disbursing R16,3 million to support 21 businesses owned by young people across the Province.

We are also fostering partnerships with the private sector. For example, we have entered into an Empowerment Partnership with Microsoft South Africa. The intention of this partnership is to drive digital transformation in various sectors of the provincial economy which will lead to the realization of the 2030 vision of an educated citizenry, targeting young people and 5 SMMEs in ICT that will be certified as partners by Microsoft. We will improve the coordination of investments in the province, including Corporate Social Investment. To take forward our investment promotion drive, this year, we will hold a provincial investment conference.

Madam speaker, as we talk about growing our province together, I want to appreciate the work being done by one of the entrepreneurs in our province, Mr Mava Mkukwana who has been opening new businesses in many towns of our province through the financial support of the agencies of government, like the Shell Fuel station he opened in Butterworth this month. He is an example of what happens when people bring their ideas to our agencies like SEFA to finance their ideas into businesses creating jobs in our province.

Madam Speaker, in this sixth administration we are also paying attention to the priority area concerning **Education, Skills and Health**. The

strategic focus on education is on creating functional schools, strengthening administration and management of curriculum delivery and the use of ICT to improve education outcomes. Our work in this regard was negatively affected by the Covid-19 pandemic with learners spending most of their learning time at home. Despite all these challenges, we continued to ensure that the delivery of basic education services is provided through our *anywhere, anytime* learning approach which was possible and achievable through our interventions in support of home-based learning. Fifty-five thousand tablets were issued to all Grade 12 learners in Quintile 1 to 3 schools.

Since the beginning of the term, 39 schools have been completed through the National and Provincial Departments of Education. As part of advancing Science, Technology and Mathematics, the Science Centre in Cofimvaba is ready for commissioning and there are already various exhibitors from all over the country planning to use the Science promotion space for permanent living exhibitions and will occupy space in March 2021.

Even during the lockdown periods, we continued to deliver the School Nutrition Programme, with 1.6 million learners fed, against the target of 1.5 million. We are now implementing the three-year curriculum recovery strategy which has been developed to mitigate against the learning losses experienced due to COVID-19. We are also increasing access to early childhood development, and we are consolidating the function in the Department of Education. Last year, due to Covid-19, the number of learners who benefitted from the scholar transport program was slightly higher at 124 000, and this year the department plans to transport 103 000 learners.

Madam Speaker, given student accommodation challenges faced by our Institutions of Higher learning and students, we welcome the investment in student accommodation by the Department of Higher Education and Training that saw building of new student accommodation to yield 2 000 beds at the Nelson Mandela University, 2 047 student beds at the University of Fort Hare, 3000 beds at Walter Sisulu University, and 1 000 beds at King Hintsa TVET College. Rhodes University also plans to refurbish its Chemical and Pharmaceutical Sciences Building, and is also planning to build an innovation and Nanotechnology Institute to house the exceptional and cutting-edge research work of Professor Tebello Nyokong and her team.

Honorable members, I am happy to announce to this house that the Department of Higher Education and Training will invest R569 million in building 4 new TVET campuses in the Eastern Cape province. R166 million will build a new Ikhala TVET College campus in Sterkspruit, R122 million will build another new Ikhala Campus in Maletswai, R112 will build a new East Cape Midlands campus in Graaf Reinet, R169 million will build a new Ingwe TVET college in Ngqungqushu.

Madam Speaker, we indeed pleased to note that the four universities in the Eastern Cape are deeply committed to playing their part in building a more sustainable and prosperous Province. The four Vice Chancellors will soon meet with the Premier to ensure that research and other initiatives at these universities support the developmental trajectory and imperatives of our Province.

Honourable Speaker, let me take this time to commend the class of 2020 for their perseverance under extremely difficult conditions caused by Covid-19. Despite the national and provincial overall decline of the pass rate, the Eastern Cape class of 2020 still achieved better quality of results. Let me also congratulate our best performed Provincial candidates who received

ministerial awards last night, namely, Buys Reynhardt from Pearson High School, who is also the top achiever in the country, and Bongo Simamkele from Xolilizwe High School, who is a top achiever in the country in the historically disadvantaged school category.

At this point, I would like to acknowledge the leadership provided by the late Themba Kojana as Head of the Education Department in the province. In recognition of his contribution, the provincial government has decided to name the newly built office complex in Maletswai after him, as the Themba Kojana office park.

Madam Speaker, on behalf of the Provincial Government and the people of the Eastern Cape, let me extend our gratitude to our health workers who have been in the frontline of combating the Covid-19 against all odds. We were faced with a virus that has never surfaced on our shores; however, we have done well in reducing the burden of the disease on our lives and livelihoods. We managed to do this through the implementation of our Covid-19 response strategy which was aimed at containing the virus, investing in sustainable solutions, protecting the vulnerable and the poor, and rejuvenating the provincial economy.

We invested R590,4 million in the refurbishment of 67 health facilities, from which 85 awards or 98% were to Eastern Cape based Contractors. There were 152 local Small, Medium, Micro Enterprises (SMMEs) that were subcontracted on various projects to the tune of R47,5 million. Through this investment, we now have new high care units in health facilities and areas that did not have them before. We installed oxygen infrastructure in health facilities that never had such capacity before. We also increased our human resource capacity to meet the added demands that Covid-19 placed on our

health system. These, and other interventions have led to the reduction of the burden of Covid-19 in our province.

We are not out of the woods yet, and in fact we may very well be hit by a third wave. The virus is still dangerous, particularly when we still have 544 active cases, which is the lowest in the country. As Madiba said on the day of his release: “to relax our efforts now would be a mistake which generations to come will not be able to forgive.”

Honourable Speaker, the Johnson and Johnson Covid-19 vaccine has arrived in our province. The vaccine rollout programme is underway and has started with our health workers in Nelson Mandela Academic and Livingstone Hospitals. We are confident that we will vaccinate a minimum of 3.7 million people which is required for us to achieve population herd immunity. To achieve this target, we must work together to ensure that our people get vaccinated in order to prevent severe disease, hospitalization and deaths.

Madam Speaker, Covid-19 has demonstrated the importance of implementing the National Health Insurance which we piloted at OR Tambo and Alfred Nzo districts. At the moment NHI readiness interventions are implemented in all districts. Our focus is on strengthening of health systems and improving the quality-of-service offerings in accordance with the norms and standards of health facilities. To this extent, 145 clinics and four health centres qualified as ideal facilities.

Honourable Speaker, much as we have been engaged in the fight against Covid-19, we have not lost focus on the other communicable and non-communicable diseases. In this regard, we are accelerating the

implementation of the 90-90-90 strategy for HIV/AIDS, TB, Cancer, and Non-Communicable diseases.

The Nelson Mandela Academic Hospital is expanding its sub-specialist services for oncology, urology, cardiology, ear and nose, orthopaedic and advance imaging and diagnostic services to provide super speciality services for the people of the Eastern Cape.

The national department of health has uplifted the development of the academic and super speciality platform for the Nelson Mandela Academic Hospital to establish a centre of excellence for advance surgical procedures such as cochlear implants, penile reconstruction, and advance cardiology imaging and surgical procedures.

Nelson Mandela Academic Hospital has successfully implemented 22 cochlear implants that have made children hear for the first time, reconstructed and restored 52 penile amputations and provided ongoing cardiac repairs using modern cardiac interventions. The academic hospital has produced specialist training and produced top specialists and scientists for our provinces.

Madam Speaker, the Provincial government has noted with concern the backlogs experienced by our people who need critical and essential assistive devices to improve their functionality and provide them with dignity and personal independence. The Provincial government will procure new equipment, including innovative technology, to increase assistive device production. The Department of Health will improve its capacity to produce prosthesis and orthotics to radically reduce the waiting time as well as backlogs for fitted assistive devices.

Madam Speaker, our quest to build the Eastern Cape we want also requires us to focus our attention on **consolidating the Social Wage through Reliable and Quality Basic Services**. Our objective in this area is improving the quality of life of our people, especially through poverty alleviation and social protection.

In the Eastern Cape, we continue to have two out of five people who live below the poverty line, a reality that was worsened by the Covid-19 pandemic. To mitigate this, Government introduced the Covid-19 Social Relief of Distress Grant. In our province, as of January 2021, up to 776 882 applications amounting to R271.9 million, were approved. I am also pleased to note that the President in his State of the Nation Address has extended this grant by a further three months.

We also continued to support our people through the Expanded Public Works Programme. At the end of January 2021, a total of 95 697 work opportunities were reported, which is equivalent to 102% to the EPWP annual target of 93 687 work opportunities.

Madam Speaker, our people are dealing with the loss of loved ones because of Covid-19. We have thus provided Psychosocial Support Services to 38 258 individuals and families from the month of April to December 2020. This support covered a range of specific interventions including, counselling, trauma management, pastoral care and support to victims of abuse.

The Public Service Sector Education & Training Authority (PSETA) is also funding the training of disabled youth on public administration for possible placement in the public service. This project will also boost the employment equity of disabled persons in the public service sector.

Madam Speaker, a critical element of service delivery, which is also linked to the fight against poverty, is **spatial integration, rural economy and local government, including human settlements**. We are improving the capacity to intervene in departments and in municipalities. We have also developed a Municipal Support Intervention Framework that will guide the interventions to be provided to the municipalities in the Province. Our interventions in this area are anchored on the four pillars of the sustainability model for municipalities: namely, governance and institutional stability, financial management, public participation and land development challenges.

We have identified the source of some of the problems that cause instability in our municipalities, and in line with our constitutional mandate, the provincial government will intensify support to municipalities to arrest these political and capacity related problems so that municipalities can continue to deliver on their mandate.

To increase the revenue base and financial sustainability of municipalities, we will focus on improving billing systems, identify municipal land and properties to attract investments and embark on a campaign for payment of services by households, businesses and government institutions. We will also strengthen our collaboration with traditional leaders around the land development and unplanned land use in our peri-urban and rural areas.

We are making progress in dealing with backlogs in our electrification programme which is prevalent in the rural parts of our province. We have made 777 connections in Buffalo City Metro, 3 624 connections in Amathole District, 1 492 connections in Chris Hani District, 1 391 connections in Joe

Gqabi District, 2 832 connections in OR Tambo District, and 3 692 connections in Alfred Nzo District. In the 2021/22 financial year, we plan to effect 19 416 connections, at a planned cost of R653 million.

Madam Speaker, as custodians of customs and culture, our traditional leaders have collaborated with us in the fight against the pandemic. This was evident when the suspension of the initiation custom was lifted during alert level 1 of the national lockdown. Together with our traditional leaders and communities we were able to prevent loss of lives of initiates due to Covid-19. However, we are saddened by the loss of life in the male customary initiation due to dehydration.

Last year we made reference to the promulgation of the new Traditional and Khoi-San Leadership Act. The President has since announced the implementation date of the Act as the 01 April 2021. To adapt the new legislation to our province, we are reviewing the provincial legislation by drafting the Eastern Cape Traditional Leadership and Khoi-San Bill which will be finalized in the course of the 2021/22 financial year.

Madam Speaker, one of the acute manifestations of inequality is the continued proliferation of informal settlements, especially in the urban centers of our province making the realization of spatial justice a distant goal. The decline of the fiscus has challenged us to look at innovative solutions of providing housing, especially for low-income households.

Honourable Speaker, there is significant progress that is made on the eradication of informal settlements starting in Duncan Village and Greater Buffalo City Metro. Another development receiving urgent attention is the R22.6 billion Sinati Housing development located near Kwelera. This development is expected to yield 24 000 affordable units, and 3 600 social

units. The Provincial Government is working with the Buffalo City Metro and ISA to get the appropriate zoning rights and unlock the bulk infrastructure.

I am happy to announce that Baywest Housing project is at an advanced stage of unlocking the R18 billion development. This is delivery of an effective partnership of ISA, the Nelson Mandela Metro and a prominent black-owned developer which is projected to yield 20 400 affordable units and 5 040 social units. All the rights are in place for this development and Government is finalizing the bulk infrastructure funding which should be completed by August 2021.

Madam Speaker, with respect to the provision of integrated human settlements, we delivered 3 399 housing units and 3162 serviced sites, while 255 units were rectified. A further 247 housing units were delivered to military veterans. Having been affected by Covid-19 lockdown, as well as performance related challenges, we are collaborating with municipalities to deliver more housing units. With the support of the National Department of Human Settlements, we are busy with the repair of houses that were damaged in the recent disasters in our province.

Madam Speaker, building the Eastern Cape we want also entails ensuring that our Province is characterized by **social cohesion and safe communities**. One of the few good things about the experience of Covid-19 has been the improvement in the levels of security due to the lockdowns, which necessitated more visibility of law enforcement agencies. The restrictions on the sale of alcohol have seen a significant reduction in the crimes induced by the abuse of alcohol. Indeed, statistics indicate that an overall 13.3% decrease in the incidences of serious crime in the Eastern Cape in the past 12 months. Most noticeable decreases were in the following areas: illegal possession of firearms and ammunition by 19.1%,

drug-related offences by 25.0%, driving under the influence of alcohol or drugs by 58.0%, and sexual offences by 56.3%. However, non-residential burglaries increased by 5.2% while truck-hijacking depicted an increase of 46.8%.

Madam Speaker, in 2018, this House passed the Eastern Cape Liquor Authority Act, No. 4 of 2018. However, we have noted that due to budgetary constraints implementation of this important piece of legislation was not rolled-out as anticipated. Having considered this omission, the Department of Economic Development, Environmental Affairs and Tourism, and the Eastern Cape Liquor Board have worked out a plan of a phased approach to the implementation of this legislation. The MEC will provide more detail in this regard.

We have also been responding to the parallel pandemic of gender-based violence and femicide (GBV/F) in our society. Just as we are doing with Covid-19, we are determined to defeat this scourge too. Our interventions included the availability of psychosocial support and Everyday Heroes at our GBV centres in the province. Furthermore, we are working in collaboration with the national Department of Women, Youth and Persons with Disability, on the full implementation of all the pillars of the National Strategic Plan on GBV/F in the Province. The South African Police Service is in the process of establishing a manual and semi-automated DNA processing system in the Eastern Cape. This will help with the speedy resolution of sexual offences.

In fighting GBV in the province, we welcome the improvements in the turnaround time of the SAPS in investigating cases of GBV, as well as the determination of the NPA to ensure that people accused of GBV crimes are charged and kept behind bars. We appreciate the speed in which the

magistrates and our courts dealt with bail application of some of these accused. This shows that society is fighting GBV. Each Individual must play their part and report these crimes to SAPS. We have to do more in this regard.

We congratulate the Gen. Liziwe Ntshinga on the extension of her contract as the Eastern Cape Provincial Commissioner for the SAPS. I have no doubt that under her leadership the Province's men and women in blue will continue to do a sterling job.

Madam Speaker, Covid-19 has negatively affected sport, recreation, arts and culture. To mitigate this, we set aside a budget of R9 million to support 373 distressed artists. We also approved 46 projects for funding to the value of R2.1 million. In promoting our heritage, we will continue with our multilingual programme for the development of our languages, including the development of sign language.

Last year, we repatriated and reburied the mortal remains of struggle stalwart, Mr. Vuyisile Mini at his birthplace in Tsomo. We also launched the centenary of Raymond Mhlaba which will be officially closed on 26 February 2021.

More work needs to be done to improve the state our recreational facilities in the province using available resources such as MIG grants as seen with the construction of the state-of-the-art multipurpose centre in Ntabankulu. Completing the construction of the Mthatha stadium is both an economic and social imperative. In this regard we will continue to mobilise resources to support finalisation of the stadium.

Madam Speaker, we are saddened by the loss of the legendary boxing promoter, Mr Mzimasi Mnguni. Indeed, the Province has lost a partner in youth and community development.

Madam Speaker, as the Eastern Cape we also do have an interest in ensuring the birth of **a better Africa and a better world**. Our partnerships with Cordoba Province (Argentina), Lower Saxony, (Federal Republic of Germany) and Zhejiang Province (People's Republic of China) have continued to advance the priorities of the Eastern Cape in the international arena.

We welcome the commencement of the Africa Continental Free Trade Area agreement on 01 January 2021. We are also pleased to note that the first Secretary General of the AfCFTA, Mr Mamkele Mene, is a South African who originates from the Eastern Cape. Our province has already initiated consultations with the secretariat of the AfCFTA to ensure that the competitive advantages which our province has in the agricultural sector, automotive sector and the oceans economy are fully integrated into the African economy.

Madam Speaker, in order to achieve all the priorities stated above, we have to focus on **building a capable, ethical and developmental state** as an institutional foundation which is critical to the task of growing the Eastern Cape. We are seized with the task of improving the coordination of integrated planning, budgeting, implementation, monitoring and reporting. The District Development Model (one plan) is being implemented in our province to ensure vertical and horizontal coordination of spatially referenced planning. The Technical Hub has been established in OR Tambo comprising of Engineers, Infrastructure specialist, development planners and hub managers that will assist with the roll out to other districts. We

acknowledge the role played by the DDM champions deployed by national and provincial government to districts to coordinate development and service delivery.

To improve evidence-based planning and decision-making, we have established the Khawuleza PMO which is supporting PMUs at CoGTA and the Department of Public Works. In partnership with the Development Bank of Southern Africa, the CoGTA PMU is already working with district and metro municipalities to improve on spending of conditional grants and the completion of infrastructure projects.

Another challenge is the reorientation of the public service towards the imperatives of the developmental state which we are doing through the institutionalization of Compulsory induction programmes at all levels. We have also introduced the Senior Management Services pre-entry certificate. Based on the partnership we have with the 15 Sector Education and Training Authorities; we will work to syndicate resources in order to continue to improve critical skills for the prioritized sectors of the economy.

In strengthening the fight against corruption, we have consolidated the anti-corruption forum and council into one body that will be chaired by the Premier. Since the passing of the act prohibiting government officials from doing business with government our province has progressed from 1272 conflicted officials in 2018/2019 to 421 in 2020/2021. The majority of these remaining 421 officials are in health and education. We are expecting the relevant Accounting Officers to take action against the remaining officials that are still doing business with the state.

Honourable Speaker, in response to the allegations of corruption on PPE procurement, we acted swiftly on alleged cases that are within our scope and referred them to the Special Investigation Unit for investigation.

Madam Speaker and honorable members, on behalf of the Eastern Cape Provincial Government and the people of the Eastern Cape province, ndithanda ukudlulisa amazwi ovelwano kwi khaya lakwa Diko emveni kokushiywa kwalo ngunyana wabo, uNkosi Thandisizwe Diko. Sidlulisa amazwi ovelwano ingakumbi kwi nkosikazi yakhe, uMs Khusela Diko. Sithi bonke bathuthuzeleke.

Madam Speaker, as I conclude, I wish to thank members of the media for the role they played in helping our people to quickly understand that Covid-19 is a serious and deadly pandemic, and for affording us the opportunity to communicate with the people on Covid-19.

Despite its impact on our lives and livelihoods, Covid-19 has also taught us several lessons. These include the level of collaboration between the private and public sector institutions, where all health facilities even agreed to stop doing elective surgical procedures in order to make beds available for Covid-19 patients.

We are grateful and wish to express our gratitude to the social enablers, our media partners and civil society stakeholders. We want to thank our international partners, the governments of Germany, USA, China, Cuba and the Uk, for their support for Covid-19 resources and expertise. We express our gratitude and appreciation to the Solidarity Fund, which made a significant contribution in providing equipment, and ventilators for critically ill patients; Afrox who built bulk Oxygen and installed oxygen reticulation

at our rural hospitals; VWSA who established our fully equipped field hospital, the Isuzu who provided logistics and warehousing of PPE inventory, the WHO, PEPFAR and USAID who provided experts on data analysis, epidemiology and surveillance expertise; and the Presidency, National Department and Metro and Local Governments which provided direct support, resources, and technical knowledge to ensure that the province is able to respond, intervene and reduce new infections, provide hospital service and reduce Covid-19 related deaths.

It is also during this period that we saw the emergence of the Nelson Mandela University Medical School led by the late Prof. Lungile Pepeta to whom we pay homage for his contribution in the fight against Covid-19.

Covid-19 also compelled us to take a quantum leap from 'normal' to automated systems, learning between countries, centrality of the state, the realization that the dream of universal healthcare might be possible after all, the importance of our primary healthcare approach, as well as the importance of social compacting, and integration.

Before Covid-19 the issue of DDM was largely hypothetical at best. But Covid-19 has forced us to intensify the DDM in managing government programmes in an integrated way, and has helped us to give meaning to integration and coordination, especially with the establishment of coordination platforms. We definitely need to sustain this approach beyond Covid-19.

Honourable Speaker, difficult times call for maximum unity and common purpose to turn adversity into victory. The Eastern Cape has the potential to rise up again from the ashes of COVID-19 to be a leader in development.

Once again, we call upon the people of the Eastern Cape to continue adhering to the wearing of masks, physical distancing, the regular washing of hands, and avoiding large gatherings.

We have the potential to overcome the moral decay that continues to manifest itself as gender-based violence and femicide, crime, corruption and fraud. In partnership with traditional leaders, the Moral Regeneration Movement and civil society, we shall embark on a campaign to restore the family as the basic unit of society and to address root causes of social ills in our society. We are calling on our people to work the land, to ignite the spirit of self-reliance, foster sustainable livelihoods and to ensure food security.

We call upon all our people to pay for services rendered by municipalities. This will help to sustain the provision of essential services and to help the indigent population that depends on the state institutions for their survival.

We call on the business sector, labour, civil society and government to deepen our social contract and collaboration that will help us to grow and transform the Eastern Cape.

Our towns are filthy, which therefore calls upon all of us to step up measures to clean our towns and our neighbourhoods. Keeping our towns and communities clean is for our own well-being and this campaign will also help in building social cohesion, patriotism and sense of national duty.

I call upon public servants in all spheres of government to embrace a new culture characterised by service, timely execution and discipline of getting things done.

Honourable Speaker, people of the Eastern Cape, as Charlotte Maxeke put it: “this work is not for yourselves – kill that spirit of self, and do not live above your people but live with them. If you can rise, bring someone with you.”

I thank you.